

REGISTERED COMPANY NUMBER: SC282766
REGISTERED CHARITY NUMBER: SC036441

Report of the Trustees and
Unaudited Financial Statements For The Year Ended 31 December 2011
for
Isle of Luing Community Trust

Jean Ainsley. CA
Ainsley Smith & Co
Chartered Accountants
21 Argyll Square
Oban
Argyll
PA34 4AT

Isle of Luing Community Trust

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for the Year Ended 31 December 2011**

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Isle of Luing Community Trust

Report of the Trustees **for the Year Ended 31 December 2011**

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 31 December 2011. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC282766

Registered Charity number

SC036441

Registered office

Luing Stores
Cullipool
Isle of Luing
By Oban
Argyll
PA34 4TX

Trustees

A Fleming
P Hooper
J Robertson
N Bissel
N Dyckhoff

Company Secretary

P Hooper

Independent Examiner

Jean Ainsley. CA
Ainsley Smith & Co
Chartered Accountants
21 Argyll Square
Oban
Argyll
PA34 4AT

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.

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.

Isle of Luing Community Trust
Report of the Trustees
for the Year Ended 31 December 2011

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Annual report 2011-12

Introduction: Each Annual Report now covers the foregoing financial year together with any developments in the current year prior to the writing of the report for the upcoming AGM, so there is an overlap with the previous Annual Report. This report therefore begins with the granting of planning permission for the Atlantic Islands Centre (AIC) project in early 2011, which was seen as the climax of the previous Annual Report.

Land purchase: We still await final clarification of two minor issues from the Keeper of the Records.

Publications: The re-printed walk leaflets have been selling steadily through the shop. A simple map of Luing, locating the interpretive panels and other points of interest was created in response to a request from the ferry crew for a hand-out in response to queries from visitors; the initial supply lasted over the past winter and a second print run is in hand.

Atlantic Islands Centre Project: The planning applications were approved at a Discretionary Hearing of the Planning Committee in Cullipool Hall on 31 January 2011. Since then, with buildings costs rising, and grant funding becoming ever more difficult, it was decided to reduce the size of the building, which necessitated compromises in the allocation of space for different uses; all spaces in the building will now have to be regarded as multi-purpose to a greater or lesser extent.

The grant offer from the European Regional Development Fund to cover 40% of building work and fixtures, although ring-fenced until we get matching funding, is time-limited by the current round of European funding schemes. With the reduction in scale of the building, the ERDF sum has reduced to about £301,000.

In Summer 2011 it became clear that the wide range of private funders were only prepared to look at our project if it already had substantial support from the large public funders. A meeting of the latter funders and other agencies was arranged by our MSP, Michael Russell, in Dunoon in October. A further meeting was held in the Scottish Parliament building in November, which resulted in a fresh round of Stage 1 applications being prepared - each funder requires a pre-application submission, then a Stage 1 application may be invited, and if that succeeds an invitation to submit the final Stage 2 application is made, requiring very substantial supporting documentation.

In November 2011 we were prompted to make a late bid to the Scottish Government's Climate Challenge Fund. We received great support from Community Links Scotland, with funding from West Highland Housing Association who are supportive of our project. Once again, applications greatly exceeded funds available and our bid was unsuccessful, but we have been invited to bid again - an invitation we have placed on hold until the outcomes of the other bids are known.

At the end of the financial year, therefore, the Trust had reached the 'starting gate' for a fresh funding round, and a considerable amount of work by the directors has taken place since the New Year.

In February 2012, we were invited to a meeting at Big Lottery offices in Glasgow at which the requirements for Stage 1 were finalised, and soon afterwards we heard that this had been successful. But we were given only 3 weeks to submit Stage 2 - most projects take up to 6 months for this stage! Stage 2 was submitted in mid-March, and this would not have been possible without extensive support from a consultant/adviser funded by Big Lottery. She has continued to provide an amazing level of support on a personal basis after the submission to help us respond to the detailed queries raised by BL assessors in the weeks that followed, and to complete the Heritage Lottery and ERDF applications. BL will be the major funder for the project at about 55%.

The application to Heritage Lottery Fund is for £100,000 to cover the purely heritage aspects of the project.

The ERDF grant had to be taken through its official stages using an on-line system called Eurosyst - not the easiest software to use. This grant originated as part of Argyll & Bute Council's Community Planning Partnership submission, which included several other projects in Argyll and Bute, with this project being one of the largest in the package. However, formal submissions at Stage 1 and Stage 2 were required from each project. Work on Stage 2 was done through March to meet a deadline of 30 March - and as part of that work the Stage 1 submission was sent in, with invitation to submit Stage 2 a few days after. This work was extensively supported by the European Team at Argyll & Bute Council, to whom we also owe a large debt of gratitude.

Big Lottery (BL) assessors have gone through the plans in minute detail, with technical queries for the architect, quantity surveyor and structural engineer. As a result costs have risen as BL have changed some of specifications for the project. BL has agreed to fund £754,910 of the cost of the project which represents a huge step forward for the Luing community.

Isle of Luing Community Trust

Report of the Trustees for the Year Ended 31 December 2011

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In January 2011 a survey of residents was carried out to determine the likely use of facilities in the Centre, and the results of this survey have formed part of the funding applications. Support documentation to accompany all these bids has also been received from 30 different individuals and organisations who are interested in using the facilities provided.

It will be necessary for the Trust to arrange a bridging loan facility to cover the gap between the payment of invoices to the contractor and the repayment of claims to the Trust by the funders, a gap that may vary from one to three months according to the funder. The contract for the project will be put out to tender under European rules with the help of Argyll & Bute Council's Procurement Team - a Council facility for communities that is a 'first' within Scotland.

The Business Plan was put on hold some months ago until we were clear what was needed by all the funders. Only in May was the point reached where its finalisation was essential. For this the directors took advice, and decided to use a recommended specialist consultant for this vital task.

The directors are grateful to Bòrd na Gàidhlig for its decision to contribute £15,000 for Gaelic signage and interpretation in the Centre, and also for further donations that have helped to progress the project through the search for funding.

Governance: one issue arose from the detailed responses from funders to our applications. They suggested our governance documents were now outdated, and needed to be looked at. Part of the funding package will cover the legal costs of this, and may involve changes to the Memorandum and Articles, a process that usually takes about 6 months to gain agreement from OSCR. However we are able to change our Rules without such delay, and the basic changes required by the funders will be put to an Extraordinary General Meeting shortly for approval.

External relations: the Trust now has Associate Membership of Museums Galleries Scotland, which will enhance our standing when applying for heritage grants, and in the future will enable us to apply for accredited museum status. MGS itself is in the process of changing its own governance documents, and in future will have a more direct relation with Scottish Government while remaining a charity.

Contacts with Historic Scotland concerning slate resources for roofing historic buildings in Scotland resulted in a visit to Luing by two senior representatives of Historic Scotland. A meeting with the Council Planning Department and Historic Scotland in the near future will take the issue of feasibility a step further, and a visit by geologists of the British Geological Survey is planned later this year.

The proposal for harnessing tidal power in Cuan Sound through community-owned installations has moved forward through the formation of a Renewables Working Group who will report to the Community Council. It is clear that developments will need to be co-ordinated with other communities. Scottish Government funding is in the process of changing, and details of the new scheme are awaited. The Trust's role would be to deliver any funding applications.

The Scottish Islands Federation, of which the Trust is a member, is hosting the European Small Islands Federation Annual meeting on Mull in early September, followed by an open conference in Craignure Village Hall on the theme of Green Islands. The Trust will be represented again at the Development Trusts Association - Scotland 2012 conference to be held in Cumbernauld in late September.

Island Activities: the visit by a puppet show during the Easter holiday of 2011 called 'That's Rubbish!' was attended by an audience of over 30. The show was supported by financial contributions from the Luing Archers, Luing Social Committee, and Whitmore and Hamilton in Oban. A successful weekend of activities run by the Trust in late July 2011 called Island Voices comprised the Bards of Luing poetry competition, an evening with two visiting poets and Luing musicians, and on the following day a Slate Sculpture competition and a storytelling event.

Sub-groups: the three sub-groups - Luing History Group, Luing Playing Field Committee and Luing First Responders - are all thriving. The History Group secured a small grant from the Year of Scotland's Islands to create four more panels for their annual exhibition in August 2011, while the Playing Field Committee received a small Council grant. Other groups are welcome to approach the Trust to achieve the benefits of being part of a charitable organisation.

Grow Your Own Project: the fruit trees on Trust land at the back of Cullipool suffered badly in the gale in May 2011, along with many other trees on Luing. It may be a year or two yet before the first crop is harvested.

Isle of Luing Community Trust

Report of the Trustees
for the Year Ended 31 December 2011

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Website: the Trust website is hosted by Differentia, who created the interpretive panels, and managed by Rosy Thomson. However we are now able to do the regular updating ourselves, though with so much else to be done, the directors apologise if the updating is not done as often as it should be.

The Trust Board: Following the 2011 AGM the directors are: Norrie Bissell, Nigel Dyckhoff, Alastair Fleming, Pete Hooper, Eoghann MacLachlan and John Robertson. At the time of the AGM Nigel Dyckhoff had indicated his desire to step down, but no resignation letter was actually received, and Nigel has indicated his wish to continue his 3 year term as a director. There were no changes to the officers during the year.

ON BEHALF OF THE BOARD :

.....
A Fleming - Trustee

Date:

**Independent Examiner's Report to the Trustees of
Isle of Luing Community Trust**

I report on the accounts for the year ended 31 December 2011 set out on pages six to eleven.

Respective responsibilities of trustees and examiner

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.

Jean Ainsley. CA
Ainsley Smith & Co
Chartered Accountants
21 Argyll Square
Oban
Argyll
PA34 4AT

Date:

Isle of Luing Community Trust

**Statement of Financial Activities
for the Year Ended 31 December 2011**

		Unrestricted funds £	Restricted funds £	31.12.11 Total funds £	31.12.10 Total funds £
	Notes				
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income		9,898	1,178	11,076	17,540
Activities for generating funds	2	1,025	1,775	2,800	1,161
Investment income	3	-	3	3	6
Total incoming resources		10,923	2,956	13,879	18,707
 RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	4	1,632	1,826	3,458	3,332
Fundraising trading: cost of goods sold and other costs		200	135	335	195
Governance costs		600	-	600	676
Other resources expended		-	-	-	100
Total resources expended		2,432	1,961	4,393	4,303
 NET INCOMING RESOURCES before transfers					
		8,491	995	9,486	14,404
Gross transfers between funds	10	(2,098)	2,098	-	-
Net incoming/(outgoing) resources		6,393	3,093	9,486	14,404
 RECONCILIATION OF FUNDS					
Total funds brought forward		36,313	26,141	62,454	48,050
TOTAL FUNDS CARRIED FORWARD		42,706	29,234	71,940	62,454

The notes form part of these financial statements

Isle of Luing Community Trust

Balance Sheet
At 31 December 2011

		Unrestricted funds	Restricted funds	31.12.11 Total funds	31.12.10 Total funds
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	7	-	22,226	22,226	20,128
Tangible assets	8	135,185	151	135,336	135,756
		<u>135,185</u>	<u>22,377</u>	<u>157,562</u>	<u>155,884</u>
 CURRENT ASSETS					
Cash at bank		6,611	6,857	13,468	12,266
NET CURRENT ASSETS		<u>6,611</u>	<u>6,857</u>	<u>13,468</u>	<u>12,266</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES					
		141,796	29,234	171,030	168,150
 CREDITORS					
Amounts falling due after more than one year	9	(99,090)	-	(99,090)	(105,696)
NET ASSETS		<u>42,706</u>	<u>29,234</u>	<u>71,940</u>	<u>62,454</u>
 FUNDS					
Unrestricted funds	10			42,706	36,313
Restricted funds				29,234	26,141
TOTAL FUNDS				<u>71,940</u>	<u>62,454</u>

The notes form part of these financial statements

Isle of Luing Community Trust

Balance Sheet - continued

At 31 December 2011

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2011.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2011 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 special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on and were signed on its behalf by:

.....
A Fleming -Trustee

Isle of Luing Community Trust

Notes to the Financial Statements
for the Year Ended 31 December 2011

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

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.

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.

2. ACTIVITIES FOR GENERATING FUNDS

	31.12.11	31.12.10
	£	£
Fundraising events/sales	<u>2,800</u>	<u>1,161</u>

3. INVESTMENT INCOME

	31.12.11	31.12.10
	£	£
Other fixed asset invest - FII	<u>3</u>	<u>6</u>

4. COSTS OF GENERATING VOLUNTARY INCOME

	31.12.11	31.12.10
	£	£
Insurance	468	386
Postage and stationery	896	16
Sundries	841	1,317
Cons/Purch	730	1,026
Hire Hall	103	103
Support costs	420	484
	<u>3,458</u>	<u>3,332</u>

Isle of Luing Community Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2011**

5. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	31.12.11	31.12.10
	£	£
Depreciation - owned assets	420	484
	<u> </u>	<u> </u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2011 nor for the year ended 31 December 2010 .

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31 December 2011 nor for the year ended 31 December 2010 .

7. INTANGIBLE FIXED ASSETS

	Other intangible assets £
COST	
At 1 January 2011	20,128
Additions	2,098
	<u> </u>
At 31 December 2011	22,226
	<u> </u>
 NET BOOK VALUE	
At 31 December 2011	22,226
	<u> </u>
At 31 December 2010	20,128
	<u> </u>

8. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 January 2011 and 31 December 2011	132,956	3,854	136,810
	<u> </u>	<u> </u>	<u> </u>
 DEPRECIATION			
At 1 January 2011	-	1,054	1,054
Charge for year	-	420	420
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2011	-	1,474	1,474
	<u> </u>	<u> </u>	<u> </u>
 NET BOOK VALUE			
At 31 December 2011	132,956	2,380	135,336
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2010	132,956	2,800	135,756
	<u> </u>	<u> </u>	<u> </u>

Isle of Luing Community Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2011**

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.11	31.12.10
	£	£
Other creditors	99,090	105,696

10. MOVEMENT IN FUNDS

	At 1.1.11	Net movement in funds	Transfers between funds	At 31.12.11
	£	£	£	£
Unrestricted funds				
General fund	36,313	8,491	(2,098)	42,706
Restricted funds				
History group	4,529	967	-	5,496
First responders	2,738	(42)	-	2,696
Playpark	686	70	-	756
AIC	18,188	-	2,098	20,286
	<u>26,141</u>	<u>995</u>	<u>2,098</u>	<u>29,234</u>
TOTAL FUNDS	<u>62,454</u>	<u>9,486</u>	<u>-</u>	<u>71,940</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	10,923	(2,432)	8,491
Restricted funds			
History group	2,077	(1,110)	967
First responders	577	(619)	(42)
Playpark	302	(232)	70
	<u>2,956</u>	<u>(1,961)</u>	<u>995</u>
TOTAL FUNDS	<u>13,879</u>	<u>(4,393)</u>	<u>9,486</u>

Isle of Luing Community Trust

Detailed Statement of Financial Activities
for the Year Ended 31 December 2011

	31.12.11 £	31.12.10 £
INCOMING RESOURCES		
Voluntary income		
Donations	2,122	1,241
Grants	1,205	8,188
Subscriptions	1,015	1,505
Grants: written off	6,606	6,606
Donated services and facilities	128	-
	<hr/>	<hr/>
	11,076	17,540
Activities for generating funds		
Fundraising events/sales	2,800	1,161
Investment income		
Other fixed asset invest - FII	3	6
	<hr/>	<hr/>
Total incoming resources	13,879	18,707
RESOURCES EXPENDED		
Costs of generating voluntary income		
Insurance	468	386
Postage and stationery	896	16
Sundries	841	1,317
Cons/Purch	730	1,026
Hire Hall	103	103
	<hr/>	<hr/>
	3,038	2,848
Fundraising trading: cost of goods sold and other costs		
Fundraising/Events	335	195
Governance costs		
Accountancy	450	676
Professional fees	150	-
	<hr/>	<hr/>
	600	676
Support costs		
Finance		
Bank charges	-	100
Depreciation of tangible fixed assets	420	484
	<hr/>	<hr/>
	420	584
Total resources expended	4,393	4,303
	<hr/>	<hr/>
Net income	9,486	14,404
	<hr/> <hr/>	<hr/> <hr/>

This page does not form part of the statutory financial statements