

Charity Number: SC015208
Company number: SC379557

Assynt Community Association
Trustees' Report and Financial Statements
Period Ended 30 June 2011

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Assynt Community Association

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Assynt Community Association

Report of the Trustees for the period ended 30 June 2011

The trustees are pleased to present their report together with the financial statements of the charity for the period ended 30 June 2011.

Legal and Administrative Information

Charity name	Assynt Community Association
Charity number	SC015208
Company number	SC379557
Registered Office & operational address	Hillcrest Badnaban Lochinver Sutherland IV27 4LR
Trustees¹	Mr A M Johnston Mr K R Glover Mrs M Scott
Secretary	None appointed
Auditors	Mackenzie Kerr Chartered accountants and statutory auditor Redwood 19 Culduthel Road Inverness IV2 4AA
Solicitors	Macleod and MacCallum Solicitors 28 Queensgate Inverness IV1 1YN
Bankers	Royal Bank of Scotland Lochinver Sutherland IV27 4LF

¹ All of the trustees were appointed on the incorporation of the company.

Assynt Community Association

Report of the Trustees for the period ended 30 June 2011

Structure, governance and management

Governing Document

Assynt Community Association is a company limited by guarantee and not having a share capital, governed by its Memorandum and Articles of Association incorporated on 2nd June 2010, and is registered as a charity with the Scottish Charity Regulator. In the event of the company being wound up, members are required to contribute a sum not exceeding £1.

The structure of the company consists of:-

- (a) the MEMBERS - who have the right to attend the annual general meeting (and any extraordinary general meeting) and have important powers under the articles of association and the Act; in particular, the members elect people to serve as trustees and take decisions in relation to changes to the articles themselves
- (b) the TRUSTEES (who are also the directors of Assynt Community Association for the purposes of company law) - who hold regular meetings during the period between annual general meetings, and generally control and supervise the activities of the company; in particular, the trustees are responsible for monitoring the financial position of the company.

Membership is open to any individual or organisation interested in promoting the Objects, who applies to the Charity in the form required by the trustees, is approved by the trustees and who signs the register of members or consents in writing to become a member either personally or (in the case of a member organisation) through an authorised representative.

Appointment of Trustees

There is no maximum number of trustees, but a minimum number of 3, all of whom must be members. Trustees may be appointed by ordinary resolution of the members or by a decision of the trustees. One third of the trustees must retire at the first trustees' meeting in each calendar year, the longest-serving first; a retiring trustee who remains qualified may be re-appointed, although no trustee may be re-appointed under this mechanism for more than 3 consecutive terms of office.

Objectives

The company's objects are the promotion of regeneration for the public benefit in and around Assynt particularly by:

- The advancement of education
- The advancement of citizenship or community development
- The advancement of the arts, heritage, culture or science
- The advancement of public participation in sport
- The provision of recreational facilities, or the organisation of recreational activities, with the objects of improving the conditions of life for the persons for whom the facilities or activities are primarily intended
- The advancement of environmental protection or improvement
- The relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage

Assynt Community Association

Report of the Trustees for the period ended 30 June 2011

Activities, achievements and performance

The Assynt Community Association was incorporated as a company limited by guarantee on 2 June 2010 and continued the charitable status of the former unincorporated body of the same name. The unincorporated charity was incorporated in order to proceed with the Mission project outlined below, safeguarding the charity's assets and facilitating the incorporation of a trading subsidiary.

We started the financial year in the knowledge that we were one of the eight finalists in the BIG Lottery Village SOS Programme and had been granted £430,000 to buy and convert the Mission Building and employ a "Village Champion". We also had sufficient funds in the ACA account to complete the purchase of the Culag Park from the Vestey Estate.

Negotiations were entered into with the RNMDSF to Purchase the Mission Building and with Highland Council to Lease the Land the Building was on, both sets of negotiations were successful, the Building is now owned by the ACA and we have a 50 year lease on the land.

Applications were made to HIE and LEADER for match funding to the reconstruction phase of the Mission and to CES for installation of a Pellet Boiler and Solar Panel, all three applications were successful which allowed us now to proceed with the conversion of the Mission Building, Rural Design being the Architects and O'Brien Construction being the builders.

Lochinver Mission Limited was set up and incorporated on the 4th August 2010, as a private company limited by shares, the one ordinary share being owned by the ACA. Lochinver Mission Limited is not a Charitable Company but any surplus profits will be donated to the ACA.

Completion of the purchase of Culag Park was achieved in September and has been registered with the Land Register of Scotland. The ACA insures the park but has insufficient funds at the moment to carry out any improvements.

Work on the conversion of the Mission Building began in December 2010 and was completed early June 2011, the Café opened for business on the 23rd June followed by the Bunk house and Digital Archive. The Marine Centre was not part of O'Brien's contract and will follow after completion of negotiations to fit within our resources.

The trustees would like to thank all members of the Steering Group for their hard work and the vast amount of voluntary hours spent on this project, also the Lochinver Mission Limited Management board for getting the Trading of the Mission off to a good start. The next task is to recruit new members onto both the ACA and the Mission Board to carry this Community Project forward.

Financial review

The accounts report a substantial surplus for the period, primarily arising from grants received for the purchase and development of the Lochinver Mission building and expended thereon. It is expected that this asset will now generate funds for the benefit of the community as a whole. The trustees also wish to accumulate reserves to cover the running costs of the Association, to enable improvements to Culag Park to be carried out over a period of time, and to pursue the objectives of the company as stated above.

Assynt Community Association

Report of the Trustees for the period ended 30 June 2011

Trustees' responsibilities in relation to the financial statements

The trustees are responsible for preparing the trustees' report 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 that give a true and fair view of the state of affairs of the charity at the end of the financial year and its surplus or deficit for the financial year. In doing so the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make sound 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 charity 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 company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

This report was approved by the Board and signed on its behalf by



A M Johnston
Chair

Date: 27 April 2012

Assynt Community Association

Report of the Independent Auditors to the Trustees and Members of Assynt Community Association

for the period ended 30 June 2011

We have audited the financial statements of Assynt Community Association for the period ended 30 June 2011 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the charitable company's members and trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page four, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Assynt Community Association

Report of the Independent Auditors to the Trustees and Members of Assynt Community Association

for the period ended 30 June 2011

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2011 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Trustees.



Mark Sanderson BSc (Hons) CA (Senior Statutory Auditor)

for and on behalf of MacKenzie Kerr

Statutory Auditors

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

Redwood

19 Culduthel Road

Inverness

IV2 4AA

27 April 2012

Assynt Community Association

Statement of financial activities (incorporating the income and expenditure account)

Period ended 30 June 2011

	Notes	Unrestricted Funds £	Restricted Funds £	Total £
Incoming resources				
<i>From generated funds</i>				
Voluntary income	2	137	708,157	708,294
Activities for generating funds	3	3,099	-	3,099
Investment income	4	1,423	-	1,423
<i>Other incoming resources</i>				
Other income	5	9,689	-	9,689
Total incoming resources		14,348	708,157	722,505
Resources expended				
<i>Costs of generating voluntary income</i>				
Charitable activities	6	3,245	67,361	70,606
Governance costs	7	2,700	-	2,700
Total resources expended		5,945	67,361	73,306
Net income/(expenditure) for the year		8,403	640,796	649,199
Total funds brought forward	13	-	-	-
Total funds carried forward	13	8,403	640,796	649,199

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The notes form part of these financial statements.

Assynt Community Association


Balance sheet


As at 30 June 2011

	Notes	£	£
Fixed Assets			
Tangible assets	9		575,948
Investments	10		1
			<u>575,949</u>
Current assets			
Debtors	11	125,706	
Cash at bank and in hand		102,020	
		<u>227,726</u>	
Creditors: falling due within one year	12	<u>154,476</u>	
Net Current Assets			73,250
Total Net Assets			<u><u>649,199</u></u>
Represented by:			
Restricted income funds	13		640,796
Unrestricted income funds	13		8,403
Total funds			<u><u>649,199</u></u>

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

Approved by the Board and signed on its behalf on 27 April 2012


A M Johnston
Chair


K R Glover
Trustee

Assynt Community Association

Notes to the financial statements

Period ended 30 June 2011

1 Accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice 'Accounting and Reporting by Charities' (revised March 2005) and the Companies Act 2006.

Consolidation

The financial statements do not include a consolidation of the charity and its subsidiary undertaking, Lochinver Mission Limited, as the trading results of the subsidiary are not material to the group, as are its individual assets and liabilities.

Donations

Donations received are recorded at the time the charity becomes entitled to the resource.

Membership fees

Membership fees received are recorded at the time of receipt.

Grants

Grants received are included in incoming resources when they are receivable, except when conditions attached to such grants have not yet been fulfilled, when the income is deferred. Grants of a capital nature are treated as a restricted fund and released to the unrestricted funds over the life of the asset.

Expenditure

Expenditure is included on the accruals basis, gross of irrecoverable VAT, and recognised when there is a legal or constructive obligation to pay.

Investments

Investments represent the cost of the share in the subsidiary company, Lochinver Mission Limited. As the latter transfers all profits on demand to Assynt Community Association it is felt that market value will not exceed cost.

Fund accounting

Restricted funds: funds held which are restricted for use for specific purposes.

Unrestricted funds: funds which the trustees are free to use, in accordance with the charitable objects.

Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land	-	Not depreciated
Leasehold property	-	Over the period of the lease (50 years) commencing in the year 30-Jun-12
Fixtures, fitting and equipment	-	Between 5 and 15 years straight line
Office equipment, fittings etc	-	Between 3 and 5 years straight line
Motor vehicles	-	Over 4 years straight line

Taxation

The Association is accepted as a charity for tax purposes and relief given under S.505 Income and Corporation Taxes Act 1988.

Assynt Community Association

Notes to the financial statements

Period ended 30 June 2011

2 Voluntary income

	Unrestricted Funds £	Restricted Funds £	Total £
Donations			
Subscriptions and donations	137	-	137
Grants etc			
HRC Grant	-	1,000	1,000
Mission feasibility and planning	-	30,000	30,000
Grant for bus purchase	-	9,400	9,400
Mission purchase and development (HIE)	-	96,497	96,497
Mission purchase and development (BIG)	-	440,256	440,256
Mission purchase and development (CES)	-	64,000	64,000
Mission purchase and development (Leader)	-	67,004	67,004
	<u>137</u>	<u>708,157</u>	<u>708,294</u>

3 Activities for generating funds

	Unrestricted Funds £	Restricted Funds £	Total £
Fundraising	3,099	-	3,099
	<u>3,099</u>	<u>-</u>	<u>3,099</u>

4 Investment income

	Unrestricted Funds £	Restricted Funds £	Total £
Bank interest receivable	63	-	63
Gift aid donation from subsidiary	1,360	-	1,360
	<u>1,423</u>	<u>-</u>	<u>1,423</u>

5 Other incoming resources

	Unrestricted Funds £	Restricted Funds £	Total £
Acquired from unincorporated charity	9,689	-	9,689
	<u>9,689</u>	<u>-</u>	<u>9,689</u>

Assynt Community Association

Notes to the financial statements

Period ended 30 June 2011

6 Resources expended on charitable activities

	Unrestricted Funds £	Restricted Funds £	Total £
Village Champion costs	-	26,500	26,500
Costs of feasibility and project planning	-	30,000	30,000
Grant to cover start up costs of Mission	-	8,500	8,500
Property maintenance and sundries	18	-	18
Fundraising incidentals	90	-	90
Depreciation	-	2,361	2,361
	<u>108</u>	<u>67,361</u>	<u>67,469</u>
Support costs			
General insurance	2,682	-	2,682
Office expenses	34	-	34
Sundry expenses	394	-	394
Depreciation	27	-	27
	<u>3,137</u>	<u>-</u>	<u>3,137</u>
Total	<u>3,245</u>	<u>67,361</u>	<u>70,606</u>

7 Governance costs

	Unrestricted Funds £	Restricted Funds £	Total £
Auditor's fees	2,700	-	2,700
	<u>2,700</u>	<u>-</u>	<u>2,700</u>

8 Trustees' remuneration and expenses

None of the trustees (or any persons connected with them) received any remuneration or expenses during the period.

Assynt Community Association

Notes to the financial statements

Period ended 30 June 2011

9 Tangible fixed assets

	Land £	Leasehold property £	Plant and equipment £	Motor vehicles £	Office equipment £	Total £
Cost						
Additions	5,871	429,275	134,237	8,000	953	578,336
At 30 June 2011	5,871	429,275	134,237	8,000	953	578,336
Depreciation						
Charge for year	-	-	361	2,000	27	2,388
At 30 June 2011	-	-	361	2,000	27	2,388
Net Book Value						
At 30 June 2011	5,871	429,275	133,876	6,000	926	575,948

10 Investments

Unlisted investments (unrestricted fund)

Historic cost and market value

Added in period	1
At 30 June 2011	1

The investment comprises a 100% shareholding in Lochinver Mission Limited, a trading subsidiary, incorporated in Scotland.

11 Debtors: falling due within one year

Sundry debtors and prepayments	121,540
Amounts owed by group undertakings	4,166
	125,706

Assynt Community Association

Notes to the financial statements

Period ended 30 June 2011

12 Creditors: falling due within one year

	£
Sundry creditors and accruals	154,476
	<u>154,476</u>

13 Reserves

	Income £	Expenditure £	At 30/06/11 £
Restricted funds			
Grants for purchase of former Seaman's Mission building, Lochinver	668,757	(35,000)	633,757
Mission feasibility and planning	30,000	(30,000)	-
Grant for bus purchase	9,400	(2,361)	7,039
	<u>708,157</u>	<u>(67,361)</u>	<u>640,796</u>
Unrestricted funds	14,348	(5,945)	8,403
	<u>722,505</u>	<u>(73,306)</u>	<u>649,199</u>

Represented by:

	Unrestricted Funds £	Restricted Funds £	Total £
Fixed assets	926	575,022	575,948
Investments	1	-	1
Net current assets	7,476	65,774	73,250
Total funds	<u>8,403</u>	<u>640,796</u>	<u>649,199</u>

Purpose of restricted funds

Building purchase	Grants given to assist with the purchase and conversion of the former Seaman's Mission building in Lochinver, Sutherland
Mission feasibility	Grants received to assist with the preliminary planning for the purchase of the Seaman's Mission building in Lochinver, Sutherland
Grant for bus purchase	Grant given to assist with the purchase of community mini-bus

14 Contingent liability and security given

There are contingent liabilities relating to grants received for the purchase of the building whereby, if the property is sold, a proportion of the grant may become repayable. It is not considered practicable to quantify any liability which might arise.

A legal charge over the leasehold property has been given and registered at Companies House in respect of the Big Lottery Fund grants.

Assynt Community Association

Notes to the financial statements

Period ended 30 June 2011

15 Related party transactions

Grant received to assist with pre-opening / initial expenses of the Mission building, passed to that company to finance pre-opening and start up costs	£8,500
Gift aid donation received from Lochinver Mission Limited	£1,360
Expenditure incurred on behalf of Lochinver Mission Limited to be repaid	£2,806
At the year end, the amount due from / (to) Lochinver Mission Limited was:	£4,166

16 Ultimate controlling party

The Assynt Community Association is a company limited by guarantee. The liability of members is limited and is not to exceed £1. The ultimate controlling party is therefore considered to be the board of trustees.