

Company Registration No. SC497287 (Scotland)

NEW LUCE COMMUNITY TRUST
ANNUAL REPORT
AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

NEW LUCE COMMUNITY TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	Marie Ferguson	(Appointed 8 January 2020)
	Nigel Forster	
	Hugh Galloway	(Appointed 6 November 2019)
	Lorna Galloway	
	Mary Hannay	(Appointed 6 November 2019)
	Alistair McClelland	
	Eileen McClelland	
Secretary	Mr J Kane	
Company number	SC497287	
Registered office	Machars Initiative Centre 26 South Main Street Wigtown Newton Stewart DG8 9EH	
Independent examiner	Lesley Carnochan BAcc CA ITP Montpelier Professional (Galloway) Limited 1 Dashwood Square Newton Stewart DG8 6EQ	
Bankers	The Co-Operative Bank PO Box 250 Skelmerdale England WN8 6WT	
Accountants	Montpelier Professional (Galloway) Limited 1 Dashwood Square Newton Stewart Wigtownshire DG8 6EQ	

NEW LUCE COMMUNITY TRUST

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NEW LUCE COMMUNITY TRUST

DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and financial statements for the year ended 31 March 2020.

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 company's Memorandum & Articles of Association, the Companies Act 2006 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)

We took the decision not to become a charity ourselves, as we wish to keep our options open for the longer term, for example to support tourism, local businesses or other commercial activity. However we feel it is important to follow similar standards of governance and accountability as a charity might, hence our accounts are presented in a charitable format.

Objectives and activities

The objects of the Trust as set out in the Memorandum and Articles of Association are to benefit the community of New Luce and District as defined by the Community Council boundary. The Trust was setup to receive and manage Community Benefit payments offered to New Luce community by wind farm development companies. Payments are currently being received in respect of SPR's Kilgallioch Wind Farm and RES's Glenchamber Wind Farm. Priority for grant support will be given to projects located within or directly benefiting the New Luce Community Council Area, although proposals from outside the area can be considered if they include clear benefit to the New Luce community.

The overarching purpose of the Trust is to promote, establish, operate and/or support schemes and projects which are in furtherance of charitable purposes for the benefit of the Community. The activities must provide some measure of economic, environmental, educational, social or cultural benefit for people living in the area.

NEW LUCE COMMUNITY TRUST

DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2020**

Achievements and performance

Much progress has been made over the past year in achieving the ambitions set out in our Community Action Plan.

Kenmuir Arms

Since taking ownership of the Kenmuir Arms hotel in February 2019, the Trust has worked closely with our architect from Smiths Design Associates, Dumfries, to draw up possible plans for its development. At an open meeting with the architect in July 2019, the community was given the opportunity to examine the initial plans and to give their views on how they would like to see the building developed. Based on the feedback, three options were produced, differing on size and cost. The Trust's preferred option was put on public display in the village hall in February 2020. It was viewed by a sizeable part of the community and was met with approval.

Curling pond

Significant effort has gone into the proposal to create a wildlife viewing feature out of the former curling pond. With the encouragement and help from the landowner, Stair Estates and Place Project, part of Galloway & Southern Ayrshire Biosphere, an action plan has been produced. It is hoped that funding for the project will be sourced from the Heritage Lottery Fund (HLF). The Stage 1 application has been approved but, until HLF re-open the programme to applications and the Trust is in possession of a lease, the main Stage 2 application cannot proceed.

Phone mast

Through the work of Scottish 4G Infill Programme, the mobile telephone mast was completed at the beginning of 2020 and went live in February. Although Vodafone is, as yet, the only provider, it is hoped EE will join later in the year.

Taxi Card & Fuel Payments

Once again both these schemes have proved popular, with almost universal uptake.

Community Grants

Over the past year a grant was awarded to the New Luce Memorial Hall committee, which is appreciated for their hard work and commitment to the community.

Financial review

The financial statements have been prepared in accordance with current statutory requirements and the company's memorandum and articles of association.

Income of the organisation for the year to 31 March 2020 was £225,163; Expenditure was £102,788 resulting in a surplus of 122,375.

The company was funded by Community Benefit from wind farms managed by SPR and RES and it received a Capital grant from the Scottish Land Fund to assist in the purchase of the Kenmuir Arms Hotel.

In line with good practice the trustees have defined the company's policy for holding reserves. The intention in establishing this reserves policy is to ensure the continuation of the charity's activities. The policy will enable the company to meet its legal objectives, provide confidence to supporters and donors seeking to give financial support to a prudently controlled company and to ensure that the reserves are at a level to discharge the company's obligations, the reserves which the company is required to maintain are those needed to fund ongoing monthly costs. The company also has the option to invest part of the community benefit received from SPR Kilgallioch each year into an Endowment Fund to be retained for benefit of the community after the lifetime of the wind farm.

NEW LUCE COMMUNITY TRUST

DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

The Trustees have conducted their own review of major risks to the Company and have implemented systems to mitigate these. The major external risk to funding is recognised as the company's dependence on Community Benefit grants from wind farm developers, the solution to which is closely monitoring grant commitments and ensuring that no awards are made until funds have been received. Internal risks are minimised by the implementation of procedures for authorisation of all transactions.

The Trust will aim to deliver the priorities of the New Luce Community Action Plan by establishing, operating and supporting relative projects. Sharon Cameron, Development Officer will continue to research, design and deliver said projects.

The Kenmuir Arms Hotel was acquired in February 2019 and is in need of extensive renovation. The Trust has appointed a Design Team to produce development plans for the facility and bring it back into use as a community asset.

The Trust will look to distribute Community Benefit monies through a grant scheme with an emphasis to organisations and projects based and sited in New Luce.

Structure, governance and management

The company is a company limited by guarantee .

The directors who served during the year and up to the date of signature of the financial statements were:

Marie Ferguson	(Appointed 8 January 2020)
Nigel Forster	
Hugh Galloway	(Appointed 6 November 2019)
Lorna Galloway	
Mary Hannay	(Appointed 6 November 2019)
Alistair McClelland	
Eileen McClelland	
Amanda Richardson	(Resigned 21 July 2020)
Neale McQuistin	(Resigned 14 August 2019)

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

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

The directors' report was approved by the Board of Directors.

Nigel Forster



Dated: 14 October 2020

Alistair McClelland



Dated: 14 October 2020

NEW LUCE COMMUNITY TRUST

CHARTERED ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF NEW LUCE COMMUNITY TRUST FOR THE YEAR ENDED 31 MARCH 2020

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of New Luce Community Trust for the year ended 31 March 2020, which comprise the statement of financial activities and the related notes from the charity's accounting records and from information and explanations you have given us.

As a practising member firm of the ICAS we are subject to its ethical and other professional requirements which are detailed at www.icas.com/professional-resources/practice/support-and-guidance/framework-for-the-preparation-of-accounts-revised-june-2020.

This report is made to the charity's directors, as a body, in accordance with the terms of our engagement letter dated 25 February 2020. Our work has been undertaken solely to prepare for your approval the financial statements of New Luce Community Trust and state those matters that we have agreed to state to the charity's directors, as a body, in this report in accordance with the requirements of the ICAS as detailed at www.icas.com/professional-resources/practice/support-and-guidance/framework-for-the-preparation-of-accounts-revised-june-2020. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than New Luce Community Trust and the charity's directors as a body, for our work or for this report.

It is your duty to ensure that New Luce Community Trust has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and surplus of New Luce Community Trust. You consider that New Luce Community Trust is exempt from the statutory audit requirement for the year, and is not required to obtain an independent examiner's report.

We have not been instructed to carry out an audit or a review of the financial statements of New Luce Community Trust. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Montpelier Professional (Galloway) Limited

23 September 2020

Chartered Accountants



Montpelier Professional (Galloway)
Limited
1 Dashwood Square
Newton Stewart
DG8 6EQ

NEW LUCE COMMUNITY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
<u>Income from:</u>							
Donations and legacies	2	-	224,328	224,328	250	392,257	392,507
Investments	3	-	835	835	-	-	-
Total income		-	225,163	225,163	250	392,257	392,507
<u>Expenditure on:</u>							
Charitable activities	4	-	102,788	102,788	-	96,594	96,594
Gross transfers between funds		-	-	-	200,000	(200,000)	-
Net income for the year/ Net movement in funds		-	122,375	122,375	200,250	95,663	295,913
Fund balances at 1 April 2019		200,315	230,881	431,196	65	135,218	135,283
Fund balances at 31 March 2020		200,315	353,256	553,571	200,315	230,881	431,196

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

NEW LUCE COMMUNITY TRUST

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	8		200,000		200,000
Current assets					
Cash at bank and in hand		353,571		232,756	
Creditors: amounts falling due within one year	9	-		(1,560)	
Net current assets			353,571		231,196
Total assets less current liabilities			553,571		431,196
Income funds					
Restricted funds	10		353,256		230,881
Unrestricted funds			200,315		200,315
			553,571		431,196

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2020.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the 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 company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Directors on 14 October 2020

Nigel Forster
Trustee



Alistair McClelland
Trustee



Company Registration No. SC497287

NEW LUCE COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Charity information

New Luce Community Trust is a private company limited by guarantee incorporated in Scotland. The registered office is Machars Initiative Centre, 26 South Main Street, Wigtown, Newton Stewart, DG8 9EH.

1.1 Accounting convention

The financial statements have been prepared in accordance with the company's [governing document], the Companies Act 2006 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) (effective 1 January 2019)". The company is a Public Benefit Entity as defined by FRS 102.

The company 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 are prepared in sterling, which is the functional currency of the company. 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 directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors 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 directors in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the company.

1.4 Income

Income is recognised when the company 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 company 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.

Legacies are recognised on receipt or otherwise if the company 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.

1.5 Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered

NEW LUCE COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Nil
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 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 company's contractual obligations expire or are discharged or cancelled.

NEW LUCE COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

2 Donations and legacies

	Restricted funds	Unrestricted funds	Restricted funds	Total
	2020 £	2019 £	2019 £	2019 £
Donations and gifts	-	250	-	250
Grants	224,328	-	392,257	392,257
	<u>224,328</u>	<u>250</u>	<u>392,257</u>	<u>392,507</u>
Grants receivable for core activities				
SPR Kilgallioch	157,893	-	154,150	154,150
SPR Endowment Fund	31,579	-	30,830	30,830
RES Glenchamber	30,416	-	30,357	30,357
Scottish Land Fund	4,440	-	176,920	176,920
	<u>224,328</u>	<u>-</u>	<u>392,257</u>	<u>392,257</u>

3 Investments

	Restricted funds	Total
	2020 £	2019 £
Interest receivable	<u>835</u>	<u>-</u>

NEW LUCE COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

4 Charitable activities

	2020 £	2019 £
Winter fuel scheme	13,990	13,329
Taxicard scheme	5,766	5,861
Underused buildings	-	14,047
Kenmuir Arms	20,121	5,864
Development Officer	32,727	14,283
Management fee	11,066	3,563
Administration	1,080	893
Insurance	399	399
Newsletter	273	-
Green spaces	9,366	-
	<u>94,788</u>	<u>58,239</u>
Grant funding of activities (see note 5)	8,000	38,355
	<u>102,788</u>	<u>96,594</u>

5 Grants payable

	2020 £	2019 £
Grants distributed:		
New Luce Community Council	-	18,457
New Luce Memorial Hall	8,000	17,905
New Luce Gardening Group	-	1,993
	<u>8,000</u>	<u>38,355</u>

6 Directors

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

7 Employees

There were no employees during the year.

NEW LUCE COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

8 Tangible fixed assets

	Freehold land and buildings £
Cost	
At 1 April 2019	200,000
At 31 March 2020	200,000
Carrying amount	
At 31 March 2020	200,000
At 31 March 2019	200,000

9 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	-	1,560

NEW LUCE COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

10 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds			
	Balance at 1 April 2018 £	Incoming resources £	Resources expended £	Transfers £	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Balance at 31 March 2020 £
SPR Kilgallioch	67,752	154,150	(50,611)	(52,303)	118,988	157,894	(52,398)	224,484
SPR Endowment Fund	11,875	30,830	-	-	42,705	32,414	-	75,119
RES Glenchamber	55,591	30,357	(36,825)	65	49,188	30,415	(25,950)	53,653
Scottish Land Fund	-	176,920	(9,158)	(147,762)	20,000	4,440	(24,440)	-
	<u>135,218</u>	<u>392,257</u>	<u>(96,594)</u>	<u>(200,000)</u>	<u>230,881</u>	<u>225,163</u>	<u>(102,788)</u>	<u>353,256</u>

NEW LUCE COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

11 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 March 2020 are represented by:						
Tangible assets	200,000	-	200,000	200,000	-	200,000
Current assets/ (liabilities)	315	353,256	353,571	315	230,881	231,196
	<u>200,315</u>	<u>353,256</u>	<u>553,571</u>	<u>200,315</u>	<u>230,881</u>	<u>431,196</u>

12 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).