

**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 2017**

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.

Andrew Pinkerton (Convener)
Douglas Bell
Peter Inglis
David Kerr
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 2017

The trustees present their annual report and the financial statements for the year ended 31 July 2017.

Objects of the company and principal activities

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 pursuit of the above objects, the company retains leasehold possession of Dunlop Village Hall and has entered into a Lease and Management Agreement with East Ayrshire Council in respect of Dunlop Playing Field and Pavilion.

Organisation of our work, development, activities and achievements

This review looks at what the company achieved and the outcomes of its work in the previous 12 months.

The main objective for the year continues to be the management, operation and maintenance of Dunlop Village Hall as an asset for the benefit of the local community. In addition to ensuring that the building is available for a broad range of users, the company is also responsible for running the weekly community café, the regular community cinema, and the programme of art exhibitions in the conservatory.

Throughout the year, Dunlop Village Hall caters for a variety of activities that cover all ages and interests of the local population and the following is a brief resume to highlight the diversity of use.

Significant users include PEACE childcare, who provide before and after school care during term times, and Dunlop Players, who cater for local amateur dramatists. The Players use the main hall and stage frequently for rehearsals leading up to their annual pantomime and the performance of short plays. Organisations such as the Women's Institute, the Masons, a Youth Club, and the Community Council use the rooms for regular monthly meetings, and throughout most weeks, from early morning till 10pm, an array of classes and groups are happening in various parts of the building. These embrace personal fitness training, yoga, knitting, tae kwon-do, sewing, various forms of art (3 separate classes), Pilates, dancing, mini tennis and crafty cooks.

As well as regular users, Dunlop Village Hall is utilised by many community groups and individuals for one-off events. In the past year these have included parties for Dunlop Primary School, the Christmas Fair, Senior citizens lunch, School PTA fund raising events, Lugton Burns Supper and Barn Birdies Dinner, SWI Whist Drive, Ayrshire Hospice Craft Fair, birthday parties, anniversaries, weddings and other social events.

The Company also benefits from the use of the facilities for local and national elections, referenda and politician's surgeries.

The diversity of these events and activities ensures that the Hall continues to be a focal point of community life and a hub catering for all interests and ages. The success of Dunlop Village Hall was highlighted in January 2017 when celebrations were held to mark the fact that 10 years had elapsed since the major refurbishment was completed and the conservatory was added. Maintaining the success and achieving future development depends, however, on volunteers being available to act as trustees, 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, Dunlop Village Hall could not function, and the Trustees would again like to put on record their appreciation of the work done by the many people who give their time and expertise in support of the company.

In addition to managing Dunlop Village Hall, the trustees, acting on behalf of the community, successfully concluded negotiations with East Ayrshire Council to take over responsibility for the playing field and associated pavilion in the centre of the village. The objective is to ensure that these assets can be retained as useful outdoor recreation facilities and improved as appropriate to meet the community's needs. 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.

Dunlop & District Community Company

(Company limited by guarantee)

Trustees' Report

for the year ended 31 July 2017

Financial review

The company's balance sheet on page 7 shows a satisfactory position with total funds amounting to £359,723 (2016 £378,118) of which £73,071 (2016 £63,660) is held as unrestricted funds for the purpose of meeting the day-to-day running expenses of the Hall.

No capital expenditure was 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.

Principal Funding Sources

The principal funding source for the company is the revenue generated from the hire of accommodation within Dunlop Village Hall. Funding is also generated by way of surpluses from the operation of the community café, the running of the community cinema and the provision of bar services for events. Fund raising events and donations provide additional income.

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 £73,071.

Structure, Governance and Management

Governing Document

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.

Recruitment and Appointment of Trustees

The trustees of the charity are also directors for the purposes of company law. All trustees give their time voluntarily and received no benefits from the charity.

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 trustees, one-third are required to retire from office, of which retiring trustees one-third shall be trustees who were appointed from Group Nominees.

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.

Organisational Structure

The trustees are responsible for the strategic direction and policy of the company. They act as a management board and take collective responsibility for all legal and financial matters; co-ordination of Health and Safety requirements; the development of the facilities; and the day-to-day operation of the Hall as a community facility, including diary management, booking arrangements, security, heating and cleaning etc.

The Cafe Committee is responsible for operating the Conservatory Cafe on Thursdays and Fridays and on the first Saturday of each month and the Cinema Committee is responsible for managing a programme of film events from September to March. Each of these committees is chaired by a trustee who reports to monthly trustees' meetings.

Dunlop & District Community Company
(Company limited by guarantee)
Trustees' Report
for the year ended 31 July 2017

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, subject 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.

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

Andrew Pinkerton (co-opted 19 August 2015 and re-elected 20 January 2016)
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 and retired 18 January 2017)
Linda Pinkerton (appointed 14 February 2014 and retired 18 January 2017)
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 14 January 2018 and was signed on its behalf by



Andrew Pinkerton
Convener
Trustee
14 January 2018

Dunlop & District Community Company
(Company limited by guarantee)
Independent Examiner's Report
for the year ended 31 July 2017

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

I report on the financial statements of the charity for the year ended 31 July 2017 which are set out on pages 6 to 11.

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 financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 financial statements as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, 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 financial statements.

Independent examiner's statement

In the course of my examination of the financial statements for the year ended 31 July 2017 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 financial statements 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 financial statements to be reached.



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

14 January 2018

Dunlop & District Community Company
(Company limited by guarantee)
Statement of Financial Activities
for the year ended 31 July 2017

	Notes	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
Income and endowments from:					
Donations and legacies					
Public sector organisations		-	-	-	-
Private sector trusts and companies		-	-	-	-
Individuals		979	-	979	880
		<u>979</u>	<u>-</u>	<u>979</u>	<u>880</u>
Investments					
Bank interest received		30	-	30	86
Charitable activities					
Hall rental income		18,220	-	18,220	18,415
Café net income	2	4,992	-	4,992	7,064
Bar net income		1,306	-	1,306	2,047
Cinema net income		1,284	-	1,284	2,626
Local fundraising events		2,667	-	2,667	1,439
		<u>29,478</u>	<u>-</u>	<u>29,478</u>	<u>32,557</u>
Total income					
Expenditure on:					
Charitable activities					
Heat , light and power		8,992	-	8,992	9,392
Insurance		1,254	-	1,254	1,557
Cleaning		3,848	-	3,848	4,295
Repairs and upkeep		4,234	-	4,234	2,790
Telephone		418	-	418	340
Donations made		100	-	100	100
Depreciation		-	27,806	27,806	27,806
Support costs		1,221	-	1,221	525
		<u>20,067</u>	<u>27,806</u>	<u>47,873</u>	<u>46,805</u>
Total expenditure					
Net income/(expenditure)					
		9,411	(27,806)	(18,395)	(14,248)
Transfers between funds		-	-	-	-
Net movement in funds					
		<u>9,411</u>	<u>(27,806)</u>	<u>(18,395)</u>	<u>(14,248)</u>
Reconciliation of funds					
Total funds at beginning of the year		<u>63,660</u>	<u>314,458</u>	<u>378,118</u>	<u>392,366</u>
Total funds at end of the year		<u>73,071</u>	<u>286,652</u>	<u>359,723</u>	<u>378,118</u>

All income and expenditure is derived from continuing activities.

The notes on pages 8 to 11 form part of these financial statements

Dunlop & District Community Company
(Company limited by guarantee)
Balance Sheet
as at 31 July 2017

Company registration number SC234796

	Notes	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
Fixed assets					
Tangible assets	3	-	286,652	286,652	314,458
Current assets					
Debtors	4	1,237	-	1,237	1,800
Cash in bank and on hand		73,290	-	73,290	62,958
		<u>74,527</u>	<u>-</u>	<u>74,527</u>	<u>64,758</u>
Creditors: amounts falling due within one year					
Accounts payable		(321)	-	(321)	-
Accruals and deferred income		(1,135)	-	(1,135)	(1,098)
		<u>(1,456)</u>	<u>-</u>	<u>(1,456)</u>	<u>(1,098)</u>
Net current assets		<u>73,071</u>	<u>-</u>	<u>73,071</u>	<u>63,660</u>
Net assets		<u>73,071</u>	<u>286,652</u>	<u>359,723</u>	<u>378,118</u>
Funds of the charity					
Unrestricted funds		73,071	-	73,071	63,660
Restricted funds		-	286,652	286,652	314,458
Total funds of the charity		<u>73,071</u>	<u>286,652</u>	<u>359,723</u>	<u>378,118</u>

For the financial year ended 31 July 2017 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:

- (a) ensuring that the charitable company keeps accounting records that comply with 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 net income or expenditure 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 are prepared in accordance with the special provisions of Part 15 the Companies Act 2006 relating to small charitable companies.

The financial statements were approved and authorised for issue on 14 January 2018 and are signed by:



Andrew Pinkerton
Trustee



Peter Inglis
Trustee

The notes on pages 8 to 11 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 2017

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with Financial Reporting Standard 102 (effective January 2015), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

The charity constitutes a public benefit entity as defined by FRS 102.

1.2 The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

1.3 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 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.

Income from government and other grants, whether capital or revenue in nature, are recognised when the charity has unconditional entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably. Unconditional entitlement will be achieved once any performance or other conditions attached to the grants have been met, or fulfilment of those conditions is wholly within the control of the charity.

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).

1.4 Expenditure

Expenditure is recognised on an accruals basis when a liability or constructive obligation 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.

Support costs

Support costs are incurred supporting the charity's activities and include expenditure associated with administrative and finance functions, business support, human resources, IT and governance. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include those related to constitutional and statutory requirements, external scrutiny, strategic management, and other legal and professional fees.

Dunlop & District Community Company
(Company limited by guarantee)
Notes to the financial statements
for the year ended 31 July 2017

1 Accounting policies (continued)

1.5 Tangible fixed assets and depreciation

All fixed assets are recorded at cost and are treated as having been met from restricted funds.. The cost of minor additions are not capitalised but are simply charged as expenditure.

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 term of the 25 year lease
Fittings and equipment	over 5 years

1.6 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.

1.7 Fund accounting

Funds are classified as either unrestricted or restricted funds, defined as follows:

Unrestricted funds are expendable at the discretion of the trustees in furtherance of the objects of the charity.

Restricted funds are funds subject to specific requirements as to their use which may be declared by the donor or with their authority or created through legal processes, but still within the wider objects of the charity.

1.8 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 where further funding is not available to meet the shortfall..

2 Café net income

	2017	2016
	£	£
Total income	13,215	15,281
Cost of sales and other operating costs	8,223	8,217
Net income generated	<u>4,992</u>	<u>7,064</u>

3 Fixed assets

	Leasehold property	Fittings and equipment	Total
	£	£	£
Cost			
At beginning of the year	494,671	63,425	558,096
Expenditure during the year	-	-	-
At end of the year	<u>494,671</u>	<u>63,425</u>	<u>558,096</u>
Depreciation			
At beginning of the year	195,993	47,645	243,638
Written off during the year	21,407	6,399	27,806
At end of the year	<u>217,400</u>	<u>54,044</u>	<u>271,444</u>
Net book value			
At end of the year	<u>277,271</u>	<u>9,381</u>	<u>286,652</u>
At beginning of the year	<u>298,678</u>	<u>15,780</u>	<u>314,458</u>

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

Dunlop & District Community Company
(Company limited by guarantee)
Notes to the financial statements
for the year ended 31 July 2017

4 Debtors: Amounts falling due within one year	2017	2016
	£	£
Rents receivable	1,237	1,800
Grants receivable	-	-
	<u>1,237</u>	<u>1,800</u>

5 Trustees' remuneration, other benefits and expenses

No trustee nor any persons connected to them received any 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.

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

Details of capital commitments are as follows:

Authorised future expenditure

2017	2016
£	£
-	-
<u>-</u>	<u>-</u>

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
	<u>462,688</u>
Private sector trusts, companies and individuals	69,900
Total grants received to date	<u>532,588</u>

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 2017

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 2016.

Statement of Financial Activities for the year ended 31 July 2016	Unrestricted funds £	Restricted funds £	Total £
Income from:			
Donations and legacies			
Public sector organisations	-	-	-
Private sector trusts and companies	-	-	-
Individuals	880	-	880
	<u>880</u>	<u>-</u>	<u>880</u>
Investments			
Bank interest received	86	-	86
Charitable activities			
Hall rental income	18,415	-	18,415
Café net income	7,064	-	7,064
Bar net income	2,047	-	2,047
Cinema net income	2,626	-	2,626
Local fundraising events	1,439	-	1,439
Total income	<u>32,557</u>	<u>-</u>	<u>32,557</u>
Expenditure on:			
Charitable activities			
Heat, light and power	9,392	-	9,392
Insurance	1,557	-	1,557
Cleaning	4,295	-	4,295
Repairs and upkeep	2,790	-	2,790
Telephone	340	-	340
Donations made	100	-	100
Depreciation	-	27,806	27,806
Support costs	525	-	525
Total expenditure	<u>18,999</u>	<u>27,806</u>	<u>46,805</u>
Net income/(expenditure)	<u>13,558</u>	<u>(27,806)</u>	<u>(14,248)</u>
Transfers between funds	-	-	-
Net movement in funds	<u>13,558</u>	<u>(27,806)</u>	<u>(14,248)</u>
Reconciliation of funds			
Total funds at beginning of the year	50,102	342,264	392,366
Total funds at end of the year	<u>63,660</u>	<u>314,458</u>	<u>378,118</u>

11 Transition to FRS 102 SORP 2015

The charity has implemented Financial Reporting Standard 102 and the related Statement of Recommended Practice: Accounting and Reporting by Charities, in preparing their financial statements in accordance with Financial Reporting Standard 102 (effective January 2015) for the first time in the year to 31 July 2017. There has been no change to the previously reported net income or expenditure or closing reserves as a result.