

REGISTERED COMPANY NUMBER: SC282766 (Scotland)
REGISTERED CHARITY NUMBER: SC036441

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 December 2017
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 2017**

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Isle of Luing Community Trust

Report of the Trustees
for the Year Ended 31 December 2017

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 2017. 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 (Scotland)

Registered Charity number

SC036441

Registered office

Atlantic Islands Centre Cullipool Villag
Cullipool
Oban
Argyll
PA34 4UB

Trustees

| | |
|--------------|---------------------|
| A Fleming | |
| P Hooper | |
| H MacLachlan | |
| J Robertson | - resigned 29.8.17 |
| N Bissell | - resigned 13.2.17 |
| N Dyckhoff | |
| J Rennie | - appointed 29.8.17 |
| P Thomas | - appointed 29.8.17 |

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 2017

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Annual Report 2017

The Atlantic Islands Centre. For the past 18 months, the board of the Isle of Luing Trading Company has managed the café and retail activities in the Centre on an entirely voluntary basis, as we awaited the results of various funding applications to enable the appointment of a new Development Manager. Success in this regard came in Autumn 2017, enabling advertisement, selection and appointment to be achieved in mid-December. This should enable the Centre as a whole to operate with a proper management structure in 2018.

During the year resignations eventually reduced the board to two members, both of whom are also Trust directors. This is recognised as an unsatisfactory situation, and the Trust board is working to rectify this as soon as possible. In practice a Trading Company board of two or three members, with only one Trust director involved and with appropriate business and financial skills, is probably sufficient, provided that this is underpinned by a robust management structure, including both employed and volunteer members. In a small community this is not easy to achieve, and compromise is often necessary.

The dedicated Luing Bakers have continued to provide the daily delivery of home baking that has been a major part of the success of the café. We are most grateful to Mary Whitmore for initiating and running the operation for more than 12 months, and then enabling the team to move on under a system of weekly rotating co-ordinators which is now working well.

Turnover for the year was down on the 2016 figures. Our chef, Archie Frost, resigned in June to take up a managerial post in a local hotel. Given that in the high season it is impossible to find chefs looking for work (we did try!) and the fact that the support funding for the post was less than a year, the operation had to continue with the rota of venue assistants supported by board members. One of the venue assistants was appointed as kitchen supervisor, but without a qualified chef or cook, the menu had to be limited. Fine dining also ceased, though a review of the economics of this revealed that its viability was questionable; if and when a new chef or cook is found, this decision will be reviewed.

With the resignation of the board member acting as Premises Manager, alcohol sales had to be suspended, which resulted in some reduction in sales compared to 2016. They will be resumed as soon as a new Premises Manager has been appointed. Retail sales were also down as the task of maintaining and updating retail stock had to take second place to managing the café.

As the summer season gave way to the reduced trade of autumn and winter, it was clear that the Trading Company would have to institute a winter closure. However the Centre is more than the activities of the Trading Company, and the Trust were determined to keep the Centre open for community use, as well as for the small number of winter visitors. To do so required the continued employment of staff, essentially two venue assistants each day for reduced opening hours, and we are grateful to the continued Lottery funding that enabled this to happen. Without such funding support next winter, we may have to reconsider the operation of the Centre in the winter months.

Employment: As mentioned above, the chef left us in June 2017. The Trading Company continued to employ the team of venue assistants with an enhanced number of hours through the rest of the year. The Trust began the year with two part-time employees, the book-keeper (Lasta King) and events co-ordinator (Birgit Whitmore). The latter resigned in February, and events co-ordination was then carried on by a combination of voluntary effort and welcome support from our Lorn Islands Partnership (LIP) project officer.

The award of Lottery funding specifically to enable the employment of a Development Manager, plus part-time roles for financial matters and for events, came in late summer, but with the requirement that we found match funding before the funding could be drawn down. Following negotiations with Big Lottery, agreement was reached to allow the appointment of the Development Manager (DM) on a part-time basis to enable the search for match funding to take place. Early success came with a limited award from the Robertson Trust, but once the DM is in post, this can be pursued more vigorously. The DM appointment was made in mid-December, and the appointee, Jane Churchill (who is already our support Project Officer for LIP) will take up her post in March.

Publications: a re-print of the Luing map leaflet for visitors on the ferry was necessary at the end of the season. The second print run of the walk leaflet has sold steadily through the year, and provides a small but welcome income for the Trust.

Moorings Project: donations from users of the moorings more than doubled in 2017 compared with 2016. It is impossible to monitor use of the moorings, and make a formal charge, so users are invited to contribute a suggested donation to the Trust. The vast majority of visiting yachts do this, and indeed visit the Centre to use the café; we did have one visiting yacht who was unable due to weather conditions to come ashore, so emailed to ask how they should make their donation and followed that by sending a cheque! We are heartened by the honesty of the great majority of users.

In 2017 the donations received for the first time covered the cost of the Crown Estate rental and other moorings costs. We hope to show further increase in 2018.

Isle of Luing Community Trust

Report of the Trustees for the Year Ended 31 December 2017

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Training: Jonathan Robertson continued as Training Officer beyond the end of the VAF funding supported by the training element of the Lottery funding until June. His contribution to staff and volunteer training, including board training was extremely valuable, and we were sad when for personal reasons he left. Further training has been limited but should resume once the Development Manager is in post.

Events: a second application for funding to Creative Scotland was unsuccessful (87% of such applications are unsuccessful!), so the 2017 programme of events for music, theatre, visual arts, literature and crafts took place on a more limited scale on what is called a 'door split' basis. Many performers recognise the funding problems and are prepared to perform on this basis, but it does limit the extent of the programme that can be provided.

Further funding applications will be made in 2018, but another route is being investigated using LIP to try to put together a co-ordinated programme across the four Lorn islands, which could have the benefit of reducing costs. Each performance would take place on more than one of the islands.

External relations: the Scottish Islands Federation (SIF) has been very busy during 2017 responding to the Scottish Government consultations, especially on the Islands Bill which is still making its way through Holyrood. SIF is also a key member of the European Small Islands Network (ESIN), and is involved with several projects with ESIN, especially concerned with renewable energy. Of particular importance at the moment, SIF is monitoring the potential impacts of Brexit on the island communities of Scotland, and making representations to the Scottish Government on our behalf.

The Trust was represented at the Development Trusts Association - Scotland (DTAS) 2017 conference last September. DTAS is becoming more important every passing year in keeping the Trust updated on legal responsibilities and providing with advice and support. The Centre continues to participate in the bulk electrical energy purchasing contract, giving substantial savings on electricity costs. There is also a heating oil bulk purchasing scheme, but unfortunately none of the suppliers in the scheme have a small enough vehicle to use the ferry.

The Lorn Islands Partnership (LIP) is a significant feature of our support network. The Scottish Government, through its Strengthening Communities Programme, funded LIP for a second year from April 2017, and will hopefully continue to do so for a third year in 2018-19. Our Project Officers Gill Law and Jane Churchill have continued to share the support provision with Gill mainly working with Easdale and Lismore, while Jane supports Kerrera and Luing. As Jane has now been appointed as part-time Development Manager for the Trust, we will see a lot more of her when she takes up the post in March 2018.

The Climate Challenge Fund grant awarded in Spring 2017 was intended for a Project to support various aspects of recycling across the four islands, especially as some islands do not have a Council recycling uplift at all. For all four islands the major part of the Project, supported by a separate Project Officer, was to deal with the problems of glass recycling on the islands by using glass imploders to reduce the glass to small particles that could be used as aggregate. The Project Officer took her task very seriously and researched in depth. Unfortunately the result of the research was that the process would not produce a useful product for the islands and would leave a problem of removal from the islands. The decision was reluctantly taken to discontinue this part of the Project, and the Project Officer felt that she was not able to contribute enough to the remaining Project recycling agenda to continue in post, so resigned in the autumn. The LIP board then decided to close down the project and return the remaining funds to the CCF.

LIP negotiated with Rural Housing Scotland to carry out a Housing Needs Survey on each island as a prelude to addressing the way additional affordable housing might help to reverse the problems of declining island populations. This was done on Luing in December, but the report will not be ready until Spring 2018.

At an earlier stage of development is an HIE-enabled project to encourage small business enterprises on the four islands by provision of suitable small premises. It is hoped this will progress more quickly in 2018.

Broadband: provision is becoming increasingly inadequate on Luing. Government promises have been made, but it remains to be seen how this will be delivered, especially after the unfortunate collapse of the GigaPlus project based on Mull.

Sub-group activities

Luing History Group has continued to produce a frequent change of displays in the Centre gallery on all manner of topics. Visitors with ancestral connections to Luing have continued to come in person or by email contact.

Archaeological fieldwork by a team of field walkers (a technique that does not include excavation) led by Dugald MacInnes of slate mosaics fame resulted in the identification of some 400 sites of interest across Luing, and there is still more of the island to be covered. Once this is done, we look forward to the report on this amazing project.

The group continues in a healthy financial condition.

Isle of Luing Community Trust

Report of the Trustees for the Year Ended 31 December 2017

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Luing First Responders: the group provides 'First Person on the Scene' support to people on Luing who are awaiting paramedics from the Scottish Ambulance (by vehicle or helicopter). On a small island with no resident medical staff and a vehicle ferry only between 0730 and 1800 six days a week, this volunteer standby service is essential outside these hours. An ambulance from Oban can reach Luing in about 40 minutes, calling out the ferry if necessary. Luing Responder volunteers provide basic life support, monitor vital signs, use defibrillators, administer oxygen and use manual suction equipment until the paramedics arrive. Regular training sessions to maintain skills are held once a month. Two responders are on call every night and all day Sunday (when there is no car ferry). The main function of our group is to be on call to provide rapid response when there is a medical 999 call from the Isle of Luing outside car ferry operating hours.

Financial activity this year has been limited.

Luing Playing Field: the committee continues to be responsible for the maintenance of the playing field. However the play park remains closed, as the problem of insurance costs has not yet been solved, and the committee is unwilling to take the risk of operating it uninsured in these litigious times.

Financial activity is limited to the maintenance and operational costs of machinery.

Financial: revenue funding from the Lottery continues to cover a range of costs until April 2018, but the late completion meant that the time remaining is too short to develop financial sustainability. The ending of this support will be a major change in the financial operation of the Centre, though the new Big Lottery Medium grant will to some extent soften the blow as the presence of the Development Manager does have implications for reducing the minimum staffing required for the café operation.

The principle for operating the AIC is that the Trading Company (TC) is given occupancy of most of the building and made responsible for operating costs. The details for this are set out in the Intra-Group and Services Agreements in 2016. In line with common practice for a new venture, the TC was given the first year of operation rent-free, this second year at a reduced rent, but for 2018 full rent for the space occupied has to be charged. As a charity, the Trust is not allowed to give money to the TC to fund its operations, but it can, and has, provided a loan at a commercial rate of interest of 2% above bank base rate as required to smooth the cash flow. No such loan was required in 2017.

The funds of the Trust itself, kept separately in the Main account, have shown a substantial increase compared with 2016, partly from the Events programme. Donations with Gift Aid is an important source of income, given we do not charge for entry to the Centre. However the ending of Lottery revenue funding support has implications for the Trust expenditure in 2018, especially the cost of insurance and accountancy, and there will be a need to increase Trust income even further in future years. Building maintenance has to be met from Trust income, and the TC rent payments will have to represent the source of the budget for this purpose.

The Trust Projects account is used to track income and expenditure of the various restricted funding streams, with the exception of Big Lottery funding, which is held in the Big lottery account. In 2017 there have been five restricted funding streams at various points in the year. However the Strengthening Communities Programme funding for LIP was transferred into LIP's own new account in June. The Art Trail Project, funded for the first stage (creation of the art works) by Argyll & Bute Council's Community Funding scheme and by the Tesco Bags of Help scheme, is past the half way mark for this first stage, and hopefully will see completion in April 2018. After that the campaign to raise funding for Stage 2 (placing of the art works in suitable form to create the trail) begins in earnest.

The Trust Board: during 2017 one director, Norman Bissell, resigned early in the year. At the 2017 AGM there was a further change when John Robertson stepped down both as chairman and as a director. Paul Thomas and John Rennie were elected to the board, joining Nigel Dyckhoff, Alastair Fleming, Pete Hooper and Eoghann MacLachlan. Neil McCorrisken was co-opted. Annie Tunnicliffe and Gill Law continue to provide invaluable help as Business Adviser and Human Resources advisor respectively. Pete Hooper took over the chair, while Paul Thomas became Secretary.

Governance: it has been clear for some time that the Memorandum and Articles of the Trust were becoming outdated. The Trust was created in the last year of the 1985 Companies Act, which has been replaced by the 2006 Companies Act. With funding from Big Lottery, the Trust's solicitors were commissioned in November to draw up a new memorandum and Articles under the 2006 Act, and this should be finalised in early 2018. The new 'Mem & Arts' will need to be approved by a Special General Meeting of members before coming into force, but they also have to be approved by the Scottish Government and the Scottish Charities Regulator, so some time may yet elapse before they come into force. When they, do there will be quite a few changes to the governance of the Trust, and the local Rules will need re-working and become a much smaller document, as much of the content of the old rules will be covered in the Articles. The structure of the board will change to enable the co-option of directors with specific skills needed by the board and not provided by elected members - a welcome development if such willing skilled people can be found!

Isle of Luing Community Trust

Report of the Trustees
for the Year Ended 31 December 2017

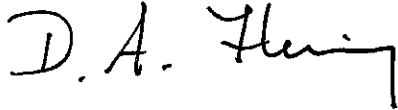
ACHIEVEMENT AND PERFORMANCE

Charitable activities

Finally the Trust Board once again wishes to record thanks to the volunteers who do so much to make project work, especially to those who gave so much of their own time to managing the operation of the Centre through the long months without a manager, and in addition without a chef from last July onwards.

The directors of the Isle of Luing Community Trust March 2018

Approved by order of the board of trustees on 26 August 2018 and signed on its behalf by:

A handwritten signature in black ink that reads "D. A. Fleming". The signature is written in a cursive style with a large, looped 'F'.

A Fleming - Trustee

Isle of Luing Community Trust

Statement of Financial Activities
for the Year Ended 31 December 2017

| | Notes | Unrestricted fund £ | Restricted funds £ | 31.12.17 Total funds £ | 31.12.16 Total funds £ |
|---|-------|---------------------------|--------------------------|---------------------------------|---------------------------------|
| INCOMING RESOURCES | | | | | |
| Incoming resources from generated funds | | | | | |
| Voluntary income | | 4,989 | 124,600 | 129,589 | 98,982 |
| Activities for generating funds | 2 | 3,696 | 5,387 | 9,083 | 3,582 |
| Investment income | 3 | 3,000 | - | 3,000 | - |
| Other incoming resources | | 45 | - | 45 | - |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Total incoming resources | | 11,730 | 129,987 | 141,717 | 102,564 |
| RESOURCES EXPENDED | | | | | |
| Costs of generating funds | | | | | |
| Costs of generating voluntary income | 4 | 4,728 | 16,121 | 20,849 | 22,187 |
| Fundraising trading: cost of goods sold and other costs | 5 | 4,577 | 80,700 | 85,277 | 43,820 |
| Charitable activities | | | | | |
| Grants & payments to subsidiary partners | | - | 18,973 | 18,973 | 1,457 |
| Charitable activities | | - | 5,203 | 5,203 | - |
| Governance costs | | - | 2,770 | 2,770 | 2,146 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Total resources expended | | 9,305 | 123,767 | 133,072 | 69,610 |
| NET INCOMING RESOURCES BEFORE TRANSFERS | | | | | |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| | | 2,425 | 6,220 | 8,645 | 32,954 |
| Gross transfers between funds | 13 | 1,384 | (1,384) | - | - |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Net incoming/(outgoing) resources | | 3,809 | 4,836 | 8,645 | 32,954 |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 8,656 | 1,489,722 | 1,498,378 | 1,465,424 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL FUNDS CARRIED FORWARD | | 12,465 | 1,494,558 | 1,507,023 | 1,498,378 |
| | | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

The notes form part of these financial statements

Isle of Luing Community Trust

Balance Sheet
At 31 December 2017

| | Notes | Unrestricted fund £ | Restricted funds £ | 31.12.17 Total funds £ | 31.12.16 Total funds £ |
|--|-------|---------------------------|--------------------------|---------------------------------|---------------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 10 | 867 | 1,430,278 | 1,431,145 | 1,441,499 |
| CURRENT ASSETS | | | | | |
| Debtors | 11 | 684 | 20,000 | 20,684 | 3,184 |
| Cash at bank | | 12,164 | 44,280 | 56,444 | 62,886 |
| | | <u>12,848</u> | <u>64,280</u> | <u>77,128</u> | <u>66,070</u> |
| CREDITORS | | | | | |
| Amounts falling due within one year | 12 | (1,250) | - | (1,250) | (9,191) |
| NET CURRENT ASSETS | | <u>11,598</u> | <u>64,280</u> | <u>75,878</u> | <u>56,879</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>12,465</u> | <u>1,494,558</u> | <u>1,507,023</u> | <u>1,498,378</u> |
| NET ASSETS | | <u>12,465</u> | <u>1,494,558</u> | <u>1,507,023</u> | <u>1,498,378</u> |
| FUNDS | 13 | | | | |
| Unrestricted funds | | | | 12,465 | 8,656 |
| Restricted funds | | | | <u>1,494,558</u> | <u>1,489,722</u> |
| TOTAL FUNDS | | | | <u>1,507,023</u> | <u>1,498,378</u> |

The notes form part of these financial statements

Isle of Luing Community Trust

Balance Sheet - continued

At 31 December 2017

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2017.

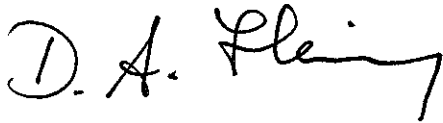
The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2017 in accordance with Section 476 of the Companies Act 2006.

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 charitable small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Trustees on 26 August 2018 and were signed on its behalf by:



A Fleming -Trustee

The notes form part of these financial statements

Isle of Luing Community Trust

Notes to the Financial Statements
for the Year Ended 31 December 2017

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.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

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.

2. ACTIVITIES FOR GENERATING FUNDS

| | 31.12.17 | 31.12.16 |
|--------------------|-------------------|-------------------|
| | £ | £ |
| Fundraising events | 9,083 | 3,582 |
| | <u> </u> | <u> </u> |

3. INVESTMENT INCOME

| | 31.12.17 | 31.12.16 |
|-------------------------|-------------------|-------------------|
| | £ | £ |
| Rents/insurance from TC | 3,000 | - |
| | <u> </u> | <u> </u> |

Isle of Luing Community Trust

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

4. COSTS OF GENERATING VOLUNTARY INCOME

| | 31.12.17 | 31.12.16 |
|------------------------|---------------|---------------|
| | £ | £ |
| Insurance & rental | 3,102 | 1,571 |
| Postage and stationery | 93 | 913 |
| Sundries | 2,012 | 2,837 |
| Property maintenance | 2,879 | 2,608 |
| Support costs | 12,763 | 14,258 |
| | <u>20,849</u> | <u>22,187</u> |

5. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

| | 31.12.17 | 31.12.16 |
|-----------------|---------------|---------------|
| | £ | £ |
| Purchases | 19,101 | 265 |
| Staff costs | 14,702 | 43,555 |
| TC Contribution | 49,508 | - |
| Support costs | 1,966 | - |
| | <u>85,277</u> | <u>43,820</u> |

6. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

| | 31.12.17 | 31.12.16 |
|-----------------------------|---------------|---------------|
| | £ | £ |
| Depreciation - owned assets | <u>10,859</u> | <u>12,248</u> |

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2017 nor for the year ended 31 December 2016.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2017 nor for the year ended 31 December 2016.

Isle of Luing Community Trust

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

8. STAFF COSTS

| | 31.12.17 | 31.12.16 |
|--------------------|---------------|---------------|
| | £ | £ |
| Wages and salaries | <u>14,702</u> | <u>43,555</u> |

The average monthly number of employees during the year was as follows:

| | 31.12.17 | 31.12.16 |
|--------------------|----------|----------|
| Centre Dev Manager | <u>1</u> | <u>1</u> |

9. COMPANY LIMITED BY GUARANTEE

Isle of Luing Community Trust is a company limited by guarantee and accordingly does not have a share capital. Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

10. TANGIBLE FIXED ASSETS

| | Land and buildings £ | Plant and machinery etc £ | Totals £ |
|---------------------------|----------------------------|---------------------------------|------------------|
| COST | | | |
| At 1 January 2017 | 1,369,672 | 87,227 | 1,456,899 |
| Additions | - | 505 | 505 |
| At 31 December 2017 | <u>1,369,672</u> | <u>87,732</u> | <u>1,457,404</u> |
| DEPRECIATION | | | |
| At 1 January 2017 | - | 15,400 | 15,400 |
| Charge for year | - | 10,859 | 10,859 |
| At 31 December 2017 | <u>-</u> | <u>26,259</u> | <u>26,259</u> |
| NET BOOK VALUE | | | |
| At 31 December 2017 | <u>1,369,672</u> | <u>61,473</u> | <u>1,431,145</u> |
| At 31 December 2016 | <u>1,369,672</u> | <u>71,827</u> | <u>1,441,499</u> |

11. DEBTORS

| | 31.12.17 | 31.12.16 |
|--------------------------------------|------------|--------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Other debtors | <u>684</u> | <u>3,184</u> |

Isle of Luing Community Trust

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

11. DEBTORS - continued

| | 31.12.17 | 31.12.16 |
|---|---------------|--------------|
| | £ | £ |
| Amounts falling due after more than one year: | | |
| Other debtors | 20,000 | - |
| | <u>20,000</u> | <u>-</u> |
| Aggregate amounts | 20,684 | 3,184 |
| | <u>20,684</u> | <u>3,184</u> |

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.12.17 | 31.12.16 |
|-----------------|--------------|--------------|
| | £ | £ |
| Other creditors | 1,250 | 9,191 |
| | <u>1,250</u> | <u>9,191</u> |

13. MOVEMENT IN FUNDS

| | At 1.1.17 | Net movement in funds | Transfers between funds | At 31.12.17 |
|---------------------------|------------------|--------------------------|----------------------------|------------------|
| | £ | £ | £ | £ |
| Unrestricted funds | | | | |
| General fund | 8,656 | 2,425 | 1,384 | 12,465 |
| Restricted funds | | | | |
| History Group | 6,933 | 281 | - | 7,214 |
| First responders | 5,663 | (413) | - | 5,250 |
| Playpark | 890 | - | - | 890 |
| AIC | 1,344,116 | 6,352 | (1,384) | 1,349,084 |
| Land Fund | 132,120 | - | - | 132,120 |
| | <u>1,489,722</u> | <u>6,220</u> | <u>(1,384)</u> | <u>1,494,558</u> |
| TOTAL FUNDS | <u>1,498,378</u> | <u>8,645</u> | <u>-</u> | <u>1,507,023</u> |

Isle of Luing Community Trust

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

13. **MOVEMENT IN FUNDS - continued**

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

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 11,730 | (9,305) | 2,425 |
| Restricted funds | | | |
| History Group | 1,024 | (743) | 281 |
| First responders | 120 | (533) | (413) |
| Playpark | 741 | (741) | - |
| AIC | 128,102 | (121,750) | 6,352 |
| | <u>129,987</u> | <u>(123,767)</u> | <u>6,220</u> |
| TOTAL FUNDS | <u>141,717</u> | <u>(133,072)</u> | <u>8,645</u> |

Comparatives for movement in funds

| | At 1.1.16 £ | Net movement in funds £ | Transfers between funds £ | At 31.12.16 £ |
|---------------------------|------------------|-------------------------------|---------------------------------|------------------|
| Unrestricted Funds | | | | |
| General fund | 4,003 | 5,806 | (1,153) | 8,656 |
| Restricted Funds | | | | |
| History Group | 7,325 | (392) | - | 6,933 |
| First responders | 5,884 | (221) | - | 5,663 |
| Playpark | 600 | 290 | - | 890 |
| AIC | 1,315,492 | 27,471 | 1,153 | 1,344,116 |
| Land Fund | 132,120 | - | - | 132,120 |
| | <u>1,461,421</u> | <u>27,148</u> | <u>1,153</u> | <u>1,489,722</u> |
| TOTAL FUNDS | <u>1,465,424</u> | <u>32,954</u> | <u>-</u> | <u>1,498,378</u> |

Isle of Luing Community Trust

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

13. MOVEMENT IN FUNDS - continued

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

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 6,289 | (483) | 5,806 |
| Restricted funds | | | |
| History Group | 1,012 | (1,404) | (392) |
| First responders | 115 | (336) | (221) |
| Playpark | 350 | (60) | 290 |
| AIC | 94,798 | (67,327) | 27,471 |
| | <u>96,275</u> | <u>(69,127)</u> | <u>27,148</u> |
| TOTAL FUNDS | <u><u>102,564</u></u> | <u><u>(69,610)</u></u> | <u><u>32,954</u></u> |

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:

Purpose of restricted funds

AIC

Funding has been received from The Big Lottery Fund, Highland & Islands Enterprise, European Regional Development Fund, Climate Challenge Fund, Bord na Gaidhlig, Robertson Trust and Hugh Fraser Foundation to fund the build and operation of the Atlantic Island Centre.

Land Fund

In 2007 the trust received a Community Land Purchase grant, via HIE and a Scottish Land Fund Grant (via The Big Lottery Fund), to enable them to purchase the land the AIC is being built on. The terms of the grant state that the trust must comply with the terms of the grant for a period of 10 years from the date the last grant payment was received. As such these funds remain as restricted funds. The trust has sub-groups, detailed below. Each group manages its own funds:

History Group

The principal object of the Group is to advance education for the public benefit in the heritage and history of the Isle of Luing.

First Responders

A trained team of volunteers are on call at certain times of the week to respond to medical emergencies and to provide assistance before the ambulance can get to Luing.

Playpark

The group aims to promote outdoor activities for children up to the age of 16 years in a safe environment in the Adventure Playpark, and to promote outdoor activities for all members of the Community through the provision and maintenance of the John McCowan Memorial Park.

Isle of Luing Community Trust

Detailed Statement of Financial Activities
for the Year Ended 31 December 2017

| | 31.12.17 £ | 31.12.16 £ |
|--|---------------|---------------|
| INCOMING RESOURCES | | |
| Voluntary income | | |
| Donations | 7,571 | 7,575 |
| Donations from TC | 20,000 | - |
| Grants | 99,033 | 87,588 |
| Subscriptions | 790 | 666 |
| Sales & Fees | 889 | 1,526 |
| Other income | 1,306 | 1,627 |
| | 129,589 | 98,982 |
| Activities for generating funds | | |
| Fundraising events | 9,083 | 3,582 |
| Investment income | | |
| Rents/insurance from TC | 3,000 | - |
| Other incoming resources | | |
| Loan Interest | 45 | - |
| | 141,717 | 102,564 |
| RESOURCES EXPENDED | | |
| Costs of generating voluntary income | | |
| Insurance & rental | 3,102 | 1,571 |
| Postage and stationery | 93 | 913 |
| Sundries | 2,012 | 2,837 |
| Property maintenance | 2,879 | 2,608 |
| | 8,086 | 7,929 |
| Fundraising trading: cost of goods sold and other costs | | |
| Fundraising/Events | 19,101 | 265 |
| Wages | 14,702 | 43,555 |
| TC Contribution | 49,508 | - |
| | 83,311 | 43,820 |
| Charitable activities | | |
| Training & support | 5,203 | - |
| Payment to subsidiary partners | 18,973 | 1,457 |
| | 24,176 | 1,457 |

This page does not form part of the statutory financial statements

Isle of Luing Community Trust

Detailed Statement of Financial Activities
for the Year Ended 31 December 2017

| | 31.12.17 | 31.12.16 |
|---------------------------------------|-------------|-------------|
| | £ | £ |
| Governance costs | | |
| Accountancy | 900 | 1,726 |
| Legal & consultancy | 1,870 | 420 |
| | <hr/> | <hr/> |
| | 2,770 | 2,146 |
| | | |
| Support costs | | |
| Management | | |
| Light and heat | - | 1,200 |
| Postage and stationery | 118 | 227 |
| Advertising | 3,752 | 583 |
| | <hr/> | <hr/> |
| | 3,870 | 2,010 |
| | | |
| Finance | | |
| Depreciation of tangible fixed assets | 10,859 | 12,248 |
| | <hr/> | <hr/> |
| Total resources expended | 133,072 | 69,610 |
| | | |
| Net income | <hr/> <hr/> | <hr/> <hr/> |
| | 8,645 | 32,954 |

This page does not form part of the statutory financial statements

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

I report on the accounts for the year ended 31 December 2017 set out on pages seven to fifteen.

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.

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



Date: 3.19.18