

**Company registration number SC234796
Scottish Charity number SC033326**

**Dunlop & District Community Company
(Company limited by guarantee)**

**Trustees' report and financial statements
for the year ended 31 July 2016**

Dunlop & District Community Company
(Company limited by guarantee)
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Dunlop & District Community Company
(Company limited by guarantee)
Members of the Board and Professional Advisers

Legal and administrative information

Trustees

The trustees, who are directors of the company under company law and who held office at the date of this report, are as listed.

Peter Inglis (Convener)
Douglas Bell
David Kerr
Shiona Paterson
Andrew Pinkerton
Linda Pinkerton
Susan Scott

Company number

SC234796

Scottish charity number

SC033326

Registered office

48 Main Street
Dunlop
Kilmarnock
East Ayrshire
KA3 4AG

Independent examiner

Alistair Brown
Chartered Accountant
Moncrieff House
10 Moncrieff Street
Paisley
PA3 2BE

Bankers

Bank of Scotland
600 Gorgie Road
Edinburgh
EH11 3XP

Solicitors

Campbell Riddell Breeze Paterson
229 Fenwick Road
Giffnock
Glasgow
G46 6JQ

Dunlop & District Community Company
(Company limited by guarantee)
Trustees' Report
for the year ended 31 July 2016

The trustees present their annual report and the financial statements for the year ended 31 July 2016.

Objects of the company and principal activities

The company is limited by guarantee, has no share capital and has charitable status. In the event of liquidation, the liability of each member is limited to £1. The company is governed by its Memorandum and Articles of Association.

The objects of the company, which are set out in the Memorandum and Articles of Association dated 19 July 2002 (and amended by Special Resolution at the Annual General Meeting on 11 December 2004), are "To promote the benefit of the inhabitants of Dunlop and District by associating the local statutory authorities, voluntary organisations and inhabitants in a common effort to advance education and to provide (or assist in the provision of) facilities in the interests of social welfare and recreation and other leisure-time occupation so that their condition of life may be improved and to promote, protect, conserve and enhance the environment of Dunlop and District for the benefit of the inhabitants thereof." In particular, the company is empowered to enter into leasehold possession of Dunlop Village Hall and to manage it in pursuit of the above objects.

Organisation of our work, development, activities and achievements

Dunlop Village Hall is used by a broad range of community groups covering all ages of the local population, and on most weekdays there can be activities taking place from 6:00am right through to 11:00pm. It is estimated that on average, up to 400 different people will use the facilities of the Hall during a typical week.

As in previous years, PEACE childcare provides before and after school care and the breakfast club continues to be popular with its young patrons. Dunlop Players continue to make significant use of the Hall and their annual pantomime is always a hit, enjoyed by audience and cast alike. Pilates and early morning keep fit sessions have kept adults on their toes. Taekwondo is well attended by both boys and girls.

The art classes, together with a knitting and a sewing group provide outlets for those with artistic or handcraft interests. The Community Cinema continues to go from strength to strength screening both mainstream and more specialised films. Screenings are invariably well attended and enjoyed. The small band of enthusiastic volunteers who manage the Cinema deserves credit for this initiative which provides an enjoyable night out for members of the community as well as being a useful income stream for the company. Sunday afternoon shows for children are usually packed out.

The Art Exhibitions in the Conservatory Café which change every 6 weeks or so give an opportunity to local artists to display (and sell) their work, and the commission also helps the company.

A number of weddings, anniversaries, birthday parties and other social events have been held in the Hall in addition to dances, concerts and Christmas Fairs.

The Café continues to open on Thursdays and Fridays and on the first Saturday of the month. Our thanks are due to Lesley, our Café Manager, who has managed to ensure that it is adequately staffed.

The diversity of these events and activities ensures that the Hall continues to be a focal point of the community, catering for all interests and ages.

The Village Hall depends on the volunteers who work in the café, help run the Cinema, open and close the building for the various user groups, or contribute to the work of the various committees. Without them, the Village Hall could not function. The trustees would again like to put on record their appreciation of the work done by them. New volunteers are always needed and any help they could give would be much appreciated – even for a couple of hours at a time.

Dunlop & District Community Company

(Company limited by guarantee)

Trustees' Report

for the year ended 31 July 2016

Organisation of our work, development, activities and achievements (continued)

The trustees are alert to the need to ensure that the building is operated and maintained efficiently. As energy costs now represent around 50% of company expenditure, measures are being considered to improve the thermal performance of the building fabric and address the inefficiencies of an ageing heating installation. An application for funding was made to East Ayrshire Council's Renewable Energy Fund and while a grant of £200,000 was offered this could not be taken up due to it not being possible to secure adequate match funding within required timescales. As several potential funders stipulate ownership of the asset as a condition of their support, the trustees have opened negotiations with East Ayrshire Council with a view to transferring ownership of the building to the company.

The objective of the improvement project is to deliver long term reductions in operating costs and ensure long term sustainability of Dunlop Village Hall as a well-used local facility for community activities.

In addition to managing Dunlop Village Hall, the trustees have taken a lead role in supporting a number of local community groups who are pursuing a proposal to take over responsibility for the playing field in the centre of the village. The facility is in poor condition and can no longer be used for football, and subject to a lease being agreed with East Ayrshire Council, the objective is to develop it into a more useful outdoor recreation space. This project meets the objectives of the company in that it can help to promote, protect, conserve and enhance the environment of Dunlop and District for the benefit of and enjoyment of current and future inhabitants.

Committee structure

The committee structure remains unchanged and continues to serve the company well.

The Administrative Committee continues to take responsibility for all legal and other matters relating to the overall management of the company, and the co-ordination of Health and Safety requirements. It also deals with invoicing, banking and other financial aspects.

The Project Delivery and Funding Committee continues to manage the development of the facilities. It also undertakes regular reporting on monitoring and evaluation as required by various funding bodies.

The Hall Management Committee is responsible for the day to day operation of the Hall as a community facility, including diary management, booking arrangements, security, heating and cleaning etc.

The Events and Activities Committee is responsible for planning and organising courses, events and activities to encompass as broad a cross-section of the community as possible. The committee continues to introduce new activities and courses and organise exhibitions. It has also introduced new events and repeated the most popular ones. The Hall continues to be a popular venue for private parties / celebrations.

The Cafe Committee is responsible for operating the Conservatory Cafe on Thursdays and Fridays and on the first Saturday of each month. The company is grateful to the many volunteers whose commitment makes this possible. Cafe lunches have proved popular with all ages in the community and the cafe continues to be a popular meeting place.

Risk management

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

They have reviewed systems and identified steps to mitigate those risks. The major risks identified were the future levels of income, and unforeseen changes in the level of support for its activities. These risks are diminished by active management review.

Dunlop & District Community Company
(Company limited by guarantee)
Trustees' Report
for the year ended 31 July 2016

Financial position

The company's balance sheet on page 8 shows a satisfactory position with total funds amounting to £378,118 (2015 £392,366) of which £63,660 (2015 £50,102) is held as unrestricted funds for the purpose of meeting the day-to-day running expenses of the Hall. No expenditure was necessarily required or incurred during the year on improvement or development plans for the Hall. All expenditure incurred in previous years has been met wholly from funds raised to date and put aside for that purpose in restricted funds.

Reserves policy

The present reserves policy is to maintain sufficient unrestricted funds to meet the maintenance and running costs of the Hall for at least one year. These annual fixed costs are unlikely to exceed £25,000 and are well covered by the existing unrestricted funds which now stand at £63,660.

Trustees

Recruitment and appointment of new trustees

The trustees are also directors for the purpose of company law. Under the requirements of the Articles of Association all trustees who have been appointed since the date of the last annual general meeting shall retire from office. Out of the remaining trustees, one-third shall retire from office, of which one-third shall be trustees who were appointed from Group Nominees.

Any member of the company who wishes to be considered for appointment as a trustee at an annual general meeting shall lodge with the company within 7 days of the meeting a written nomination incorporating a notice of their willingness to be appointed. At an annual general meeting the company may by ordinary resolution appoint as a trustee any member in respect of whom a nomination has been received. The trustees may at any time appoint any member to be a trustee either to fill a vacancy or as an additional trustee.

Statement of Trustees' Responsibilities

Charity law requires the trustees to prepare financial statements for each financial year which show a true and fair view of the state of affairs of the charity and its financial activities for that period. In preparing those financial statements, the trustees are required to:

- * Select suitable accounting policies and then apply them consistently;
- * Observe the methods and principles in the Charities SORP;
- * Make judgements and estimates that are reasonable and prudent;
- * State whether applicable UK Accounting Standards and Statements of Recommended Practice have been followed, any departures disclosed and explained in the financial statements; and
- * Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention of fraud and other irregularities.

Dunlop & District Community Company
(Company limited by guarantee)
Trustees' Report
for the year ended 31 July 2016

Retiral and re-appointment of trustees

The maximum number of trustees at any one time is 9, of whom no more than 3 may be Group Nominees.

At each annual general meeting all trustees who have been appointed by the trustees since the last annual general meeting are required to retire from office, but are then eligible for re-election. Out of the remaining trustee, one-third are required to retire from office, of which retiring trustees one-third shall be trustees who were appointed from Group Nominees.

The trustees who served during the year, and who are directors for the purposes of company law, are as stated below:

Peter Inglis (co-opted 16 May 2012 and re-elected 16 January 2013)
Douglas Bell (co-opted 28 January 2015 and re-elected 20 January 2016)
David Kerr (co-opted 13 January 2013 and re-elected 16 January 2013)
Shiona Paterson (appointed 14 February 2014)
Andrew Pinkerton (co-opted 19 August 2015 and re-elected 20 January 2016)
Linda Pinkerton (appointed 14 February 2014)
Susan Scott (co-opted 29 October 2014 and re-elected 14 January 2015)

Small company provisions

This report has been 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 on 17 January 2017 and was signed on its behalf by

Peter Inglis
Convener
Trustee

Dunlop & District Community Company
(Company limited by guarantee)
Independent Examiner's Report
for the year ended 31 July 2016

Independent Examiner's Report to the Trustees of Dunlop & District Community Company

I report on the accounts of the charity for the year ended 31 July 2016 which are set out on pages 7 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
- 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.

Alistair Brown
Chartered Accountant
Moncrieff House
10 Moncrieff Street
Paisley
PA3 2BE

17 January 2017

Dunlop & District Community Company
(Company limited by guarantee)
Statement of Financial Activities
for the year ended 31 July 2016

	Notes	Unrestricted funds £	Restricted funds £	2016 Total £	2015 Total £
Income from:					
Donations and legacies					
Public sector organisations			-		
Private sector trusts and companies		-	-		950
Individuals		880	-	880	870
		<u>880</u>	<u>-</u>	<u>880</u>	<u>1,820</u>
Investments					
Bank interest received		86	-	86	240
Charitable activities					
Hall rental income		18,415	-	18,415	18,737
Local fundraising events		1,439	-	1,439	2,453
Café net income	2	7,064	-	7,064	7,586
Bar net income		2,047	-	2,047	921
Cinema net income		2,626	-	2,626	2,476
		<u>32,557</u>	<u>-</u>	<u>32,557</u>	<u>34,233</u>
Total income					
Expenditure on:					
Charitable activities					
Heat , light and power		9,392	-	9,392	9,971
Water			-		1,143
Insurance		1,557	-	1,557	727
Cleaning		4,295	-	4,295	5,423
Repairs and upkeep		2,790	-	2,790	1,706
Telephone		340	-	340	370
Donations made		100	-	100	100
Depreciation		-	27,806	27,806	26,770
Management and administration		525	-	525	608
		<u>18,999</u>	<u>27,806</u>	<u>46,805</u>	<u>46,818</u>
Total expenditure					
Net income/(expenditure)					
Transfers between funds		-	-	-	-
		<u>13,558</u>	<u>(27,806)</u>	<u>(14,248)</u>	<u>(12,585)</u>
Net movement in funds					
Reconciliation of funds					
Total funds at beginning of the year		<u>50,102</u>	<u>342,264</u>	<u>392,366</u>	<u>404,951</u>
Total funds at end of the year		<u>63,660</u>	<u>314,458</u>	<u>378,118</u>	<u>392,366</u>

The notes on pages 9 to 12 form part of these financial statements

(Company limited by guarantee)

Balance Sheet

as at 31 July 2016

	Notes	Unrestricted funds £	Restricted funds £	2016 Total £	2015 Total £
Fixed assets					
Tangible assets	3	-	314,458	314,458	342,264
Current assets					
Debtors	4	1,800	-	1,800	1,926
Cash in bank and on hand		62,958	-	62,958	50,112
		<u>64,758</u>	<u>-</u>	<u>64,758</u>	<u>52,038</u>
Creditors: amounts falling due within one year					
Accounts payable		-	-		(801)
Accruals and deferred income		(1,098)	-	(1,098)	(1,135)
		<u>(1,098)</u>	<u>-</u>	<u>(1,098)</u>	<u>(1,936)</u>
Net current assets		<u>63,660</u>	<u>-</u>	<u>63,660</u>	<u>50,102</u>
Net assets		<u>63,660</u>	<u>314,458</u>	<u>378,118</u>	<u>392,366</u>
Funds of the charity					
Unrestricted funds		63,660		63,660	50,102
Restricted funds			314,458	314,458	342,264
Total funds of the charity		<u>63,660</u>	<u>314,458</u>	<u>378,118</u>	<u>392,366</u>

These accounts have been prepared in accordance with the special provisions of the Companies Act 2006 applicable to small charitable companies and the Financial Reporting Standard for Smaller Entities (effective 1 January 2015).

For the financial year ended 31 July 2016 the charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006; and no notice has been deposited under section 476 requesting an audit.

The trustees acknowledge their responsibilities for ensuring that the charitable company keeps accounting records which comply with section 386 of the Act and for 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 requirement of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The financial statements were approved by the Board of Trustees on 17 January 2017 and signed on its behalf by

Peter Inglis
Trustee

Linda Pinkerton
Trustee

The notes on pages 9 to 12 form part of these financial statements

Dunlop & District Community Company
(Company limited by guarantee)
Notes to the financial statements
for the year ended 31 July 2016

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention, and in accordance with the Charities Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard for Smaller Entities (effective 1 January 2015) (FRSSE SORP), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006.

1.2 Income

Donations and legacies are recognised where there is entitlement, where receipt is probable and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies that the grant or donation must only be used in future accounting periods, or when the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity.

Income from charitable activities includes income earned both from the supply of goods or services under contractual arrangements and from performance-related grants which have conditions that specify the provision of particular goods or services to be provided by the charity. Income from charitable activities is recognised as earned (i.e. as the related goods or services are provided).

1.3 Expenditure

Expenditure is recognised on an accruals basis when a liability is incurred, inclusive of value added tax which cannot be recovered.

Expenditure on charitable activities includes all costs incurred by the charity in undertaking activities that furthers its charitable aims for the benefit of its beneficiaries.

1.4 Fixed assets and depreciation

All fixed assets are recorded at cost and are treated as having been met from restricted funds..

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over its anticipated useful life as follows:.

Leasehold property	over the remaining term of the 25 year lease
Fittings	over 5 years

1.5 Taxation

The company is a registered Scottish Charity and is exempt from UK corporation tax on its charitable activities or chargeable gains.

The company is not required to register for value added tax. Consequently it is therefore not able to recover any value added tax incurred on its expenditure and therefore resources expended include this irrecoverable value added tax.

1.6 Fund accounting

Funds held by the company are either:

Unrestricted funds

These are funds which can be used in accordance with charitable objects at the discretion of the trustees.
or

Restricted funds

These are funds that 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.

Dunlop & District Community Company
(Company limited by guarantee)
Notes to the financial statements
for the year ended 31 July 2016

1 Accounting policies (continued)

1.7 Transfers between funds

Transfers are made from unrestricted funds to restricted funds where the restricted funds available are insufficient to meet capital or other expenditure incurred during each year.

2 Café net income

	2016	2015
	£	£
Total income	15,281	15,720
Cost of sales and other operating costs	<u>8,217</u>	<u>8,134</u>
Net income generated	<u><u>7,064</u></u>	<u><u>7,586</u></u>

3 Fixed assets

	Leasehold property	Fittings	Total
	£	£	£
Cost			
At beginning of the year	494,671	63,425	558,096
Expenditure during year			
At end of the year	<u>494,671</u>	<u>63,425</u>	<u>558,096</u>
Depreciation			
At beginning of the year	174,586	41,246	215,832
Written off during year	<u>21,407</u>	<u>6,399</u>	<u>27,806</u>
At end of the year	<u>195,993</u>	<u>47,645</u>	<u>243,638</u>
Net book value			
At end of the year	<u>298,678</u>	<u>15,780</u>	<u>314,458</u>
At beginning of the year	<u>320,085</u>	<u>22,179</u>	<u>342,264</u>

On 28 April 2006, the company took possession of Dunlop Village Hall under the terms of a lease for a period of 25 years.

4 Debtors: Amounts falling due within one year

	2016	2015
	£	£
Rents receivable	1,800	1,926
Grants receivable	-	-
	<u>1,800</u>	<u>1,926</u>

5 Trustees' remuneration, other benefits and expenses

No director received remuneration, payments for services or any expenses during the year or the previous year.

6 Grant from The National Lottery Charities Fund

The company was awarded a grant of £151,500 from the Big Lottery Fund on 26 October 2005 to provide funding for the extension and refurbishment of the Village Hall over the next 2 years. The offer was subject to the condition that the company would meet certain monitoring and reporting requirements regarding the outcomes, targets and milestones for the project.

As part of its commitment the company granted a standard security over its lease of the Village Hall, Dunlop.

Dunlop & District Community Company
(Company limited by guarantee)
Notes to the financial statements
for the year ended 31 July 2016

7 Company limited by guarantee

The company is limited by guarantee, has no share capital and has charitable status. In the event of liquidation, the liability of each member is limited to £1. The company is governed by its Memorandum and Articles of Association.

8 Capital commitments

	2016	2015
	£	£

Details of capital commitments at the accounting date are as follows:

Authorised future expenditure

	-	-
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9 Grants received to date towards the funding for the extension and refurbishment of the Village Hall

The trustees are pleased to acknowledge the assistance given by the following:

Public Sector organisations:

	£
The National Lottery - Big Lottery Fund	151,500
Scottish Rural Partnership Ltd - Local Capital Grants Scheme	100,000
Community Environmental Renewal Scheme (CERS)	60,000
EAC TRE5 Residential Developer Contribution	40,000
EAC Matched Funding	32,000
EB Scotland Ltd - Landfill Tax Credit Scheme	20,000
The National Lottery - Awards for All	10,000
EAC Developers Contribution Fund	12,000
EAC Leader Grant	19,989
EAC Leader Grant and Awards for All for cinema	17,199
	462,688
 Private sector trusts, companies and individuals	 69,900
 Total grants received to date	 532,588

All of the above grants were classified as restricted funds.

Dunlop & District Community Company
(Company limited by guarantee)
Notes to the financial statements
for the year ended 31 July 2016

10 Prior year analysis of income and expenditure

In accordance with the Charities Statement of Recommended Practice, comparatives for each class of funds are required for each line on the Statement of Financial Activities (SOFA). The note below illustrates the SOFA for the year ended 31 July 2015.

Statement of Financial Activities for the year ended 31 July 2015	Unrestricted funds £	Restricted funds £	Total £
Income from:			
Donations and legacies			
Public sector organisations	-	-	-
Private sector trusts and companies	950	-	950
Individuals	870	-	870
	<u>1,820</u>	<u>-</u>	<u>1,820</u>
Investments			
Bank interest received	240	-	240
Charitable activities			
Hall rental income	18,737	-	18,737
Local fundraising events	2,453	-	2,453
Café net income	7,586	-	7,586
Bar net income	921	-	921
Cinema net income	2,476	-	2,476
Total income	<u>34,233</u>	<u>-</u>	<u>34,233</u>
Expenditure on:			
Charitable activities			
Heat , light and power	9,971	-	9,971
Water	1,143	-	1,143
Insurance	727	-	727
Cleaning	5,423	-	5,423
Repairs and upkeep	1,706	-	1,706
Telephone	370	-	370
Donations made	100	-	100
Depreciation	-	26,770	26,770
Management and administration	608	-	608
Total expenditure	<u>20,048</u>	<u>26,770</u>	<u>46,818</u>
Net income/(expenditure)	<u>14,185</u>	<u>(26,770)</u>	<u>(12,585)</u>
Transfers between funds	(19,293)	19,293	-
Net movement in funds	<u>(5,108)</u>	<u>(7,477)</u>	<u>(12,585)</u>
Reconciliation of funds			
Total funds at beginning of the year	55,210	349,741	404,951
Total funds at end of the year	<u>50,102</u>	<u>342,264</u>	<u>392,366</u>