

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31st March 2020
for
Auchencairn Initiative

Rodney Palmer BA CA
Farries Kirk & McVean
Dumfries Enterprise Park
Heathhall
Dumfries
Dumfriesshire
DG1 3SJ

Auchencairn Initiative

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for the Year Ended 31st March 2020

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Auchencairn Initiative
Report of the Trustees
for the Year Ended 31st March 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2020. 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives

The company's principal objective is to promote and aid economic, physical, social and environmental regeneration of Auchencairn and the surrounding area for its inhabitants and visitors.

ACHIEVEMENT AND PERFORMANCE

Review of Developments, Activities and Achievements

The directors are pleased to state that the Initiative continues to progress in the furtherance of its Aims. They are always cognisant of their responsibility to maintain and develop where appropriate the existing assets of the village which have been built up and developed over the years since the formation of the Initiative in 2002. They are also happy to sustain a mutually supportive and constructive relationship with the Community Council to the benefit of both groups and the village.

The current assets are:

- Heughan House
- The Link Park with Community Garden and Allotments
- The Hugh Paton Path and Bird Hide
- The Boredom Buster Play Park

All require constant attention and maintenance but the primary focus of the Initiative's work through this reporting period has necessarily been on Heughan House. In the course of this year new tenants took the lease of the shop and post office and combined the shop and cafe involving internal redesign supported by the Initiative. The area was refurbished and re-equipped to create a new and vibrant retail and social/cafe space. A new tenant also moved into the residential flat and leases and rents were revised, updated and review schedules drawn up. External maintenance and painting of the building as well as internal redecoration was carried out. The Link Park continues to mature and provide an enviable safe outdoor recreational space for all members of our community thanks to the intensive efforts of volunteers. While The Play Park and Hugh Paton path have both been adopted by the Council only the Play Park receives maintenance, whilst the Hugh Paton Path is still maintained by volunteers.

FINANCIAL REVIEW

Reserves policy

Under the requirements of charity law the trustees are obliged to define the charity's policy for holding reserves. The intention in establishing this reserves policy is to ensure the continuation of the charity's activities. The policy will enable the charity to meet its legal objectives, provide confidence to supporters and donors seeking to give financial support to a prudently controlled charity and to ensure that the reserves are at a level sufficient to discharge all of the charity's financial obligations in the event that it should cease operations. A large proportion of the charity's reserves are held in a bank account and fixed assets. The reserves which the charity is required to maintain are those needed to fund ongoing monthly costs and emergency repairs. To this end the trustees have decided that the charity should seek to have unrestricted reserves which are not invested in fixed assets of a sum estimated at £8,000. At 31 March 2020 the free reserves, which amount to £9,041, meet the reserve policy.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC 265141 (Scotland)

Registered Charity number

SC 035413

Auchencairn Initiative
Report of the Trustees
for the Year Ended 31st March 2020

Registered office

Heughan House
Main Street
Auchencairn
Castle Douglas
DUMFRIESSHIRE
DG7 1QU

Trustees

Mrs D A Anderson
G Brockbank
S Ditchburn
K J Kerrison (resigned 10.4.20)
Mrs R McClure
Mrs M Tranmore (resigned 2.12.19)
Mrs A E Williams CBE
N G Wilson (resigned 2.12.19)
Mrs J Kerr (appointed 5.12.19)

Company Secretary

S Ditchburn

Independent Examiner

Rodney Palmer BA CA
Farries Kirk & McVean
Dumfries Enterprise Park
Heathhall
Dumfries
Dumfriesshire
DG1 3SJ

Approved by order of the board of trustees on 15th October 2020 and signed on its behalf by:



Mrs D A Anderson - Trustee

**Independent Examiner's Report to the Trustees of
Auchencairn Initiative**

I report on the accounts for the year ended 31st March 2020 set out on pages four to ten.

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. The charity's trustees 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 the independent examiner's report

My examination was 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 seeking explanations from you as 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 connection with 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 to 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.



Mr Rodney Palmer BA CA
Rodney Palmer BA CA
Farries Kirk & McVean
Dumfries Enterprise Park
Heathhall
Dumfries
Dumfriesshire
DG1 3SJ

15th October 2020

Auchencairn Initiative

Statement of Financial Activities
for the Year Ended 31st March 2020

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	500	12,000	12,500	-
Other trading activities	3	7,079	-	7,079	17
Investment income	4	5,452	-	5,452	4,613
Total		<u>13,031</u>	<u>12,000</u>	<u>25,031</u>	<u>4,630</u>
EXPENDITURE ON					
Raising funds		7,052	-	7,052	-
Charitable activities					
Charitable activity		45,597	1,000	46,597	29,792
Total		<u>52,649</u>	<u>1,000</u>	<u>53,649</u>	<u>29,792</u>
NET INCOME/(EXPENDITURE)		<u>(39,618)</u>	<u>11,000</u>	<u>(28,618)</u>	<u>(25,162)</u>
Transfers between funds	10	<u>1,000</u>	<u>(1,000)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(38,618)</u>	<u>10,000</u>	<u>(28,618)</u>	<u>(25,162)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		297,852	-	297,852	323,014
TOTAL FUNDS CARRIED FORWARD		<u><u>259,234</u></u>	<u><u>10,000</u></u>	<u><u>269,234</u></u>	<u><u>297,852</u></u>

The notes form part of these financial statements

Auchencairn Initiative

Balance Sheet
31st March 2020

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	8	250,841	-	250,841	275,377
CURRENT ASSETS					
Cash at bank		9,041	10,000	19,041	23,123
CREDITORS					
Amounts falling due within one year	9	(648)	-	(648)	(648)
NET CURRENT ASSETS		<u>8,393</u>	<u>10,000</u>	<u>18,393</u>	<u>22,475</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>259,234</u>	<u>10,000</u>	<u>269,234</u>	<u>297,852</u>
NET ASSETS		<u>259,234</u>	<u>10,000</u>	<u>269,234</u>	<u>297,852</u>
FUNDS	10				
Unrestricted funds				259,234	297,852
Restricted funds				10,000	-
TOTAL FUNDS				<u>269,234</u>	<u>297,852</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st March 2020.

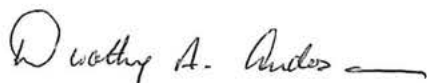
The members have not required the company to obtain an audit of its financial statements for the year ended 31st March 2020 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 15th October 2020 and were signed on its behalf by:



D A Anderson - Trustee

The notes form part of these financial statements

Auchencairn Initiative

Notes to the Financial Statements for the Year Ended 31st March 2020

1. 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 (FRS 102) (effective 1 January 2019)', 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.

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.

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

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

Property	-	5% on cost
Equipment	-	15% on reducing balance

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

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

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Financial instruments

Cash and bank

Cash and bank comprises cash on hand and call deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for the sale of services in the ordinary course of business.

Trade debtors are recognised initially at the transaction price and represent the full value of the services charged to customers, including any amounts charged on for third parties.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date they are presented as non current liabilities.

Auchencairn Initiative

Notes to the Financial Statements - continued
for the Year Ended 31st March 2020

2. DONATIONS AND LEGACIES

	2020	2019
	£	£
Donations	2,500	-
Grants	10,000	-
	12,500	-
	12,500	-

Grants received, included in the above, are as follows:

	2020	2019
	£	£
Scottish Government	10,000	-
	10,000	-
	10,000	-

3. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Other income	7,079	17
	7,079	17
	7,079	17

4. INVESTMENT INCOME

	2020	2019
	£	£
Rents received	5,452	4,613
	5,452	4,613
	5,452	4,613

5. NET INCOME/(EXPENDITURE)

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

	2020	2019
	£	£
Depreciation - owned assets	28,443	28,086
	28,443	28,086
	28,443	28,086

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2020 nor for the year ended 31st March 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st March 2020 nor for the year ended 31st March 2019.

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Other trading activities	17	-	17
Investment income	4,613	-	4,613
	4,630	-	4,630
Total	4,630	-	4,630
EXPENDITURE ON			
Charitable activities			
Charitable activity	29,792	-	29,792

Auchencairn Initiative

Notes to the Financial Statements - continued
for the Year Ended 31st March 2020

7.	COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued				
		Unrestricted fund £	Restricted funds £	Total funds £	
		_____	_____	_____	
	NET INCOME/(EXPENDITURE)	(25,162)	-	(25,162)	
	RECONCILIATION OF FUNDS				
	Total funds brought forward	323,014	-	323,014	
		_____	_____	_____	
	TOTAL FUNDS CARRIED FORWARD	<u>297,852</u>	<u>-</u>	<u>297,852</u>	
8.	TANGIBLE FIXED ASSETS				
		Land £	Property £	Equipment £	Totals £
	COST				
	At 1st April 2019	30,000	532,257	44,900	607,157
	Additions	-	-	3,932	3,932
	Disposals	-	-	(25)	(25)
		_____	_____	_____	_____
	At 31st March 2020	30,000	532,257	48,807	611,064
		_____	_____	_____	_____
	DEPRECIATION				
	At 1st April 2019	-	295,530	36,250	331,780
	Charge for year	-	26,556	1,887	28,443
		_____	_____	_____	_____
	At 31st March 2020	-	322,086	38,137	360,223
		_____	_____	_____	_____
	NET BOOK VALUE				
	At 31st March 2020	<u>30,000</u>	<u>210,171</u>	<u>10,670</u>	<u>250,841</u>
	At 31st March 2019	<u>30,000</u>	<u>236,727</u>	<u>8,650</u>	<u>275,377</u>
9.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				
			2020 £	2019 £	
	Accrued expenses		<u>648</u>	<u>648</u>	

Auchencairn Initiative

Notes to the Financial Statements - continued
for the Year Ended 31st March 2020

10. MOVEMENT IN FUNDS

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
Unrestricted funds				
General fund	297,852	(39,618)	1,000	259,234
Restricted funds				
Heughan House Extension Fund	-	10,000	-	10,000
Regeneration of Shop	-	1,000	(1,000)	-
	<u>-</u>	<u>11,000</u>	<u>(1,000)</u>	<u>10,000</u>
TOTAL FUNDS	<u>297,852</u>	<u>(28,618)</u>	<u>-</u>	<u>269,234</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	13,031	(52,649)	(39,618)
Restricted funds			
Heughan House Extension Fund	10,000	-	10,000
Regeneration of Shop	2,000	(1,000)	1,000
	<u>12,000</u>	<u>(1,000)</u>	<u>11,000</u>
TOTAL FUNDS	<u>25,031</u>	<u>(53,649)</u>	<u>(28,618)</u>

Comparatives for movement in funds

	At 1.4.18 £	Net movement in funds £	At 31.3.19 £
Unrestricted funds			
General fund	323,014	(25,162)	297,852
TOTAL FUNDS	<u>323,014</u>	<u>(25,162)</u>	<u>297,852</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	4,630	(29,792)	(25,162)
TOTAL FUNDS	<u>4,630</u>	<u>(29,792)</u>	<u>(25,162)</u>

Auchencairn Initiative

Notes to the Financial Statements - continued
for the Year Ended 31st March 2020

10. MOVEMENT IN FUNDS - continued

RESTRICTED FUNDS

Heughan House Extension Fund

This project has been established to carry out a feasibility study on the possibility of an extension to the Business Let area.

Regeneration of Shop

The Initiative received a donation of £2,000 towards the regeneration of the shop. Of these funds, £1,000 was spent towards the cost of a new till. The till has now been transferred to the assets held by the general fund. This is shown as a transfer between funds in the Statement of Financial Activities.

11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st March 2020.

Auchencairn Initiative

Detailed Statement of Financial Activities
for the Year Ended 31st March 2020

	2020 £	2019 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	2,500	-
Grants	10,000	-
	<u>12,500</u>	<u>-</u>
Other trading activities		
Other income	7,079	17
Investment income		
Rents received	5,452	4,613
	<u>25,031</u>	<u>4,630</u>
EXPENDITURE		
Other trading activities		
Purchases	7,052	-
Charitable activities		
Insurance	782	760
Light and heat	223	196
Postage and stationery	130	-
Sundries	709	102
Professional Fees	1,140	-
Repairs & Renewals	1,674	-
Property Maintenance	8,258	-
Advertising	265	-
Closure of Shop Lease and stock purchase	3,325	-
Depreciation of property	26,556	26,556
Depreciation of equipment	1,887	1,530
	<u>44,949</u>	<u>29,144</u>
Support costs		
Information technology		
Repairs and renewals	1,000	-
Governance costs		
Accountancy	648	648
	<u>53,649</u>	<u>29,792</u>
Total resources expended	53,649	29,792
Net expenditure	<u>(28,618)</u>	<u>(25,162)</u>

This page does not form part of the statutory financial statements