Company number: SC409591
Charity number: SC044939

Lochluichart Community Trust
(A company limited by guarantee)

Trustees' report and financial statements

For the year ended 31 March 2020

Lochluichart Community Trust
(A company limited by guarantee)

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Report of the trustees
For the year ended 31 March 2020

The trustees are pleased to present their annual report together with the financial statements of the charity for the year ending 31 March 2020 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, 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).

Objectives and activities

The Lochluichart Community Trust (LCT) was established in 2011 as a not for profit community company to administer the community benefit fund, provided by Eneco, associated with the Lochluichart Wind Farm. It was also registered with OSCR as a charity on 19 June 2014. Further funds have also been made available by Albion Capital for the Ledgowan Hydro and EDF Renewables for the Corriemoillie windfarm.

The objective of LCT is the charitable objective of the advancement of citizenship or community development within the Garve and District Community Council area. To this end LCT receives community funds from all providers and distributes it to projects and initiatives within and of stated benefit to the Garve and District Community Council area, with particular emphasis on local regeneration and community development.

Achievements and performance

During the year 1 April 2019 to 31 March 2020 13 grants were awarded to the local community, totalling £438,173. These grants were provided to support a number of projects and initiatives with the major grants being £85,786 awarded to the Garve and District Broadband group to ensure improved broadband for the whole community and £43,920 being awarded to the Garve and District Energy group for the energy rebate scheme.

LCT has a defined process for the review of applications. To improve the efficiency of smaller grant review LCT has this year introduced the micro grant scheme, for grants up to £250 and the Small Value grant scheme for grants up to £1,000.

Financial review

Principal funding sources

LCT has received community benefit funds for grant funding from renewable energy developers to the value of £859,334. Of this sum £202,087 was received from Eneco as the owners of the Lochluichart windfarm and extension, £5,315 was received from Albion Capital as the owners of the Ledgowan Hydro and £640,548 from EDF Renewables. The funding from EDF renewables includes the backdated payments for the previous 2 years as well as the annual fund. Funding for administration to the value of £40,796 was received during the financial year.

Reserves policy

As of March 2020 the charity held reserves of £519,953. LCT is currently working with other groups in the local community to develop a long term plan for the current reserves and future funding.

Structure, Governance and Management

LCT is a charitable company limited by guarantee, incorporated on 18 October 2011 and registered as a Scottish charity since 19 June 2014. The company is governed by the Articles of Association.
The operational management of LCT is through the Company Secretary.
The Board consists of up to 7 Member directors, who are appointed by the LCT members. The Trustees are responsible for the overall management of the charity and review and appoint the grant awards.

Recruitment and appointment of new trustees

New trustees may be appointed by ordinary resolution. Any new trustee will be provided with a copy of the charity's governing document and a copy of the OSCR guidance for charity trustees.

Risk management

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

Reference and administrative details

Company registration number:	SC409591
Charity registration number:	SC044939

Reference and administrative details (continued)

Registered office:	c/o Munro and Noble 4 Church Street Dingwall Ross-shire IV15 9SB	
Trustees:	Jeanette Fenwick	
	Jennifer Haslam	
	Margaret Ross	
	Uisdean Menzies	(Appointed 21 August 2019)
	Tayler Grant	(Appointed 21 August 2019)
	Nicola Ross	(Appointed 21 August 2019)
	Glyn Robson	(Resigned 27 April 2020)
	Karen Grant	(Resigned 21 August 2019)
	Jean Bailey	(Resigned 21 August 2019)
	David Raeburn	(Resigned 21 August 2019)
	Sharon Wright	(Resigned 21 August 2019)
Secretary:	Carol Smith	

Statement of trustees' responsibilities

The trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each 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, including the income and expenditure, of the charitable company for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 business.

Statement of trustees' responsibilities (continued)

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board

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Uisdean Menzies
Trustee
Date: 12TH OCTOBER 2020

Independent auditor's report to the members of Lochluichart Community Trust

Opinion

We have audited the financial statements of Lochluichart Community Trust for the year ended 31 March 2020 which comprise the statement of financial activities, balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

In our opinion the financial statements:

- give a true and fair view of the charitable company state of affairs as at 31 March 2020 and of the incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulations 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- proper and adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Trustees' Annual Report.

Independent auditor's report to the members of Lochluichart Community Trust (continued)

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 3, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report to the members of Lochluichart Community Trust (continued)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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Eunice McAdam (Senior Statutory Auditor)
for an on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors

14 October 2020

Kintail House
Beechwood Park
Inverness
IV2 3BW

Statement of financial activities (including the income and expenditure account)
For the year ended 31 March 2020

	Note	Unrestricted funds £	Restricted funds £	2020 total £	2019 total £
Income and endowments from:					
Charitable activities					
Community development	3	859,334	40,796	900,130	233,043
Investment income	4	31	-	31	151
Total income		859,365	40,796	900,161	233,194
Expenditure on:					
Charitable activities					
Community development	5	438,173	14,476	452,649	200,428
Total expenditure		438,173	14,476	452,649	200,428
Net movement in funds		421,192	26,320	447,512	32,766
Transfers between funds		76	(76)	-	-
Reconciliation of funds:					
Total funds brought forward		55,952	16,489	72,441	39,675
Total funds carried forward		477,220	42,733	519,953	72,441

All income and expenditure derive from continuing activities.

The notes on pages 10 to 17 form part of these financial statements.

Balance sheet
As at 31 March 2020

	Note	2020 £	2020 £	2019 £	2019 £
Current assets					
Cash at bank and in hand		772,300		167,973	
Total current assets		772,300		167,973	
Liabilities					
Creditors: amounts falling due within one year	12	252,347		95,532	
Net current assets			519,953		72,441
Net assets	13		519,953		72,441
The funds of the charity:					
Unrestricted funds	14		477,220		55,952
Restricted funds	15		42,733		16,489
Total funds			519,953		72,441

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

The notes on pages 10 to 17 form part of these financial statements.

Approved by the board for issue on 12TH OCT 2020

Uisdean Menzies
Trustee

Company registration number: SC409591
Charity registration number: SCO44939

1) Accounting policies

Company information

Lochluichart Community Trust is a private company limited by guarantee and incorporated in Scotland. The registered office is Munro & Noble, 4 Church Street, Dingwall, Ross-shire, IV15 9SB.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1) Basis of preparation

The financial statements have been prepared in accordance with 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 2015) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

Lochluichart Community Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

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 £.

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) Incoming resources

Items of income are recognised and included in the financial statements when all of the following criteria are met:

- the charity has entitlement to the funds;
- any performance conditions attached to the items of income have been met or are fully within the control of the charity;
- it is probable that the income will be received; and
- the amount can be measured reliably.

1.4) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work.

1.5) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity heading:

- Expenditure on charitable activities includes costs undertaken to further the purposes of the charity.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside the control of the trust. Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable. The provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Trust that would permit the Trust to avoid making the future payments and settlement is probable.

1.6) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, finance and governance costs which support the charities activities. These costs have been allocated to expenditure on charitable activities.

1.7) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.8) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

1.9) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2) Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.

3) Income from charitable activities

	Unrestricted £	Restricted £	2020 £	2019 £
Community development	859,334	40,796	900,130	233,043
	859,334	40,796	900,130	233,043

The income from charitable activities was £900,130 (2019 - £233,043) of which £859,334 was unrestricted (2019 - £225,195) and £40,796 was restricted (2019 - £7,848).

4) Income from investments

	2020 £	2019 £
Deposit account interest	31	151
	31	151

All of the income from investments in the current and prior year was unrestricted.

5) Expenditure on charitable activities

	Unrestricted £	Restricted £	2020 £	2019 £
Grants to institutions	438,173	-	438,173	193,639
Insurance	-	383	383	-
Motor expenses	-	604	604	446
Postage and stationery	-	390	390	146
Sundries	-	201	201	656
Bank charges	-	65	65	49
Accountancy	-	1,008	1,008	991
Audit fees	-	3,000	3,000	-
Legal fees	-	390	390	-
Computer costs	-	2,750	2,750	298
Wages	-	5,685	5,685	4,203
	438,173	14,476	452,649	200,428

Expenditure on charitable activities was £452,649 (2019 - £200,428) of which £438,173 was unrestricted (2019 - £193,639) and £14,476 was restricted (2019 - £6,789).

6) Analysis of grants

All grants in the current and prior year were payable to institutions.

Recipients of institutional grants:	2020 £
Community Ceilidh	580
The Garve and District Development Company - Feasibility Study	18,942
Garve Public Hall - Emergency Remedial Work Garve Public Hall	28,097
Community Events Group	400
Garve and District Broadband	85,786
Garve and District Community Energy Group - Community Energy Grant	122,554
Community Christmas party	1,230
The Garve and District Development Company - Activate Garve and District	13,251
Garve and District Community Energy Group - Moving Forward - Green for Go	9,000
Strathgarve Primary School - Together We Suceed	15,603
The Garve and District Development Company - Yoga, Ti Chi, Qui Gong	2,502
The Garve and District Development Company - Green for Go - Garve and District	40,228
The Garve and District Development Company - Covid 19 Community Support	100,000
	438,173

7) Net incoming resources for the year

	2020	2019
	£	£
Net incoming resources is stated after charging:		
Audit fee	3,000	-

8) Analysis of trustee remuneration and expenses

The charity trustees were not paid and did not receive any other benefits from the charity during the year (2019 - nil).
There were no trustees' expenses paid for the year ended 31 March 2020 (2019 - nil).

9) Employee numbers

The average monthly number of full-time equivalent employees during the year was 1 (2019 - 1).

10) Staff costs and remuneration of key management personnel

	2020	2019
	£	£
Salaries and wages	5,685	4,203
Social security costs	-	-
Pension costs	-	-
	5,685	4,203

No employees received emoluments in excess of £60,000 in the current or prior year.
The key management personnel of the charity are the trustees. The total employee benefits of the key management personnel of the charity were £nil (2019 - £nil).

11) Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation and Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

12) Creditors

	2020	2019
	£	£
Other creditors	247,761	93,871
Accrued expenses	4,586	1,661
	252,347	95,532

13) Analysis of net assets between funds

	Unrestricted	Restricted	Total
	£	£	£
Current assets	724,981	47,319	772,300
Current liabilities	(247,761)	(4,586)	(252,347)
	477,220	42,733	519,953

14) Unrestricted funds

	At 1 April 2019	Incoming resources	Outgoing resources	Transfers	At 31 March 2020
	£	£	£	£	£
General fund	55,952	859,365	(438,173)	76	477,220
	55,952	859,365	(438,173)	76	477,220

15) Restricted funds

	At 1 April 2019	Incoming resources	Outgoing resources	Transfers	At 31 March 2020
	£	£	£	£	£
Administration	16,489	40,796	(14,476)	(76)	42,733
	16,489	40,796	(14,476)	(76)	42,733

Purposes of restricted funds

Administration - funding provided solely to meet the administrative requirements of the charity.

16) Related party transactions

There were no related party transactions for the year ended 31 March 2020.