

Charity Registration No. SC046383 (Scotland)

PRESTON AND ABBEY COMMUNITY TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018



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PRESTON AND ABBEY COMMUNITY TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

W Reid
L McFie
D Morrison
R Drenan
R Swan
B Snow
J Dobie

(Appointed 1 July 2017)

Charity number (Scotland)

SC046383

Independent examiner

Stuart Faed BSc (Hons) CA DipPFS
17 Walkergate
Berwick-upon-Tweed
Northumberland
TD15 1DJ

Bankers

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PRESTON AND ABBEY COMMUNITY TRUST

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PRESTON AND ABBEY COMMUNITY TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The trustees present their report and financial statements for the year ended 31 March 2018.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's constitution, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The charity's objective set out in its constitution is to benefit the community of Preston, Abbey St Bathans and Bonkyl ('The Community') through the advancement of community development.

The trustees have paid due regard to guidance issued by OSCR in deciding what activities the charity should undertake.

Achievements and performance

Charitable activities

In 2015 a community plan for the Preston and Abbey St Bathans area was developed. The trust was established to take forward projects and ideas identified in the action plan. Initial priorities identified were to provide a new village hall in Abbey St Bathans, organise community events and investigate potential solutions to new patchy access to superfast broadband as well as to manage community windfarm benefits accruing to the community from commercial wind farm developments in the area.

The principle activities of the charity over the 12 months have been focussed on advertising the above issues.

Abbey St Bathans village hall

The village hall is a community owned and managed building in the settlement of Abbey St Bathans. It is home to a number of local community organisations such as the indoor bowlers and is also used to host various community events. It was originally built in 1911 and is no longer fit for purpose. It is in a poor physical state, usage had been decreasing as a result and it is at risk of being closed for health and safety reasons. The trust has been working with the management committee to draw up plans for a replacement building which will meet the needs of the community, now and into the future. Outline plans for a new building had been produced by Camerons Limited and funding from Quixwood Moor Wind Farm Community Benefit Fund, managed by the County Durham Community Foundation, has been applied for to cover the costs of developing these plans further.

Community events

The trust held and supported a number of community events. These included social evenings, a bonfire night celebration and community lunches. The aim of these events is to build a stronger sense of community and enable residents to meet and socialise.

A newsletter and website were established to keep trust members and the wider community informed of all trust activities and other relevant events.

Broadband

The Preston & Abbey community is a scattered rural community with two small settlements, Preston and Abbey St Bathans. Access to adequate broadband is limited. During the past 12 months the trust has been investigating possible community-led solutions to addressing the problem. Discussions have been had with Community Broadband Scotland however due to improvements in service promised by the Scottish Government's Digital Scotland Programme and the extension of BT's broadband rollout the trust decided to maintain a watching brief but take no further action at this point.

PRESTON AND ABBEY COMMUNITY TRUST

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Management of community windfarm benefit funds

The trust received community benefit funds from the Penmanshiel Wind Farm operated by RES for the first time. The majority of the funds are to be used to take forward projects and activities identified in the community action plan. In addition, the trust agreed to make a proportion of these funds available to the wider community through a small grant scheme. A suitable application process has been established, guidance notes and an application form produced. No grants have been awarded yet as the details of the grant scheme were only agreed in the final quarter of the reporting period. Details on how to apply are available on the Trust website and will be promoted in the next newsletter.

Financial review

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Future plans

The Trustees intend to continue to utilise the windfarm income to develop the hall and other projects in the community.

Structure, governance and management

The charity is governed by The Scottish Charity Regulator (OSCR). The charity is managed by a Board of Trustees (The Council).

The trustees, who are councillors of the council, who served during the year and up to the date of signature of the financial statements were:

W Reid

L McFie

D Morrison

R Drenan

R Swan

B Snow

J Dobie

(Appointed 1 July 2017)

Preston and Abbey St Bathans Community Trust follows OSCR best practice in relation to recruitment and appointment of new trustees.

Trustees are recruited from the membership of the trust and elected at the AGM. Any member of the trust may apply to join the board. All trustees are volunteers and the board manages the organisation. There are no paid members of staff.

None of the trustees have any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Public benefit

In considering the operation, achievements and performance and finances of the charity the trustees are satisfied that public benefit has been provided in accordance with the Charities Accounts (Scotland) Regulations 2006 (as amended) and the guidance provided by the Office of the Scottish Charity Regulator.

PRESTON AND ABBEY COMMUNITY TRUST

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Statement of trustees responsibilities

The trustees are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these 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 accounting standards have been followed, subject to any material 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 sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees report was approved by the Board of Trustees.


W Reid

Dated: 26 August 2018

PRESTON AND ABBEY COMMUNITY TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF PRESTON AND ABBEY COMMUNITY TRUST

I report on the financial statements of the charity for the year ended 31 March 2018, which are set out on pages 5 to 11.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investments (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 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 2006 Accounts Regulations. 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

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In connection with my examination, no other matter except that referred to in the previous paragraph has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - (ii) 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
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Stuart Haed BSc (Hons) CA DipPFS

17 Walkergate
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Northumberland
TD15 1DJ

Dated: 22 August 2018

PRESTON AND ABBEY COMMUNITY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Unrestricted funds general £	Unrestricted funds designated £	Total 2018 £	Total 2017 £
<u>Income and endowments from:</u>					
Donations and legacies	3	-	-	-	50
Charitable activities	4	39,787	-	39,787	-
Other income	5	8	-	8	-
Total income		39,795	-	39,795	50
<u>Expenditure on:</u>					
Charitable activities	6	7,523	-	7,523	-
Net incoming resources before transfers		32,272	-	32,272	50
Gross transfers between funds		(5,000)	5,000	-	-
Net income for the year/ Net movement in funds		27,272	5,000	32,272	50
Fund balances at 1 April 2017		50	-	50	-
Fund balances at 31 March 2018		27,322	5,000	32,322	50

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

PRESTON AND ABBEY COMMUNITY TRUST

BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Current assets					
Cash at bank and in hand		33,402		50	
Creditors: amounts falling due within one year					
	10	(1,080)		-	
Net current assets			32,322		50
Income funds					
Unrestricted funds - designated	11		5,000		-
Unrestricted funds - general			27,322		50
			32,322		50

The financial statements were approved by the Trustees on 24 July 2018

W Reid
Trustee

J Dobie
Trustee

PRESTON AND ABBEY COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Charity information

Preston and Abbey Community Trust is a charity governed by The Scottish Charities Regulator (OSCR).

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

PRESTON AND ABBEY COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

PRESTON AND ABBEY COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

3 Donations and legacies

	2018	2017
	£	£
Donations and gifts	-	50

4 Charitable activities

	2018	2017
	£	£
Wind turbine income - Penmanshiel	39,787	-

5 Other income

	2018	2017
	£	£
Bank interest received	8	-

6 Charitable activities

	2018	2017
	£	£
Event costs	1,198	-
Professional fees	4,680	-
Postage, stationery and telephone	181	-
General expenses	380	-
Bank charges	4	-
Share of governance costs (see note 7)	1,080	-
	7,523	-

PRESTON AND ABBEY COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

7 Support costs

	Governance costs £	2018 £	2017 £	Basis of allocation
Accountancy	1,080	1,080	-	Governance
	<u>1,080</u>	<u>1,080</u>	<u>-</u>	
Analysed between Charitable activities	1,080	1,080	-	
	<u>1,080</u>	<u>1,080</u>	<u>-</u>	

Governance costs includes payments to the accountants of £1,080 (2017- £Nil) for examination fees.

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

There were no employees during the year.

10 Creditors: amounts falling due within one year

	2018 £	2017 £
Accruals and deferred income	<u>1,080</u>	<u>-</u>

11 Unrestricted funds - designated

These are unrestricted funds which are material to the charity's activities made up as follows:

	Balance at 1 April 2017 £	Movement in funds			Balance at 31 March 2018 £
		Incoming resources £	Resources expended £	Transfers £	
Designated funds	-	-	-	5,000	5,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>

At the year end, the trustees decided to transfer £5,000 to the designated fund, to be used for making grants to the community.

PRESTON AND ABBEY COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

12 Analysis of net assets between funds

	Unrestricted funds - general £	Unrestricted funds - designated £	Total £
Fund balances at 31 March 2018 are represented by:			
Current assets/(liabilities)	27,322	5,000	32,322
	<u>27,322</u>	<u>5,000</u>	<u>32,322</u>

13 Related party transactions

There were no disclosable related party transactions during the year (2017 - none).

PRESTON AND ABBEY COMMUNITY TRUST

DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2018

	£	2018 £	£	2017 £
Donations and legacies				
Donations and gifts		-		50
Incoming resources from charitable activities				
Wind turbine income - Penmanshiel		39,787		-
Other incoming resources				
Bank interest received		8		-
Total incoming resources		39,795		50
<u>Resources expended</u>				
Charitable activities				
Event costs	1,198		-	
Professional fees	4,680		-	
Postage, stationery and telephone	181		-	
General expenses	380		-	
Bank charges	4		-	
		(6,443)		-
Accountancy		(1,080)		-
Surplus for the Year		32,272		50