

Upper Eskdale Development Group
(A Company Limited by Guarantee)
Report and Financial Statements
For the Year Ended
31 December 2017

Company Number: SC306741

Charity Number: SC043890

Upper Eskdale Development Group
Report and Financial Statements
For the Year Ended 31st December 2017

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Upper Eskdale Development Group

Reference and Administrative Information

Company registration: SC306741
Company Limited by Guarantee

Charity registration: SC043890
Scottish Charity

Registered office: Community Hub, The School
Eskdalemuir
Langholm
Dumfriesshire
DG13 0QJ

Trustees

The following serve as Trustees and company Directors:

George Birrell
Nina Finnigan (appointed 22/10/17)
Patience Long
Jennifer Mills
Kenneth Porter
Bernard Provost
Lindsay Reid (appointed 22/10/17)

Also served in the year:

Susan Campany (resigned 19/4/18)
John Miller (resigned 14/9/17)
David Moffat (resigned 19/3/18)

Upper Eskdale Development Group Report of the Trustees (Directors' Report) For the Year Ended 31 December 2017

The Trustees are pleased to present their report and the financial statements for the year ended 31st December 2017.

Structure, Governance and Management

Upper Eskdale Development Group (UEDG) is a company limited by guarantee and not having a share capital. The liability of the members is limited to £1 each. The company is governed by the terms of its Articles of Association and became a registered Scottish charity in March 2013.

Directors (who are also trustees of the charity) can be elected, appointed or co-opted. Up to 6 directors are elected from the members at the annual general meeting (AGM); one individual each can be appointed by Eskdalemuir Community Council and by Eskdalemuir Ex-services Memorial Public Hall Committee and a further 3 can be co-opted to ensure a spread of skills and experience within the Board. The office bearers are appointed at directors' meetings. In accordance with the company's Articles one third of the directors retire at each AGM and are eligible for re-appointment.

Other reference and administrative information, including the names of directors who served during the year, is shown on page 2.

Objectives, Activities and Achievements

The company's objects are to promote any charitable purpose for the benefit of the community in the Civil Parish of Eskdalemuir and in particular to:

- Promote sustainable development
- Provide recreational facilities and organise recreational activities
- Advance environmental protection or improvement through the maintenance, improvement or provision of public amenities and through the preservation of buildings and sites of historic, architectural or other importance to the community
- Advance education and promotion of opportunities to learn
- Relieve poverty through training or retraining, particularly amongst the unemployed
- Promote and protect the well-being and physical health of the community
- Assist in the provision of housing for people in necessitous circumstances

Since opening on 30th September 2014, the Community Hub has been the main centre for developing the activities of UEDG in all areas of its stated objects. During the year it has gone through various stages of development as a business and as a provider.

The Trustees continue to respond positively to the challenges of delivering a sustainable and transparent community resource which recognises and responds to local needs. The continued financial support of the Big Lottery Fund is vital in sustaining the Hub and the Trustees are grateful for their ongoing revenue support, with all capital funding now expended.

Arts and culture

The new facilities have created the opportunity for the promotion of arts and culture and a number of classes and workshops were held, some of these becoming regular fixtures. Art Exhibitions were a regular monthly feature.

Training

Training has focused on the immediate needs of the staff and Trustees, this being provided mainly through local organisations or government funded bodies.

Wellbeing and physical health

The facilities provided at the Hub have been used by a number of therapists throughout the year. The Café was open during the whole year serving both the local community and visitors to the area. A volunteer group ran the bar three days a week. Events were held for entertainment or celebration, some of them regularly and the footfall to the Hub continues to increase.

Upper Eskdale Development Group

Report of the Trustees (continued)

Objectives, Activities and Achievements (continued)

Playpark project

The Playpark was completed in Spring 2017. It is hoped that this facility will meet the needs of the children and young people in the area and also to increase the number of visitors to Eskdalemuir.

Bunkhouse project

Despite a favorable feasibility study for the provision of bunkhouse accommodation on the upper floor of the Community Hub, the project has encountered objections by SEPA and the local planning authority. These are being addressed and this project remains ongoing.

Café

The café continues to be viewed as a valuable asset to the community and the main potential source of income. In the latter part of this year changes to staffing and updating of kitchen equipment has been undertaken, with the aim of increasing productivity, improving the offering, and reducing staffing costs.

Windfarm project

Research into a community share of a local proposed windfarm development was completed at the end of the first quarter of 2017, along with investigation into the development of a Local Energy Supply company. Neither project was found to be financially viable at this time and no further work is scheduled.

The Trustees look forward to a successful 2018 with the Hub and UEDG attracting further support from both funders and the whole community

Financial review

The total income for the year was £158,255. A small surplus of £214 shown in the SOFA, which would have been higher due to expenditure associated with restricted funds received in the previous year and depreciation costs on the buildings and equipment. However, the general fund showed an increase in the year (see note 8).

The Trustees reserves policy is to maintain a sum equivalent to six months staff and core costs as a minimum to enable the organisation to continue operating during times of unforeseen financial demands or in the event of shortfalls in funding. An amount of £45,000 is therefore set as a target. Revenue grant funding and the general funds at the year end achieved this.

Small Companies Provisions

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies' regime.

Approved by the Board of Trustees on 2018 and signed on its behalf:

..... (signed)

..... (print name)

Trustee

Independent Examiner's Report To the Trustees of the Upper Eskdale Development Group

I report on the accounts of the charity for the year ended 31 December 2017 which are set out on pages 6 to 12.

Respective responsibilities of directors and examiner

The charity's Trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeks explanations from the Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
- to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Stanley Wynd ACIS FCIE
122 Giles Street
Edinburgh
EH6 6BZ

Date:

Upper Eskdale Development Group

Statement of Financial Activities (including Income & Expenditure Account)

For the Year Ended 31 December 2017

	Note	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Income from:					
<i>Donations and legacies:</i>					
Membership & donations		1,851	-	1,851	5,008
Grant income	1	-	78,113	78,113	106,079
<i>Charitable activities:</i>					
Sale of goods and services		76,205	-	76,205	71,964
<i>Investments:</i>					
Bank interest		22	-	22	37
<i>Other:</i>					
Electricity generation		2,064	-	2,064	1,975
Bank compensation payment		-	-	-	150
Total		<u>80,142</u>	<u>78,113</u>	<u>158,255</u>	<u>185,213</u>
Expenditure on:					
<i>Charitable activities</i>	2	59,077	98,964	158,041	218,170
Total		<u>59,077</u>	<u>98,964</u>	<u>158,041</u>	<u>218,170</u>
Net income / (expenditure) for year		21,065	(20,851)	214	(32,957)
Transfers		<u>23,479</u>	<u>(23,479)</u>	<u>-</u>	<u>-</u>
Net movement in funds		44,544	(44,330)	214	(32,957)
Funds brought forward		<u>76,374</u>	<u>872,318</u>	<u>948,692</u>	<u>981,649</u>
Funds carried forward	8	<u><u>120,918</u></u>	<u><u>827,988</u></u>	<u><u>948,906</u></u>	<u><u>948,692</u></u>

The notes on pages 8 to 12 form part of these financial statements.

Upper Eskdale Development Group

Balance Sheet at 31 December 2017

	Note	2017 £	2016 £
Fixed Assets			
Tangible assets	5	881,036	882,018
Current Assets			
Stock		558	850
Debtors	6	62	13,194
Cash at bank and in hand		71,800	55,787
		<u>72,420</u>	<u>69,831</u>
Liabilities:			
Creditors:			
<i>Amounts due within one year</i>	7	<u>4,550</u>	<u>3,157</u>
Net Current Assets		<u>67,870</u>	<u>66,674</u>
Net Assets		<u><u>948,906</u></u>	<u><u>948,692</u></u>
Funds			
Restricted funds	8	827,988	872,318
Unrestricted funds	8	<u>120,918</u>	<u>76,374</u>
Total Funds	9	<u><u>948,906</u></u>	<u><u>948,692</u></u>

For the year ending 31st December 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts
- these accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 6 to 12 were approved by the Board of Trustees on
and signed on its behalf by:

..... (signed)

..... (print name)

Trustee

Upper Eskdale Development Group

Notes to the Accounts

Accounting policies

Basis of accounting

The financial statements have been prepared under the historic cost convention and in accordance with '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)' - (referred to as 'the Charities SORP'), the 'Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015. The charity constitutes a public benefit entity as defined by FRS 102.

The charity has applied the alternative structure for smaller charities allowed by paragraph 4.22 of the Charities SORP and has not reported on an activity basis. Similarly, as a smaller charity, a cash flow statement has not been prepared.

Going concern

The financial statements have been prepared on a going concern basis. The trustees have assessed the charitable company's ability to continue as a going concern and have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

Incoming resources

Grants and donations are recognised in full in the Statement of Financial Activities in the period in which they are receivable, provided any conditions for use of the grant or donation have been fulfilled. Where a grant or donation is received for a specific purpose, it is included within restricted income and any unexpended portion carried forward as a restricted fund.

Expenditure

All expenditure is accounted for on an accruals basis.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated by the straight line method to write off the cost of fixed assets over their estimated useful lives at the following rate:

Land and buildings:	2% straight line basis
Property improvements:	2% straight line basis
Solar panels and playpark:	10% straight line basis
Office equipment:	20% straight line basis

Debtors

Debtors are recognised at the settlement amount due.

Creditors and provisions

Creditors and provisions are recognised, at settlement amount, where the charity has a present obligation resulting from a past event, which is likely to result in the transfer of funds to a third party, and the amount due can be measured or estimated reliably.

Fund Accounting

Unrestricted funds arise from donations without a specified purpose and other income generated and are available to be used for any of the objects of the charity at the discretion of the trustees.

Restricted funds are to be used for specific purposes as laid down by the donor or funder. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Pensions

The charity operates a defined contribution pension scheme. Contributions are charged to the income and expenditure account as they become payable in accordance with the rules of the scheme.

Upper Eskdale Development Group

Notes to the Accounts (continued)

1. Grant income	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Energy Saving Trust	-	34,415	34,415	1,167
Highlands and Islands Enterprise	-	568	568	-
Big Lottery	-	28,750	28,750	79,174
Awards For All	-	10,000	10,000	-
Dumfries & Galloway Council	-	1,310	1,310	248
Tesco	-	-	-	10,000
Eskdalemuir Community Council	-	3,070	3,070	1,490
Affordable Housing	-	-	-	14,000
Total	-	78,113	78,113	106,079

2. Expenditure	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Charitable activities:				
Staff costs	3 -	55,993	55,993	69,628
Staff training	275	260	535	4,191
Food, shop and bar purchases	36,068	-	36,068	40,711
Property costs	5,578	224	5,802	14,284
Office running costs	5,000	-	5,000	6,379
Publicity	-	509	509	2,597
Professional & consultancy fees	1,055	20,784	21,839	44,142
Insurance	2,300	-	2,300	2,431
Bank charges	152	-	152	62
Sundry expenses	130	-	130	-
Grants made	-	915	915	-
Grants repaid	-	-	-	7,768
Accounts and independent examination	1,000	-	1,000	1,250
Depreciation	7,519	20,279	27,798	24,727
Total	59,077	98,964	158,041	218,170

3. Staff costs	2017 £	2016 £
Wages & salaries	55,825	66,012
Social security costs	23	1,701
Pension costs	145	-
Redundancy costs	-	1,915
Total staff costs	55,993	69,628

The average number of employees in the year was 8 (2016 - 7).

There were no employees with emoluments above £60,000.

The key management personnel comprise of the trustees, who received no remuneration in the year.

Volunteers assisted staff with the everyday running of the Community Hub.

Upper Eskdale Development Group

Notes to the Accounts (continued)

4. Independent Examiner	2017	2016		
	£	£		
Remuneration of independent examiner	300	300		
Accountancy and other services	1,468	1,150		
5. Tangible Fixed Assets	Land & buildings	Property improvements	Fixtures & equipment	Total
Cost:	£	£	£	£
At 1 January 2017	44,697	855,321	49,347	949,365
Additions	-	-	26,816	26,816
At 31 December 2017	<u>44,697</u>	<u>855,321</u>	<u>76,163</u>	<u>976,181</u>
Depreciation:				
At 1 January 2017	1,863	35,638	29,846	67,347
Charge for period	894	17,106	9,798	27,798
At 31 December 2017	<u>2,757</u>	<u>52,744</u>	<u>39,644</u>	<u>95,145</u>
Net Book Value:				
At 31 December 2017	<u>41,940</u>	<u>802,577</u>	<u>36,519</u>	<u>881,036</u>
At 31 December 2016	<u>42,834</u>	<u>819,683</u>	<u>19,501</u>	<u>882,018</u>
6. Debtors	2017	2016		
	£	£		
Prepayments and accrued income	62	11,523		
Other debtors	-	1,671		
	<u>62</u>	<u>13,194</u>		
7. Creditors	2017	2016		
<i>Amounts falling due within one year:</i>	£	£		
Trade creditors	1,596	1,295		
Taxation and social security	849	862		
Accruals & other creditors	<u>2,105</u>	<u>1,000</u>		
	<u>4,550</u>	<u>3,157</u>		

Upper Eskdale Development Group

Notes to the Accounts (continued)

8. Movement on Funds

		At 01/12/17	Incoming Resources £	Outgoing Resources £	Transfers £	At 31/12/17
Restricted funds:						
Fixed assets	(a)	828,807	-	(20,279)	-	808,528
Development	(a)	45,327	28,750	(56,502)	-	17,575
Playpark	(b)	10,000	13,070	(484)	(22,586)	-
Community Broadband	(c)	220	568	-	(788)	-
Lunch Club	(d)	-	1,310	-	-	1,310
Windfarm project	(e)	(13,526)	34,415	(20,784)	(105)	-
Community workshops	(f)	1,490	-	(915)	-	575
Total restricted funds		872,318	78,113	(98,964)	(23,479)	827,988
Unrestricted funds:						
Fixed assets fund	(g)	53,211	-	(7,519)	26,816	72,508
General fund		23,163	80,142	(51,558)	(3,337)	48,410
Total unrestricted funds		76,374	80,142	(59,077)	23,479	120,918
Total funds		948,692	158,255	(158,041)	-	948,906

- (a) Fixed assets - Big Lottery funding received to build and develop a community hub and improve amenities with the aim of keeping residents and families in the Eskdale area. The balance includes the cost of the building project in tangible fixed assets (restricted funds).
- (b) Grants from Tesco's Bags for Life Scheme, Awards for All and the Eskdalemuir Community Council to fund the building of the playpark. The transfer represents the construction costs to the fixed assets fund.
- (c) Grants from Highlands and Islands Enterprise - Community Broadband Scotland for broadband infrastructure purchase and installation. The transfer represents the cost of equipment to the fixed assets fund.
- (d) Funding from the Dumfries & Galloway Council towards running a lunch club.
- (e) Grants from the Energy Saving Trust for the windfarm project. The transfer represents the write off of the residual amount.
- (f) A grant from the Eskdalemuir Community Council to fund the running of community workshops.
- (g) The fixed asset fund corresponds to the net book value of unrestricted tangible fixed assets. Depreciation is charged to the fund and the cost of unrestricted fixed assets purchased is transferred into the fund.

9. Analysis of Net Assets Between Funds

	Restricted Funds £	General Fund £	Total Funds £
Tangible fixed assets	808,528	72,508	881,036
Current assets	19,460	52,960	72,420
Liabilities	-	(4,550)	(4,550)
Net assets at 31 December 2017	827,988	120,918	948,906

Upper Eskdale Development Group

Notes to the Accounts (continued)

10. Trustee and connected party remuneration and expenses

Wages totalling £1,045 were paid to John Miller, son of trustee Jock Miller (2016: £4,303). This is provided for in the Articles of Association. No travel expenses were reimbursed to Board members in either year.

11. Grants made

A grant of £915 was made in the year to a local arts organisation to hold community workshops.

12. Statement of Financial Activities for the year to 31 December 2016

The following provides an analysis by class of the comparative figures in the SOFA as required by paragraph 4.2 of the Statement of Recommended Practice for Charities.

<i>Income from:</i>	Unrestricted Funds £	Restricted Funds £	Total 2016 £
<i>Donations and legacies:</i>			
Membership & donations	5,008	-	5,008
Grant income	-	106,079	106,079
<i>Charitable activities:</i>			
Sale of goods and services	71,964	-	71,964
<i>Investments:</i>			
Bank interest	37	-	37
<i>Other:</i>			
Electricity generation	1,975	-	1,975
Bank compensation payment	150		150
Total	79,134	106,079	185,213
Expenditure on:			
<i>Charitable activities</i>	71,131	147,039	218,170
Total	71,131	147,039	218,170
Net income / (expenditure) for year	8,003	(40,960)	(32,957)
Transfers	-	-	-
Net movement in funds	8,003	(40,960)	(32,957)
Funds brought forward	68,371	913,278	981,649
Funds carried forward	76,374	872,318	948,692