

Upper Eskdale Development Group
(A Company Limited by Guarantee)
Report and Financial Statements
For the Year Ended
31 December 2016

Company Number: SC306741

Charity Number: SC043890

Upper Eskdale Development Group
Report and Financial Statements
For the Year Ended 31st December 2016

| Contents | Pages |
|---|--------------|
| Reference and Administrative Information | 2 |
| Report of the Trustees | 3 – 4 |
| Independent Examiner's Report | 5 |
| Statement of Financial Activities (including Income & Expenditure Account) | 6 |
| Balance Sheet | 7 |
| Accounting Policies | 8 |
| Notes to the Financial Statements | 9 – 12 |

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 Andrew Birrell (appointed 9/11/16)
Patience Victoria Long
John Miller
Jennifer Mills
Bernard Provost
Susan Company (appointed 20/7/16)
David Moffat (appointed 20/7/16)
Kenneth Porter (appointed 20/7/16)

Also served in the year:

Ian Scott Mccarthy (resigned 31/3/16)
Rebecca Peloso (resigned 7/9/16)
Angelo Van Hoppe (resigned 21/6/16)

5

5

Upper Eskdale Development Group Report of the Trustees (Directors' Report) For the Year Ended 31 December 2016

The Trustees are pleased to present their report and the financial statements for the year ended 31st December 2016.

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 business which recognises and responds to local needs. With financial assistance from the Big Lottery Fund, an interim CEO was engaged for three months to assist Trustees in reviewing the current activities of the UEDG and recommended new ventures for raising revenue.

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.

Upper Eskdale Development Group

Report of the Trustees (continued)

Objectives, Activities and Achievements (continued)

Wellbeing and physical health

The facilities provided at the Hub have been used by a number of therapists throughout the year and a health check clinic was set up and used by local residents. 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.

Playpark Project

A feasibility study was carried out regarding provision of a Playpark in the area behind the Community Hub. Funding was awarded from Tesco's Bags for Life Scheme, and in 2017, the Big Lottery Awards for All and Eskdalemuir Community Council. It is intended to have the Playpark completed by Spring 2017. The aim is to meet the needs of the children and young people in the area but also to increase the number of visitors and encourage families to live in Eskdalemuir.

Bunkhouse Project

A feasibility study was initiated to investigate the provision of bunkhouse accommodation on the upper floor of the Community Hub. There is a lack of this type of accommodation in the area and it will be aimed towards walkers and cyclists. It will provide a new revenue stream for the UEDG. This project is ongoing.

Affordable housing

Following consultation with our funders it was agreed that the UEDG were not in a position to pursue this project to conclusion and the decision was taken to cease further investigation.

Windfarm project

Research into a community share of a local proposed windfarm development remains ongoing. Further funding was awarded to investigate the development of a Local Energy Supply company and this is also ongoing.

The Trustees look forward to a successful 2017 with the Hub and UEDG attracting further support from both funders and the whole community.

Financial review

The total income for the year was £183,238 A deficit of £32,957 shown in the SOFA is mainly due to expenditure associated with restricted funds received in the previous year and depreciation costs on the buildings and equipment. The general fund showed a small 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 25th Sept 2017 and signed on its behalf:



Susan Campany
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 2016 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

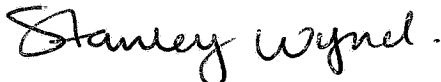
In the course of my examination, no matter has come to my attention

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: 28/9/17

Upper Eskdale Development Group

Statement of Financial Activities (including Income & Expenditure Account)

For the Year Ended 31 December 2016

| | Note | Unrestricted Funds £ | Restricted Funds £ | Total 2016 £ | Total 2015 £ |
|--|------|----------------------------|--------------------------|--------------------|--------------------|
| Income from: | | | | | |
| <i>Donations and legacies:</i> | | | | | |
| Membership & donations | | 5,008 | - | 5,008 | 2,735 |
| Grant income | 1 | - | 106,079 | 106,079 | 81,637 |
| <i>Charitable activities:</i> | | | | | |
| Sale of goods and services | | 71,964 | - | 71,964 | 46,859 |
| <i>Other trading activities:</i> | | | | | |
| Fundraising events | | - | - | - | 162 |
| <i>Investments:</i> | | | | | |
| Bank interest | | 37 | - | 37 | 466 |
| <i>Other:</i> | | | | | |
| Bank compensation payment | | 150 | - | 150 | 125 |
| Total | | <u>77,159</u> | <u>106,079</u> | <u>183,238</u> | <u>131,984</u> |
| Expenditure on: | | | | | |
| <i>Charitable activities</i> | 2 | 69,156 | 147,039 | 216,195 | 162,308 |
| Total | | <u>69,156</u> | <u>147,039</u> | <u>216,195</u> | <u>162,308</u> |
| Net income / (expenditure) for year | | 8,003 | (40,960) | (32,957) | (30,324) |
| Transfers | | - | - | - | - |
| Net movement in funds | | 8,003 | (40,960) | (32,957) | (30,324) |
| Funds brought forward | | <u>68,371</u> | <u>913,278</u> | <u>981,649</u> | <u>1,011,973</u> |
| Funds carried forward | 8 | <u>76,374</u> | <u>872,318</u> | <u>948,692</u> | <u>981,649</u> |

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

Upper Eskdale Development Group

Balance Sheet at 31 December 2016

| | Note | 2016 £ | 2015 £ |
|------------------------------------|------|----------------|----------------|
| Fixed Assets | | | |
| Tangible assets | 5 | 882,018 | 906,745 |
| Current Assets | | | |
| Stock | | 850 | - |
| Debtors | 6 | 13,194 | 6,184 |
| Cash at bank and in hand | | <u>55,787</u> | <u>97,936</u> |
| | | <u>69,831</u> | <u>104,120</u> |
| Liabilities: | | | |
| Creditors: | | | |
| <i>Amounts due within one year</i> | 7 | <u>3,157</u> | <u>29,216</u> |
| Net Current Assets | | <u>66,674</u> | <u>74,904</u> |
| Net Assets | | <u>948,692</u> | <u>981,649</u> |
| Funds | | | |
| Restricted funds | 8 | 872,318 | 913,278 |
| Unrestricted funds | 8 | <u>76,374</u> | <u>68,371</u> |
| Total Funds | 9 | <u>948,692</u> | <u>981,649</u> |

For the year ending 31st December 2016 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 25th Sept 2017
and signed on their behalf by:



Susan Campany
Trustee

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

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.

This is the first year in which the financial statements have been prepared under FRS 102 and the Charities SORP (FRS 102) and the directors have considered whether any restatement of comparative figures is required under those standards. In the event no restatement has been required.

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: | 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.

Upper Eskdale Development Group

Notes to the Accounts (continued)

| 1 Grant income | Unrestricted Funds | Restricted Funds | Total 2016 | Total 2015 |
|----------------------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| Energy Saving Trust | - | 1,167 | 1,167 | 5,534 |
| Highlands and Islands Enterprise | - | - | - | 4,160 |
| Big Lottery | - | 79,174 | 79,174 | 25,625 |
| Dumfries & Galloway Council | - | 248 | 248 | 2,362 |
| Tesco | - | 10,000 | 10,000 | - |
| Eskdalemuir Community Council | - | 1,490 | 1,490 | - |
| Affordable Housing | - | 14,000 | 14,000 | - |
| Scottish Government | - | - | - | 43,956 |
| Total | - | 106,079 | 106,079 | 81,637 |

| 2. Expenditure | Unrestricted Funds | Restricted Funds | Total 2016 | Total 2015 |
|--------------------------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| Charitable activities: | | | | |
| Staff costs | 3 - | 69,628 | 69,628 | 86,850 |
| Sub-contractors | - | - | - | 1,932 |
| Staff training | 240 | 3,951 | 4,191 | 188 |
| Food, shop and bar purchases | 40,711 | - | 40,711 | 24,502 |
| Community broadband | - | - | - | 565 |
| Property costs | 12,309 | - | 12,309 | 8,092 |
| Office running costs | 6,379 | - | 6,379 | 2,863 |
| Publicity | - | 2,597 | 2,597 | 778 |
| Events | - | - | - | 676 |
| Professional & consultancy fees | 1,285 | 42,857 | 44,142 | 5,416 |
| Insurance | 2,431 | - | 2,431 | 2,375 |
| Bank charges | 62 | - | 62 | 346 |
| Sundry expenses | - | - | - | 1,999 |
| Grants repaid | - | 7,768 | 7,768 | - |
| Accounts and independent examination | 1,250 | - | 1,250 | 1,000 |
| Depreciation | 4,489 | 20,238 | 24,727 | 24,726 |
| Total | 69,156 | 147,039 | 216,195 | 162,308 |

Upper Eskdale Development Group

Notes to the Accounts (continued)

| 3. Staff costs | 2016 | 2015 |
|--------------------------|---------------|---------------|
| | £ | £ |
| Wages & salaries | 66,012 | 82,670 |
| Social security costs | 1,701 | 4,180 |
| Redundancy costs | 1,915 | - |
| Total staff costs | 69,628 | 86,850 |

The average number of employees in the year was 7 (2015 - 6).
There were no employees with emoluments above £60,000.
Volunteers assisted staff with the everyday running of the Community Hub.

| 4. Independent Examiner | 2016 | 2015 |
|--------------------------------------|-------|------|
| | £ | £ |
| Remuneration of independent examiner | 300 | 300 |
| Accountancy and other services | 1,150 | 450 |

| 5. Tangible Fixed Assets | Land & buildings | Property improvements | Fixtures & equipment | Total |
|--------------------------|---------------------|--------------------------|-------------------------|----------------|
| <i>Cost:</i> | £ | £ | £ | £ |
| At 1 January 2016 | 44,697 | 855,321 | 49,347 | 949,365 |
| Additions | - | - | - | - |
| At 31 December 2016 | <u>44,697</u> | <u>855,321</u> | <u>49,347</u> | <u>949,365</u> |
| <i>Depreciation:</i> | | | | |
| At 1 January 2016 | 969 | 18,532 | 23,119 | 42,620 |
| Charge for period | 894 | 17,106 | 6,727 | 24,727 |
| At 31 December 2016 | <u>1,863</u> | <u>35,638</u> | <u>29,846</u> | <u>67,347</u> |
| <i>Net Book Value:</i> | | | | |
| At 31 December 2016 | <u>42,834</u> | <u>819,683</u> | <u>19,501</u> | <u>882,018</u> |
| At 31 December 2015 | <u>43,728</u> | <u>836,789</u> | <u>26,228</u> | <u>906,745</u> |

| 6. Debtors | 2016 | 2015 |
|---------------|---------------|--------------|
| | £ | £ |
| Other debtors | <u>13,194</u> | <u>6,184</u> |

| 7. Creditors | 2016 | 2015 |
|---|--------------|---------------|
| <i>Amounts falling due within one year:</i> | £ | £ |
| Trade creditors | 1,295 | 24,766 |
| Taxation and social security | 862 | 3,700 |
| Accruals & other creditors | 1,000 | 750 |
| | <u>3,157</u> | <u>29,216</u> |

Upper Eskdale Development Group

Notes to the Accounts (continued)

8. Movement on Funds

| | | At 01/12/16 | Incoming Resources £ | Outgoing Resources £ | Transfers £ | At 31/12/16 |
|---------------------------------|-----|----------------|----------------------------|----------------------------|----------------|----------------|
| Restricted funds: | | | | | | |
| BIG Lottery - fixed assets | (a) | 849,045 | - | (20,238) | - | 828,807 |
| BIG Lottery | (a) | 49,970 | 79,174 | (83,817) | - | 45,327 |
| Strengthening Communities | (b) | 14,043 | - | (14,043) | - | - |
| HIE - Community Broadband | (c) | 220 | - | - | - | 220 |
| Dumfries & Galloway Council | (d) | - | 248 | (248) | - | - |
| Affordable Housing | (e) | - | 14,000 | (14,000) | - | - |
| Energy Saving Trust | (f) | - | 1,167 | (14,693) | - | (13,526) |
| Tesco | (g) | - | 10,000 | - | - | 10,000 |
| Eskdalemuir Community Council | (h) | - | 1,490 | - | - | 1,490 |
| Total restricted funds | | 913,278 | 106,079 | (147,039) | - | 872,318 |
| Unrestricted funds: | | | | | | |
| Fixed assets fund | (i) | 57,700 | - | (4,489) | - | 53,211 |
| General fund | | 10,671 | 77,159 | (64,667) | - | 23,163 |
| Total unrestricted funds | | 68,371 | 77,159 | (69,156) | - | 76,374 |
| Total funds | | 981,649 | 183,238 | (216,195) | - | 948,692 |

- (a) 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) Strengthening Communities - a grant from the Scottish Government awarded to support the Strengthening Communities Programme action plan to become a more resilient and sustainable community anchor
- (c) A grant from Highlands and Islands Enterprise - Community Broadband Scotland for broadband infrastructure purchase and installation.
- (d) Funding from the Dumfries & Galloway Council towards employment costs.
- (e) Funding received from the Dumfries & Galloway Council for the Affordable Housing Survey.
- (f) Grants for the windfarm project. The deficit represents spending for which grant funding was received in 2017.
- (g) Funding from Tesco's Bags for Life Scheme towards the costs of building the playpark.
- (h) A grant from the Eskdalemuir Community Council to fund the running of community workshops.
- (i) 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 | 828,807 | 53,211 | 882,018 |
| Current assets | 43,511 | 26,320 | 69,831 |
| Liabilities | - | (3,157) | (3,157) |
| Net assets at 31 December 2016 | 872,318 | 76,374 | 948,692 |

Upper Eskdale Development Group

Notes to the Accounts (continued)

10. Trustee and connected party remuneration and expenses

Payments totalling £357 were paid to Bernard Provost, a trustee, for goods supplied to the charity (2015: £54). Additionally, £4,303 wages were paid to John Miller, son of trustee Jock Miller (2015: £492). These payments are provided for in the Articles of Association. No travel expenses were reimbursed to Board members in the year (2015 - £111 to two board members).

11. Statement of Financial Activities for the year to 31 December 2015

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.

| | Unrestricted Funds | Restricted Funds | Total 2015 |
|--|-----------------------|---------------------|------------------|
| | £ | £ | £ |
| <i>Income from:</i> | | | |
| <i>Donations and legacies:</i> | | | |
| Membership & donations | 2,735 | - | 2,735 |
| Grant income | - | 81,637 | 81,637 |
| <i>Charitable activities:</i> | | | |
| Sale of goods and services | 46,859 | - | 46,859 |
| <i>Other trading activities:</i> | | | |
| Fundraising events | 162 | - | 162 |
| <i>Investments:</i> | | | |
| Bank interest | 466 | - | 466 |
| <i>Other:</i> | | | |
| Bank compensation payment | 125 | - | 125 |
| Total | 50,347 | 81,637 | 131,984 |
| <i>Expenditure on:</i> | | | |
| <i>Charitable activities</i> | 57,028 | 105,280 | 162,308 |
| Total | 57,028 | 105,280 | 162,308 |
| Net income / (expenditure) for year | (6,681) | (23,643) | (30,324) |
| Transfers | 3,708 | (3,708) | - |
| Net movement in funds | (2,973) | (27,351) | (30,324) |
| Funds brought forward | 71,344 | 940,629 | 1,011,973 |
| Funds carried forward | 68,371 | 913,278 | 981,649 |