

Company Number SC 401019
Charity Number: SC043587

KYLE OF SUTHERLAND DEVELOPMENT TRUST
Company Limited by Guarantee

Trustees' Report and Financial Statements

For the Year Ended 30 June 2014

KYLE OF SUTHERLAND DEVELOPMENT TRUST

Trustees' Report and Financial Statements

For the Year Ended 30 June 2014

Contents	Page
Company Information	1
Directors'/Trustees, Chairman's and Development Manager's Reports	2 - 7
Independent Examiner's Report	8
Statement of Financial Activities	9
Balance Sheet	10
Notes to the Accounts	11 - 12

The following page does not form part of the Financial Statements –

Detailed Income and Expenditure Account

KYLE OF SUTHERLAND DEVELOPMENT TRUST

Company Information

For the Year Ended 30 June 2014

Registered Charity Number SC043587

Company Registration Number SC401019

Directors:

Peter Campbell
Marion Turner
James Murray (resigned 9 Dec 2013)
David Knight (resigned 21 Nov 2013)
Posy Macrae
Ruaridh Waugh
Hamish Campbell (resigned 5 Nov 2013)
Claire Bruce
Alexander D Mackay (appointed 9 Dec 2013)
Andrew J Wright (appointed 5 May 2014)

Company Secretary c/o Key Commercial Services

Registered Office:

The Trust Office
Dornoch Road
Bonar Bridge
Sutherland
IV24 3EB

Independent Examiner:

Ian M Mackay
Mackay & Co
Main Street
Golspie
Sutherland
KW10 6RH

KYLE OF SUTHERLAND DEVELOPMENT TRUST

Directors'/Trustees Report

For the Year Ended 30 June 2014

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their annual report with the financial statements of the charity for the year ended 30 June 2014.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Kyle of Sutherland Development Trust is a charitable company, limited by guarantee, which was incorporated on 6 June 2011. The Company was established by a Memorandum of Association which established the objects and powers of the company and is governed under its Articles of Association. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

The Partnership was recognised as a Scottish charity with effect from 23 November 2012.

Recruitment and appointment of new trustees

Appointment and removal is in accordance with the trust Deed which requires that appointment is approved by unanimous agreement of the existing trustees and removal of any by the unanimous agreement of the others.

Organisational Structure

The management structure comprises the Chairman, Mr Peter Campbell who oversees the day to day work of the Trust. The Trust meets monthly except in December.

Risk Management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Charitable Purpose

The purpose of the charity is to advance the citizenship or community development to include: rural and urban regeneration and the promotion of civic responsibility, volunteering, the voluntary sector or the effectiveness or efficiency of charities in the Kyle of Sutherland.

FINANCIAL REVIEW

At 30 June 2014 the unrestricted fund had a balance of £16082 and the restricted funds amounted to £25775.

The charity operates two main funds. General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

Investment Policy and objectives

The trustees are able to invest and deal with monies not immediately required as they consider appropriate.

RESERVES POLICY/

KYLE OF SUTHERLAND DEVELOPMENT TRUST

Directors'/Trustees Report continued

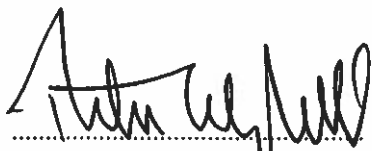
For the Year Ended 30 June 2014

RESERVES POLICY

The trustees have examined the requirements for free reserves which are those unrestricted funds not invested in fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the activity, this should be adequate working capital for three months. Unrestricted funds are maintained at or above this level throughout the year and are expected to be adequate to cover this in the year to come.

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

On behalf of the trustees



.....
Peter Campbell, Chairman

3 November 2014

KYLE OF SUTHERLAND DEVELOPMENT TRUST

Chairman's Report

For the Year Ended 30 June 2014

ACHIEVEMENT AND PERFORMANCE

The Trust is becoming recognised within the network of community development as an organisation which will have a significant impact on the economic and social wellbeing of the Kyle of Sutherland. Highlands and Islands Enterprise (HIE) has recognised our ambition and indeed our activities during the year by giving the Trust Community Account Management status. At a recent meeting with representatives of HIE one senior official said that the Trust was "an exemplar in its field".

The success this year has been due to the commitment from our Development Manager, Helen Houston. Helen has brought knowledge and vigour to the Trust and the Directors have been open to the new ideas and pathways which she has suggested.

Within the first few weeks of her appointment the community had to come to terms with the devastation brought about by the fire at Falls of Shin. The Trust has worked tirelessly on behalf of the community to ensure that all avenues are being explored to ensure that the Falls of Shin remains a destination for local people and for visitors. Marion Turner and I have been the lead directors for the Trust on the Shin Falls Working Group. Helen and later Helen, Catriona and Valerie have provided Marion and myself with ideas and plans to bring to the working group. There is still much work needed but it's hoped that a new vision for Shin Falls will come to fruition.

Having got over the shock of the fire at Shin Falls it then suddenly looked as though the Trust would be homeless as Key Commercial Services was to close. As the building housed staff from four different agencies, most of whom also lived in the area, the Directors agreed to take over the lease of the building, thereby securing the base for at least six workers.

As activity at the Trust increased during the first part of the year HIE very kindly offered to part fund a Scotgrad Associate and with further funding support from our two Community Council Beinn Tharsuinn funds Kirstin Pickett was recruited. Kirstin's role was to support ongoing work and to build her knowledge and skills to allow the Trust to offer a business administration services to small business, organisations and to local people. The Trust has secured several bookkeeping and payroll contracts.

Our major achievement this year is undoubtedly the purchase of the Post Office. We just have to look around and we can see that post offices are being subsumed into retail outlets thereby reducing the number of businesses on every high street. That the area has so few remaining outlets made it imperative to take action to secure the post office in its current location. I would like to take this opportunity to thank everyone in the community for their support. Without this support we would not have been able to secure funding from the Scottish Land Fund. That the Trust now owns the building does not mean that the community has won the battle to retain the post office as a standalone business – it may just be round one! Subsequent funding from the SSE Regional fund has meant that Catriona Hill our in-house architect has been able to crack on with the upgrading of the post office house. Catriona is currently considering the potential for houses to be built on the land behind the post office.

Being an area which derives much from the natural environment it seemed that a project to reduce carbon emissions would fit well with the overall aims of the Trust. The Trust secured funding from the Climate Challenge Fund to employ two full time and one part time member of staff to work with the community to reduce its energy use, reduce food waste and increase local food growing. Throughout the next two years I believe we will all be hearing a lot about this subject from the Greening Kyle Team: Valerie, Rhionna and Irene.

In her report Helen will give more detail of the work of the Trust.

The/

KYLE OF SUTHERLAND DEVELOPMENT TRUST

Chairman's Report continued

For the Year Ended 30 June 2014

The Trust could not have had any significant success without the support of funders both local and national. On behalf of the Board of Directors I would like to take this opportunity to thank:

Scottish Land Fund with special thanks of Liz Howard
Big Lottery Scotland with special thanks to David Knight and Susan Johnstone
SSE with special thanks to Fiona Morrison
Foundation Scotland and our thanks to Carol Elliot
Highland Council – Councillors through support from the Ward Budget

The local distributing panel at both Ardgay and Creich Community Councils and the local EON Achany Windfarm Panel members.

This year our membership has grown to 67, thank you all for giving us your support. During the year I think we have got better at engaging with members and I am sure that it will improve as the new team members get Helen using Mail Chimp, twitter and other such means of communication (that she has been trying to avoid learning about).

The Trust would not be flourishing without the support and work of my fellow Directors and to them I say the way ahead looks exciting and probably more demanding of our time but now we can truly see that we can make a difference.

My thanks for the dedication of the Directors and of the staff.



Pete Campbell
Chairman

KYLE OF SUTHERLAND DEVELOPMENT TRUST

Development Manager's Report

For the Year Ended 30 June 2014

It has been a very busy year for the Trust with many community activities and projects coming to fruition. In this report I will cover the main areas of activity during the year. The tables and charts later in the annual report gives a more pictorial view of our activities and financial success.

Falls of Shin Visitor Centre

The Trust has taken the lead for the community on the working group which was set up to enable all parties with an interest in the site to come together to discuss the way forward. Very early Balnagowan Estate was clear that they would not wish to rebuild on the site but would be keen to support a community led initiative. The Estate called a public meeting to lay before the community what they saw as possible options. Business and members of the community completed and returned questionnaires to Balnagowan the result of which showed a majority in favour of the community being involved in the development of a new Centre. By the end of June discussions were still ongoing and the Trust had produced a conceptualisation for the new Centre and the environs.

Trust Office

When Key Commercial Services made it known that the business was to close in four weeks' time the Trust had to make a very quick decision. If the office closed then five people would have to find new premises and that could have meant them moving out of the area. Having considered the financial implication of taking over the lease even with an initial loss being generated on the proposition the Trust decided to take on the lease and thus save the village from having another empty building.

Scot Grad Associate

Pete Guthrie of HIE in recognition of the activities which the trust was endeavouring to deliver offered to part fund a Scot Grad Associate. This position was advertised widely and the Trust was pleased to secure local graduate Kirstin Pickett. Kirstin has acted as my right-hand woman and managed most of the events for the 40th Bridge birthday celebrations. Having secured funding from Enterprise Ready Kirstin has been training to manage the Trusts accounts and it is hoped that she will develop the business services arm of the Trust's activities.

40th Bridge Celebrations

A successful application was made to Awards for All. The celebration commenced with a firework display to accompany the regular community Christmas celebrations. The Trust is indebted to the Christmas Lights group for allowing us to tag on to their event. The project provided individuals, adults and children, the opportunity to develop and learn new skills in photography, poetry, cake decorating and felt making. The Finale showcased the felt picture created by the felt making groups, photographic groups and children paintings. The five piece suite entitled "Bonar Bridge" written by John Brosovsky was performed by an orchestra and choral group comprising adults and children from across the north. The celebrations finished with a well attended family ceilidh.

Post Office

In an attempt to keep the post office in its present position and as a stand alone business the Trust made a successful application to the Scottish Land Fund. The purchase of the building meant that the Trust also now owned a house and a significant piece of land. The house had not been occupied for years and a successful application was made to the SSE Regional Fund to pay for a complete renovation of the property. In addition to the funding for the purchase the Trust received revenue funding for a project officer to take forward the renovation of the house and the development of the land behind the house. The Trust was fortunate to secure the services of local architect Catriona Hill. Catriona has been progressing both projects with great flair. With input from Highland Small Communities Housing Trust Catriona is moving along with a design scheme for a terrace of small houses on the land behind the Post Office.

Renewable Energy

The Trust submitted a Notice of Interest with the Forestry Commission for the right to explore the possibility of installing a micro hydro on two local burns. The result of the NOI is not yet known. Should one or both be successful then the Trust will be able to make a full application to the FC. The purpose of the project is to generate income for the longer term for the community and the Trust.

Tenants Group/

KYLE OF SUTHERLAND DEVELOPMENT TRUST

Development Manager's Report continued

For the Year Ended 30 June 2014

Tenants Group

Having made an approach to Highland Council a tenants groups has been established. Although it is a small group they have had the opportunity to input to regional tenants groups and to attend the annual conference for Highland Council tenants. They had a "walkabout" the area and mapped all the areas which needed attention by THC technical services. This mapping exercise was then submitted to Highland Council and whilst to date none of the issues raised have been addressed, there is hope that during the next twelve months the most pressing areas will be given attention.

Community Consultation & Development Plan

HIE commissioned consultants to carry out a consultation exercise of the community and businesses. Over 170 responses were collected and the report is still in preparation. When the documents are available they will be posted on the Trusts website.

Climate Challenge Fund – Greening Kyle

A successful bid was made to the fund and this has resulted in the appointment of two full time and one part time members of staff. The team have just got started and in the coming months they will be trained to City & Guilds level in home energy efficiency. The aim of the project is to reduce our CO2 emissions through energy efficient measures, food waste reduction and growing food locally.

Big Lunch

This was a national event to bring communities together, our event was held on Sunday 8th June. A free lunch was provided and available between 12noon and 2.00pm. The event was jointly marketed by KoSDT and Greening Kyle as the ingredients for the lunch were locally sourced. Ardgay Game and Ormiston & Watt provided meat at cost. Our trusty volunteers Doris Calder and Irene Chisholm provided the waitress service on the day – our thanks to them.

A Salmons Tale

In partnership with Kyle of Sutherland Fisheries Trust a series of day events have been held which have given participants a close up experience of the life cycle and conservation measures to retain salmon in our rivers. The number of participants has been small but those attending have all signed on for each successive event. The days would not have been such an occasion without the knowledgeable and fun delivery by Hugh Mackenzie very ably assisted by Audrey Campbell.

Local Community Groups

During the course of the year the Trust has supported many groups to access funds for their projects or to provide advice on matters such as governance and finance. £81,000 has been successfully raised on behalf of local groups.

Finally I would like to thank the community for their support throughout the year and to the KoSDT team who have worked tirelessly throughout the year.

Helen Houston
Development Manager

KYLE OF SUTHERLAND DEVELOPMENT TRUST

Independent Examiner's Report to the Trustees of Kyle of Sutherland Development Trust

I report on the accounts of the charity for the year ended 30 June 2014 which are set out on pages 9 to 12.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors of the company for the purposes of company law) 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 trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the 2006 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.

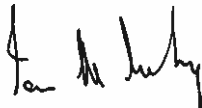
Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. 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.



Ian Mackay
Chartered Accountant (ICAS)
Main Street
Golspie
KW10 6RH

3 November 2014

KYLE OF SUTHERLAND DEVELOPMENT TRUST

STATEMENT OF FINANCIAL ACTIVITIES

Year Ended 30 June 2014

	Notes	Unrestricted £	Restricted £	2014 £	2013 £
INCOMING RESOURCES					
Voluntary income	2, 3	-	248718	248718	32245
Activities for generating funds	4	23613	-	23613	-
Other incoming resources		<u>2218</u>	<u>-</u>	<u>2218</u>	<u>-</u>
		<u>25831</u>	<u>248718</u>	<u>274549</u>	<u>32245</u>
RESOURCES EXPENDED					
Cost of generating voluntary income					
Charitable activities		30263	91734	121997	37180
Governance costs		<u>1088</u>	<u>-</u>	<u>1088</u>	<u>-</u>
		<u>31351</u>	<u>91734</u>	<u>123085</u>	<u>37180</u>
NET INCOMING RESOURCES		(5520)	156984	151464	(4935)
Release of Asset Fund	6	<u>4367</u>	<u>(4367)</u>	<u>-</u>	<u>-</u>
		(1153)	152617	151464	(4935)
BALANCE BROUGHT FORWARD AT 1 JULY 2013		<u>17235</u>	<u>-</u>	<u>17235</u>	<u>22170</u>
BALANCE CARRIED FORWARD AT 30 JUNE 2014		<u>16082</u>	<u>152617</u>	<u>168699</u>	<u>17235</u>

KYLE OF SUTHERLAND DEVELOPMENT TRUST

Balance Sheet as at 30 June 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Tangible assets	5	131981	-
CURRENT ASSETS			
Debtors		10609	-
Cash and bank		<u>27376</u>	<u>17235</u>
		37985	17235
CURRENT LIABILITIES			
Creditors: amounts due within one year		<u>1267</u>	<u>-</u>
Net Current Assets		<u>36718</u>	<u>17235</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>168699</u>	<u>17235</u>
RESERVES			
Unrestricted		16082	17235
Restricted		25775	-
Asset fund	6	<u>126842</u>	<u>-</u>
		<u>168699</u>	<u>17235</u>

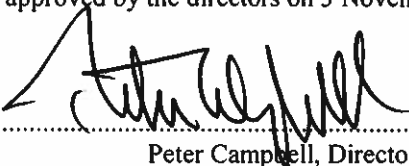
The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 relating to the audit of the accounts for the year by virtue of Section 477(2) and that no notice requiring an audit has been deposited pursuant to Section 476 of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 386 of the Act, and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its surplus or deficit for the financial year in accordance with the requirements of Section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions for small companies under part 15 Section 382 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities.

These financial statements were approved by the directors on 3 November 2014 are signed on their behalf by:


.....
Peter Campbell, Director

KYLE OF SUTHERLAND DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2014

1 ACCOUNTING POLICIES

BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements have been prepared under historical cost convention and in accordance with applicable United Kingdom accounting standards, the Statement of recommended Practice “Accounting and Reporting by Charities” issued March 2005 (SORP 2005) and Charities Act 2006, and in accordance with the Financial Reporting Standard for Smaller Entities (effective 2008).

REVENUE GRANTS

Revenue grants are accounted for when receivable except when donors specify they should be used in later accounting periods, then the income is deferred.

ASSET FUND

This fund is being released to the Statement of Financial Activities over the useful economic lives of the related assets.

DEPRECIATION

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

Property	2.5% straight line
Equipment	20% reducing balance
Plant	10% straight line

2 VOLUNTARY INCOME

	2014	2013
	£	£
Revenue Grants		
S S E Achany	20000	20100
Highland Council	8000	-
Investing in Ideas	8940	-
Awards for All	9700	-
B T Creich Community Council	5080	-
E-ON Rosehall	12000	-
Climate Challenge Fund	26729	-
Foundation Scotland	10012	-
S S E	5500	-
B T Ardgay Community Council	5180	-
HIE Scotgrad	2674	-
Other Income	2994	-
Leader	-	12145
Donations	700	-
	<u>-</u>	<u>-</u>
	<u>117509</u>	<u>32245</u>

3 CAPITAL GRANTS

	£	£
Scottish Land Fund	<u>131209</u>	<u>-</u>

KYLE OF SUTHERLAND DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2014 continued

4 ACTIVITIES FOR GENERATING FUNDS

	2014	2013
	£	£
Rental income	9053	-
Business services	<u>14560</u>	<u>-</u>
	<u>23613</u>	<u>-</u>

5 TANGIBLE FIXED ASSETS

	Property	Equipment	Plant	Total
	£	£	£	£
COST				
At 1 July 2013	-	-	-	-
Additions	<u>125000</u>	<u>8448</u>	<u>3609</u>	<u>137057</u>
At 30 June 2014	<u>125000</u>	<u>8448</u>	<u>3609</u>	<u>137057</u>
DEPRECIATION				
At 1 July 2013	-	-	-	-
Charge for year	<u>3125</u>	<u>1690</u>	<u>261</u>	<u>5076</u>
At 30 June 2014	<u>3125</u>	<u>1690</u>	<u>261</u>	<u>5076</u>
NBV at 30 June 2014	<u>121875</u>	<u>6758</u>	<u>3348</u>	<u>131981</u>
NBV at 30 June 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

6 ASSET FUND

	Property	Equipment	Total
	£	£	£
Balance brought forward	-	-	-
Grants received in year	<u>125000</u>	<u>6209</u>	<u>131209</u>
	125000	6209	131209
Released to Statement of Financial Activities	<u>3125</u>	<u>1242</u>	<u>4367</u>
	<u>121875</u>	<u>4967</u>	<u>126842</u>

7 CAPITAL COMMITMENTS

The charity was committed at the year end to purchasing a wood pellet boiler at a total cost of £6629, towards which a deposit of £3609 had been paid before the year end.

KYLE OF SUTHERLAND DEVELOPMENT TRUST

INCOME AND EXPENDITURE ACCOUNT

For the Year Ended 30 June 2014

	2014	2013
	£	£
INCOME		
Grants – per list	116809	32245
Donations	700	-
Rental income	9053	-
Business services	14560	-
Other income	<u>2218</u>	<u>-</u>
	143340	32245
EXPENDITURE		
Professional fees	43934	-
Salaries	21340	24095
Training	11193	-
Events	11372	13085
CGS Support grant	1497	-
Advertising	4633	-
Postage and stationery	3185	-
Rent, rates and insurance	5883	-
Repairs and maintenance	1083	-
Software and subscriptions	2376	-
Training, travel and accommodation	1505	-
Travel, meetings and hall hire	3042	-
Utilities and telephone	3392	-
Accounting	900	-
Bank charges	127	-
Miscellaneous	<u>2546</u>	<u>-</u>
	<u>118008</u>	<u>37180</u>
OPERATING SURPLUS/(DEFICIT) FOR YEAR	25332	(4935)
Depreciation	(5077)	-
Capital Grants received	<u>131209</u>	<u>-</u>
SURPLUS/(DEFICIT) FOR YEAR CARRIED FORWARD	<u>155464</u>	<u>(4935)</u>