

COMPANY REGISTRATION NUMBER: SC401019
CHARITY REGISTRATION NUMBER: SC043587

Kyle of Sutherland Development Trust
Company Limited by Guarantee
Financial statements
30 June 2021

FKF ACCOUNTING LIMITED
Chartered Accountants & statutory auditor
Metropolitan House
31-33 High Street
Inverness
IV1 1HT

Kyle of Sutherland Development Trust

Company limited by guarantee

Financial statements

Year ended 30 June 2021

	Page
Trustees' annual report (incorporating the directors' report)	1
Independent auditor's report to the members	12
Statement of financial activities (including income and expenditure account)	17
Statement of financial position	18
Statement of cash flows	19
Notes to the financial statements	20
The following pages do not form part of the financial statements	
Detailed statement of financial activities	32

Kyle of Sutherland Development Trust

Company limited by guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 30 June 2021

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 30 June 2021.

Chair's report

Welcome to another annual report for the Kyle of Sutherland Development Trust and as a result of the Covid-19 pandemic what an unusual year it has been. During the initial four-month lockdown, between March and July 2020, KoSDT were able to continue to deliver existing projects whilst also reacting and changing services rapidly to serve and support our communities at a time of great uncertainty. This was crucial as many other community organisations and assets were forced to cease operating during this period due to social distancing guidelines. The Trust also continued to deliver through the subsequent periods of restricted movement and social distancing. After this stop start period let's hope we are now looking at slightly less restricted times ahead.

However, given the changes to society, and impacts on the economy that will come about as a result of COVID-19, it is clear that there will be an ongoing need to deliver increased community support in the future, and as a result, the role of Development Trusts such as KoSDT will become even more important as we try to build back better.

Prior to Covid there was already a growing recognition of the contribution that Development Trusts (DTs) make in communities around Scotland. Because they are able to respond to local needs, and recognise that to regenerate a community means adopting a comprehensive approach, DTs are engaged in a wide range of economic, social and environmental regeneration, ranging from the development and restoration of property to support for the isolated in society.

The UK and Scottish Governments have both endorsed the importance of community DTs for building strong and independent communities. They have jointly adopted the term '*Community Anchor Organisation*' (CAO) as a generic category for such vehicles – to give new emphasis to their significance. The term Anchor Organisation is used because of the solid foundation they give to a wide variety of self-help and capacity building activities in local communities and because of their roots within their communities.

Community anchor organisations are independent, community led organisations with multi-purpose functions, which provide a focal point for local communities and community organisations, and for community services. They often own and manage community assets and support smaller community organisations to reach out across the community. KoSDT meet all of these criteria.

Since 2009, when the Scottish Government and COSLA jointly launched the Scottish Community Empowerment Action Plan, the concept of DTs as community anchors and the key role that they play in building local resilience, in the design and delivery of local services, and in locally led regeneration has become increasingly embedded across Scottish Government policy. Indeed, the Community Empowerment (Scotland) Act 2015, acknowledged community anchor organisations as being pivotal to the community empowerment process. HIE have recognised KoSDT as one of 12 Community Anchor Organisations in Sutherland that were key to the community response to COVID-19.

Over the past few years KoSDT has been building its reserve in accordance with guidance from OSCR for a minimum of 3 months core costs, with best practice being 12-months operating costs, this figure is yet to be achieved so the organisation has self-restricted three months core costs which brings down working capital considerably. The recent lockdown highlighted the need to keep healthy reserves to ensure that the Trust can continue to serve the community during any future shocks.

Kyle of Sutherland Development Trust

Company limited by guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 30 June 2021

In the last accounting year there was almost £75k of depreciation calculated for the assets that the Trust owns on behalf of the community (The Barn Business Centre, Bonar Bridge Post Office, the Falls of Shin Visitor Centre, etc). Further to this, due to the crisis created by COVID-19 the Trust has lost a significant amount of income due to loss of rent and turnover income from Falls of Shin. This has impacted on the unrestricted reserves of the Trust.

The need to sustain successful anchor organisations such as KoSDT has become crucial to ensure the environmental, social and economic health of the community over the following years. Therefore, the Trust will continue to tackle social issues that stem from poverty and the poor service provision that is common in remote rural areas. These will include developing or enhancing projects that tackle issues such as isolation, food and fuel poverty, health and wellbeing etc. These issues will either be dealt with directly or through partnership working with organisations such as Lairg & District Community Initiatives, The Bradbury Centre, The Kyle of Sutherland Hub, Lairg & District Learning Centre, East and Central Sutherland Citizens Advice Bureau (ECSCAB), and Planet Sutherland.

I think it is worth mentioning that the Ardgay & District, and Creich Community Councils as well as other community groups have put a lot of their faith in the Trust to deliver on their behalf. I'm delighted to report that that faith has been well placed and that we now have very much closer working relationships between community groups and the Trust. If the year has taught us one thing, it's that we can serve our community better by getting groups to work more closely together - let us hold that thought and build upon it for the future.

Despite the disruption caused by the pandemic, over the past 12 months KoSDT has been very active and delivered multiple projects to help the community. Please read on for a summary of what has been delivered in 2020/21.

Pete Campbell
Chairman

An Overview of the Year

KoSDT Assets:

Ardgay Regeneration Project: The Barn Business Centre and Drovers Square

The Barn, like all other business premises, had to close its doors to the public due to the initial Covid-19 lockdown and the KoSDT Team and our resident businesses worked from home, where possible. The building hosts the KoSDT office and 3 other businesses who between them employ 9 people. The Barn is also home to Business Gateway (2 employees) who support many small businesses across Sutherland and Ross-Shire. In the summer of 2021 Highland Wireless relocated to Dornoch due to an expansion which required larger premises. We wish them well in the future.

Bonar Bridge Post Office & Assynt House

During the year it became clear that the building would require substantial investment to deal with a severe case of dry rot that had developed as a result of decades of neglect and lack of maintenance. This would result in a complete refurbishment of the floor and internal structure. Lack of action would have resulted in the building being closed and possibly condemned. Funding was secured from SSE Achany, HIE and both CCs, to add to our own contribution, to ensure that the retail and working space, and the Royal Mail sorting office, was improved so that the asset could serve the community for decades to come. The Post Office was closed for refurbishment from Tuesday the 22nd of June 2021 and a temporary service was delivered from the Crannag Bistro. The Royal Mail sorting office will move to The Barn in Ardgay until work is complete.

Kyle of Sutherland Development Trust

Company limited by guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 30 June 2021

Falls of Shin Café and Visitor Centre

The Falls of Shin closed as a result of the lockdown imposed in March 2020. As a result, the leaseholder, Mac & Wild Events, went into liquidation due to the effect that COVID-19 restrictions have had on their London businesses. M&W Events left an outstanding debt of £11592.37 which had to be written off to allow KoSDT to advertise for a new operator. However, we have so far been unable to

find an operator who is willing to buy into the long-term, community-based vision that the KoSDT Board have for the Falls of Shin. This was not helped by the ongoing COVID restrictions and the difficulty of sourcing staff due to Brexit. Given this, we have acted quickly to find an interim solution that allowed the site to function over the rest of the season by allowing Crofters Kitchen to trade on the site over the summer months. This ensured that there are refreshments available on site, and the toilets were a usable public convenience once more.

In early 2021 KoSDT were awarded £62k from HIE to develop overnight parking for motorhomes at FoS, including electric hook up points, water, and waste disposal facilities. The facility is now completed and is being used by visitors. We have also installed charging points for e-bikes beside our existing Electric Vehicle Charging Point. We feel this is a very positive development to try and mitigate some of the poor visitor behaviour that we have seen over the past few years. We have also used the time during lockdown to upgrade the path to the viewing area at the Falls. In addition, Forestry & Land Scotland (FLS) have also upgraded their walking trails over the winter. We are also talking to FLS about undertaking some more landscaping and tree planting to make the site a better experience for visitors.

Superfast Broadband

KoSDT, with support from the SSE Beatrice Fund, made a significant investment in equipment that is allowing Highland Wireless Ltd (HW) to roll out superfast broadband in the area. This project is one of the most significant and beneficial projects undertaken by KoSDT. The superfast service to our most remote rural areas will provide a catalyst for local development and create the basis for people to live and work in the area without suffering from digital disadvantage. HW have now completed the project by installing masts to serve Strathcarron. HW now have over 135 premises in the KoSDT area signed up to receive the superfast service.

Transport - Electric Charging Points (ECP) & Vehicle

Both charging points are now working as designed. The KoSDT Electric Vehicle is now being used solely by our Maintenance Operative to travel to and from Falls of Shin.

South Bonar Public Toilets & Site

KoSDT was successful in its application to the Visit Scotland Rural Tourism Infrastructure Fund (£170k) and the Highland Coastal Communities Fund (£72k) for the development overnight motorhome infrastructure (including electric hook ups, waste disposal, e-bike charging points etc) at South Bonar. We also had a community asset transfer application approved by THC for the Bonar Bridge public toilets, picnic area and car park to Kyle of Sutherland Development Trust. However, we have not secured planning permission for the site yet, we will continue to work on this.

KoSDT Projects

KALM – projects dealing with social inequalities and helping healthy living

An application was approved by the Scottish Government's Investing in Communities Fund (ICF), to continue to deliver our social projects until October 2021. The new project, called KALM, will take a holistic approach in addressing health inequalities and their associated drivers.

The Community Food Stop Café has not been open since March 2020. We will continue to review the situation to assess when it will be safe to reopen this much-loved community service.

Kyle of Sutherland Development Trust

Company limited by guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 30 June 2021

The free Community Food Larder has been a great success and was very heavily used by the community during lockdown, with demand increasing by 400%. It operates 2 days per week (Tuesdays and Fridays). The larder now offers frozen food as well as canned and packaged goods. A Christmas Community Food Larder was also provided on the 21st of December.

KoSDT have an agreement with Balnagown Estate to use a small piece of land adjacent to the food larder to erect a polytunnel to grow fruit and veg to support the Café and the food larder. Planning permission has been sought and it is hoped we can begin work on this soon.

The team are now delivering weekly socially distanced 'walk and talk' sessions in Bonar Bridge and Ardgay. The first 15 participants received a free Fitness Tracker watch to motivate them to walk more. Also, during the various Covid lockdowns, we varied between supporting our dance instructor to deliver on-line sessions to using the village halls where appropriate.

KoSDT used some of the KALM budget to once again purchase tracksuits for Bonar Bridge FC.

The Helping Hand Home Energy Fund & MFR Cash for Kids Support

For a number of years now KoSDT, supported by the E.ON Rosehall Community Fund and our Community Councils, have been delivering The Helping Hand Home Energy Fund to support individuals in fuel poverty within Creich and Ardgay & District Community Councils areas. KoSDT, with advisory support from our local Citizens Advice Bureau's, provide an award of up to £250 to support the individual through purchasing fuel, electricity, or the new energy efficient white goods. KoSDT now administers similar funds for the communities of Lairg and Dornoch.

Further to this, in March 2021, KoSDT were successful in applying to the Scottish Government Communities Recovery Fund to secure £50,000 to be distributed to households across Sutherland suffering from financial hardship as a result of the COVID-19 pandemic. Over two months the team at KoSDT processed support for 204 households with a further 26 being referred on to other support mechanisms. Clients were also supported to access advice and guidance from the Sutherland Citizens Advice Bureau's, and several were helped to successfully apply to the Scottish Welfare Fund. Every community council area in Sutherland benefitted from this support.

Also in March, KoSDT were successful in applying to Moray Firth Radio's 'Cash for Kids' to secure £10,000 to be distributed to children in Sutherland facing hardship. 100 children in 50 households were supported after being referred to KoSDT by NHS Highland, our local CABs, The Highland Council, and other community anchor organisations across Sutherland. Again, clients were supported to access advice and guidance from the local CABs, and several were referred on to, and supported, by their local community food larders.

Sutherland Adaptive and Collaborative Communities Project (SACC)

In December 2019 KoSDT were successful in our application to the Scottish Government's Aspiring Communities Fund (ACF). This £249,169 project will allow KoSDT to employ 3FTE's over a period of 21 months, finishing in April 2022. The funding will enable staff to work with communities to help deliver the action plans that were developed across Sutherland by the KoSDT Community Engagement Team between December 2017 and December 2019.

The staff will work with the Sutherland Community Partnership (SCP) to support the Sutherland communities that are most in need to deliver the actions identified during the engagement process. The priority communities identified by the SCP are Creich, Kinlochbervie, Golspie, Brora, and Helmsdale. The project was due to start in April 2020 however this was delayed until August 2020.

Kyle of Sutherland Development Trust

Company limited by guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 30 June 2021

The first action the SACC project team took forward was an online Impact and Recovery Survey to gather evidence on how the needs and priorities in local communities may have changed due to the Covid-19 pandemic, the results were then fed into Locality Group discussions.

As well as progressing the Locality Plans the project team are working on Sutherland wide projects, the first of which was to create a central resource bringing together the mental health services available across Sutherland. As a result, a new Sutherland Wellbeing website: www.sutherlandwellbeing.com was launched on the 1st of March. The website has been designed to connect Sutherland's residents with services, resources and activities aimed at promoting good mental health and strengthening an individual's emotional and physical wellbeing.

The SACC team have also supported the establishment of a Mental Health and Wellbeing Sub-Group which brings community organisations and statutory agencies together to identify priorities around mental health and wellbeing for the benefit of Sutherland's communities and residents.

The SACC team also contributed towards the newly launched 2020-25 Sutherland Food Strategy, which has been developed by the SCP Food Resilience sub-group to act as a framework and plan for activities for the next five years. Alongside this, the team created a Sutherland Food Map, which pinpoints community food projects across Sutherland. Both the Strategy and the Map can be viewed on the Sutherland Community Partnership website: www.highlandcpp.org.uk/sutherland-community-partnership.html.

The SACC team are also supporting the delivery of a Sutherland Fuel Poverty Summit to be held in Lairg later this year. It is hoped that there will be very senior representation from the Scottish Government present for this important event.

In the Kyle of Sutherland Jodie Ross, the SACC Project Officer who covers Central and South Sutherland, has been working closely with Locality Lead Jason Gardner, from the Scottish Fire and Rescue Service, and the Locality Group members to create a joint Community Resilience Plan for Creich and Ardgay & District which was signed off earlier this year.

The main Plan includes information about the area and how the plan will work for community first responders and for various agencies to utilise if a community response is required. There is also a shorter version of the plan made available for individuals to refer to in the event of an emergency. In addition to this, there will be a page in the Kyle Chronicle which will include a map of key safe locations and information on local flooding, snow and wildfires which all members of the community will be encouraged to keep near at hand. The plan has had invaluable input from local individuals, community halls, community councils, community organisations, local businesses, and other stakeholders from across the area.

After reviewing our current community assets, KoS Locality Group have identified some gaps in provision in the area for defibrillators, first responders and points to hook up generators. The locations of the gaps identified for access to defibrillators are at Bonar Bridge, Falls of Shin, Invershin, Strathcarron, and Spinningdale. The locations of safe places to gather in case of an emergency will include Ardgay, Bonar Bridge, Culrain, Invershin, Oykel Bridge, Rosehall, and Strathcarron. As a first project, the Group have decided to apply for funding, through KoSDT, to install defibrillators across the Kyle of Sutherland area and to ensure that community facilities have generator hook up points. This will ensure that each main settlement has access to life saving equipment and safe places to gather in a time of emergency.

Kyle of Sutherland Development Trust

Company limited by guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 30 June 2021

External Contracts

The contracts team are continuing to develop project income through delivering projects with other community groups. Currently we are working with Lairg Community Development Initiatives, Scourie Community Development Company, and John O'Groats Development Trust. We have also had initial discussions with several other community organisations and are currently liaising with community groups in Brora, Dunbeath, and Durness. Unfortunately bids for contracts in John O'Groats and Skye were unsuccessful but the team received very positive feedback on their proposals. The contracts team are also managing the development of our own projects at South Bonar, Bonar Bridge Post Office, and at Falls of Shin.

Support for Lairg

Since October 2019 Lairg and District Community Initiatives (LDCI) have contracted with KoSDT to provide a Community Development Officer service. The contract between LDCI and KoSDT for officer support has been extended until the end of December 2021 and if funding is secured this arrangement will be extended on an annual basis, subject to need.

The support from KoSDT to LDCI also includes advice and guidance from the KoSDT Manager to LDCI Board members and support from the KoSDT Contracts team to advise on how to develop infrastructure projects such as the Lairg Station Path, motorhome parking at Ferry Croft, Church Hill Woods, and the Coach House.

It is hoped that the closer working relationship between the two trusts will continue to deliver positive outcomes for the communities of Ardgay, Creich, and Lairg over the next few years.

Work on Community Shared Ownership of Renewable Energy Developments

The communities of Creich and Ardgay & District already benefit through funding from several wind farms that are present in our local area. Further to this there are at least eight more in development that could potentially benefit our communities, these are Beinn Tharsuinn II, Braelangwell, Braemore, Garvery, Glencassley, Lairg II, Meall Bhuie, and Sallachy. Some of these will not gain planning consent and will not proceed but several will gain approval given the Scottish Government policy to support renewable energy where appropriate.

At least two of the developments have considerable opposition within our community which makes them difficult to support. However, if these developments do get planning consent it should be KoSDT's obligation to ensure that the community benefits as much as possible. Therefore, although the Trust may oppose certain developments as we do not feel that they are beneficial to the community, we will still negotiate with developers to get the best deal for the community in the event that they gain planning consent despite local opposition.

On that basis, KoSDT, in partnership with Local Energy Scotland, are at the forefront (nationally) of investigating the opportunities that may arise from shared community ownership of local onshore windfarm developments. KoSDT are currently leading negotiations (on behalf of the communities of Lairg, Ardgay & District, Creich, Durness, Kinlochberrie, and Scourie) with a developer to look at the opportunities for shared community ownership of a development on Sallachy Estate.

Knowledge gained from this process is currently being used to inform negotiations with several other developments currently proposed for the area, see above, which could potentially deliver in excess of 600Mw of output. This could deliver significant amounts of community benefit funding into the community potentially £3-5m per annum over 25-50 years. Due to this experience, KoSDT are now in a position to lead negotiations on behalf of the community, with appropriate legal and financial advice, to try to maximise this benefit for future strategic community use.

Kyle of Sutherland Development Trust

Company limited by guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 30 June 2021

Communications

Kyle Chronicle

The 7th issue of the Kyle Chronicle was published in June 2021, and it continues to receive great feedback. KoSDT compiles information and images for four pages worth of news for each edition. The support from KoSDT allows the magazine to be distributed to every household in the community for free every three months. This is undertaken by a group of local volunteers which helps to encourage community spirit and fights isolation.

The Kyle Chronicle has greatly improved communications in the area, helping business, charities and community groups to reach the public, and helping people access useful information such as local services, events and local emergency plans.

Online communications

During the year we launched our new website (www.kosdt.com)

KoSDT also manage the website and social media for Creich Community Council. The contract with HOST has now lapsed due to lack of funds however we would consider taking on this function again in the future

Partnership Working

- The KoSDT manager sits on the Sutherland Community Planning Partnership and on several of its sub-committees, including the HIE Sutherland Resilience Group, Sutherland Food Resilience Group and Sutherland Fuel Poverty Working Group.
- KoSDT also employ four staff members who work with communities across the county on behalf of the Sutherland Community Partnership.
- The KoSDT Manager sits on the North Highland Initiative Tourism Board and is also on the steering group for the proposed North Highland Sustainable Tourism Partnership.
- The KoSDT manager also sits on the Caithness and Sutherland PACE (Partnership Action for Continuing Employment) group.
- The KoSDT Manager is a member of the East Sutherland Green Health Partnership.
- Partnership working, both local and regional, is going to be essential to ensure that we can get through this difficult period in the most efficient, effective, and sustainable way.
- Partnership working across a wider area also brings attention and profile to the area which can result in benefits such as funding and the delivery of pilot projects.

External Funding

In 2020/21 KoSDT was successful in securing the following external funding.

Fund	Project	Amount	Year
UK Government (through HIE)	Coronavirus supporting communities fund	£14,115	2020
HIE – Community Led Tourism	Motor Home Parking at Falls of Shin	£62,241	2020
VisitScotland - RTIF	Overnight Motor Home Parking at Bonar	£170,000	2020
THC - Crown Estate CCF	Overnight Motor Home Parking at Bonar	£71,678	2020
THC Ward Discretionary	Uplift of Christmas boxes from Aberdeen	£280	2020
SSE Achany/E-On Rosehall	5 years core funding (inc LDCl)	£300,000*	2020
THC Ward Discretionary Funding	COVID Funds for food larder	£1,500	2021
Communities Recovery Fund	Helping Hand Support across Sutherland	£57,215	2021
SG Investing in Communities	DTAS - Development funding	£13,600	2021
Communities Recovery Fund 2	Support for growing projects in Sutherland	£44,256	2021
HIE	Refurbishment of BBPO	£37,500	2021
HIE	Set up of Trading Arm	£25,000	2021
SG Investing in Communities	KALM 6-month extension (Oct 21-Mar 22)	£38,408	2021
Peoples Postcode Lottery	Staff support for Delivery of HHHEF	£20,000	2021
MFR Cash for Kids	Support for local children	£10,000	2021

Kyle of Sutherland Development Trust

Company limited by guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 30 June 2021

*The SSE Achany/E-on Rosehall Community Benefit funding panel approved a funding package of £50k per year for 4 years at their meeting in December. This is for core costs of the trust and will secure the employment of the Trust Manager until the end of 2024. In the same application LDCI were awarded £25k per year for 4 years.

Membership & AGM

Membership Trust Membership now stands at 244, thank you all for giving us your support. An AGM was not held in the previous year but OSCR have made it clear that this will not be a breach of charitable law due to the ongoing need to support the community through the pandemic, and the difficulty in holding large public meetings. We hope to have our next AGM when restrictions allow.

The Team

On behalf of the directors I wish to thank all of the staff for their passion and dedication towards the achievement of the Trust mission being to ensure that long-term, sustainable benefits are achieved throughout the community and the Kyle of Sutherland area.

Supporters:

On behalf of the Board of Directors I would like to take this opportunity to thank:

- The Scottish Government
- Highland Council
- Highland and Islands Enterprise
- SSE Achany Community Windfarm Fund
- EON Rosehall Community Windfarm Fund
- Beinn Tharsuinn windfarm
- Development Trusts Association Scotland
- SSE Beatrice Fund
- Ardgay & District CC
- Creich CC
- Peoples Postcode Lottery
- MFR Cash for Kids
- VisitScotland
- Local Energy Scotland
- The Sutherland Community Partnership partners

Kyle of Sutherland Development Trust

Company limited by guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 30 June 2021

Reference and administrative details

Registered charity name Kyle of Sutherland Development Trust

Charity registration number SC043587

Company registration number SC401019

Principal office and registered office The Barn
Drovers Square
Ardgay
Sutherland
IV24 3AL

The trustees

P C Campbell
J A Knight
P R Orrel Resigned 26 October 2020
A J Wright
Prof. N P Simco
P R Monahan
M A R Munro Appointed 25 January 2021

Company secretary D G Watson

Auditor FKF Accounting Limited
Chartered Accountants & statutory auditor
Metropolitan House
31-33 High Street
Inverness
IV1 1HT

Kyle of Sutherland Development Trust

Company limited by guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 30 June 2021

Structure, governance and management

Kyle of Sutherland Development Trust is a charitable company, limited by guarantee, which was incorporated on 6 June 2011. The company was established under its Articles of Association which established the objects and powers of the company together with its principles of governance. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

The company was recognised as a charity with effect from 23 November 2012.

Trustees

The names of the persons who served as trustees during the year and up to the date of this report are listed on page 4. The Articles of Association allow for a maximum of eight trustees and a minimum of four. Ardgay and District and Creich Community Councils each nominate a trustee and six trustees are nominated from the membership. The charity is administered by the board of trustees who meet on a quarterly basis. Day to day running of the company is carried out by paid staff. Trustees are not remunerated for their work.

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.

Objectives and activities

The purpose of the charity is to advance the citizenship or community development to include, rural and urban regeneration and the promotion of civic responsibility, volunteering, the voluntary sector or the effectiveness or efficiency of charities in the Kyle of Sutherland.

Financial review

The charity has generated a deficit for the year of £23,128 (2020 - deficit of £34,608). This is after a non-cash depreciation charge of £74,547 (2020 - £76,116). It is the policy of the charity that free reserves, which are those unrestricted funds not invested in fixed assets, designated for specific or otherwise committed, should be maintained at a level equivalent to three months expenditure. This level of reserves has been maintained throughout the year, with free reserves at the year end totalling £82,857 (2020 - £90,997).

Total unrestricted funds at the year end amount to £125,049 (2020 - £137,149). The charity also holds restricted funds at the year end amounting to £2,127,562 (2020 - £2,138,590). Restricted funds comprise funds advanced for a specific purpose.

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, 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).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

Kyle of Sutherland Development Trust

Company limited by guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 30 June 2021

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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Companies Act 2006. 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.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

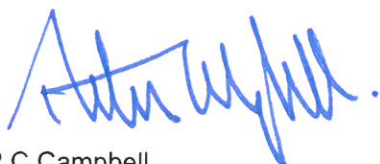
- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report (incorporating the directors' report) was approved on 6th June 2022 and signed on behalf of the board of trustees by:



P C Campbell
Trustee

Kyle of Sutherland Development Trust

Company limited by guarantee

Independent auditor's report to the members of Kyle of Sutherland Development Trust

Year ended 30 June 2021

Opinion

We have audited the financial statements of Kyle of Sutherland Development Trust (the 'charity') for the year ended 30 June 2021 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, 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, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2021 and of its 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;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 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 charity 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Kyle of Sutherland Development Trust

Company limited by guarantee

Independent auditor's report to the members of Kyle of Sutherland Development Trust *(continued)*

Year ended 30 June 2021

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

Opinions on 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' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Kyle of Sutherland Development Trust

Company limited by guarantee

Independent auditor's report to the members of Kyle of Sutherland Development Trust *(continued)*

Year ended 30 June 2021

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks"), we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of trustees and management as to the company's policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that donations, grants and other charitable income are recorded in the incorrect accounting period, the risk that management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements.

We did not identify any additional fraud risks.

We performed procedures including:

Kyle of Sutherland Development Trust

Company limited by guarantee

Independent auditor's report to the members of Kyle of Sutherland Development Trust *(continued)*

Year ended 30 June 2021

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation.
- Inspecting grant agreements to determine if income has been recognised in line with accounting policy.
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management (as required by auditing standards). We discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including the Charities SORP) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation, or through cessation of operations. We identified the following areas as those most likely to have an effect: legislation and policy related to health and safety, employment law and aspects of company and charity legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Kyle of Sutherland Development Trust

Company limited by guarantee

Independent auditor's report to the members of Kyle of Sutherland Development Trust *(continued)*

Year ended 30 June 2021

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's members 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jillian Munro MA CA (Senior Statutory Auditor)

For and on behalf of
FKF Accounting Limited
Chartered Accountants & statutory auditor
Metropolitan House
31-33 High Street
Inverness
IV1 1HT

Kyle of Sutherland Development Trust

Company limited by guarantee

Statement of financial activities (including income and expenditure account)

Year ended 30 June 2021

		2021	2020
	Unrestricted funds	Restricted funds	Total funds
Note	£	£	£
Income and endowments			
Donations and legacies	5	2,610	4,747
Charitable activities	6	145,334	414,584
Investment income	7	17	–
Total income		<u>147,961</u>	<u>419,331</u>
Expenditure			
Expenditure on charitable activities	8,9	172,620	417,800
Total expenditure		<u>172,620</u>	<u>417,800</u>
Net expenditure		<u>(24,659)</u>	<u>1,531</u>
Transfers between funds		12,559	(12,559)
		<u>(12,100)</u>	<u>(11,028)</u>
Reconciliation of funds			
Total funds brought forward		137,149	2,138,590
Total funds carried forward		<u>125,049</u>	<u>2,127,562</u>
		<u>2,275,739</u>	<u>2,275,739</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 20 to 30 form part of these financial statements.

Kyle of Sutherland Development Trust

Company limited by guarantee

Statement of financial position

30 June 2021

	Note	2021		2020
		£	£	£
Fixed assets				
Tangible fixed assets	16		2,137,444	2,156,963
Current assets				
Debtors	17	15,306		29,835
Cash at bank and in hand		<u>139,971</u>		<u>115,446</u>
		155,277		145,281
Creditors: amounts falling due within one year	18	<u>40,110</u>		<u>26,505</u>
Net current assets			<u>115,167</u>	<u>118,776</u>
Total assets less current liabilities			<u>2,252,611</u>	<u>2,275,739</u>
Net assets			<u>2,252,611</u>	<u>2,275,739</u>
Funds of the charity				
Restricted funds			2,127,562	2,138,590
Unrestricted funds			<u>125,049</u>	<u>137,149</u>
Total charity funds	20		<u>2,252,611</u>	<u>2,275,739</u>

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

These financial statements were approved by the board of trustees and authorised for issue on 6th June 2022, and are signed on behalf of the board by:



P C Campbell
Trustee

The notes on pages 20 to 30 form part of these financial statements.

Kyle of Sutherland Development Trust

Company limited by guarantee

Statement of cash flows

Year ended 30 June 2021

	2021 £	2020 £
Cash flows from operating activities		
Net expenditure	(23,128)	(34,608)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	74,547	76,116
Other interest receivable and similar income	(17)	(46)
Accrued expenses	3,383	3,132
<i>Changes in:</i>		
Trade and other debtors	14,529	(20,412)
Trade and other creditors	10,222	10,702
Cash generated from operations	79,536	34,884
Interest received	17	46
Net cash from operating activities	<u>79,553</u>	<u>34,930</u>
Cash flows from investing activities		
Purchase of tangible assets	(55,028)	(356)
Net cash used in investing activities	<u>(55,028)</u>	<u>(356)</u>
Net increase in cash and cash equivalents	24,525	34,574
Cash and cash equivalents at beginning of year	115,446	80,872
Cash and cash equivalents at end of year	<u>139,971</u>	<u>115,446</u>

The notes on pages 20 to 30 form part of these financial statements.

Kyle of Sutherland Development Trust

Company limited by guarantee

Notes to the financial statements

Year ended 30 June 2021

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in Scotland and a registered charity in Scotland. The address of the registered office is The Barn, Drovers Square, Ardgay, Sutherland, IV24 3AL.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The trustees consider there to be no critical judgements or key sources of estimation uncertainty.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the statement of financial activities.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal.

Kyle of Sutherland Development Trust

Company limited by guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2021

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates.

Expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities. All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Kyle of Sutherland Development Trust

Company limited by guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2021

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Land and buildings	-	2% straight line
Fixtures and fittings	-	10% straight line
Equipment	-	20% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Financial assets that are measured at cost are reviewed for objective evidence of impairment at the end of each reporting date.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

4. Limited by guarantee

Kyle of Sutherland Development 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 company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member.

Kyle of Sutherland Development Trust

Company limited by guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2021

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Donations	<u>2,610</u>	<u>4,747</u>	<u>7,357</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Donations	<u>2,343</u>	<u>940</u>	<u>3,283</u>

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Grant income	60,751	414,584	475,335
Rental income	30,029	–	30,029
Business services	47,735	–	47,735
Fundraising events	–	–	–
Other income	6,819	–	6,819
	<u>145,334</u>	<u>414,584</u>	<u>559,918</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Grant income	95,215	243,965	339,180
Rental income	37,307	200	37,507
Business services	37,381	438	37,819
Fundraising events	9	3,801	3,810
Other income	8,744	–	8,744
	<u>178,656</u>	<u>248,404</u>	<u>427,060</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Bank interest receivable	<u>17</u>	<u>17</u>	<u>46</u>	<u>46</u>

Kyle of Sutherland Development Trust

Company limited by guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2021

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Environmental	–	561	561
Business	26,891	–	26,891
Community	922	285,224	286,146
Development	–	61,146	61,146
General	50,070	70,869	120,939
Support costs	94,737	–	94,737
	<u>172,620</u>	<u>417,800</u>	<u>590,420</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Environmental	–	–	–
Business	8,133	–	8,133
Community	–	166,428	166,428
Development	–	14,891	14,891
General	104,229	71,369	175,598
Support costs	99,947	–	99,947
	<u>212,309</u>	<u>252,688</u>	<u>464,997</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2021 £	Total fund 2020 £
Environmental	561	–	561	–
Business	26,891	–	26,891	8,133
Community	286,146	–	286,146	166,428
Development	61,146	–	61,146	14,891
General	120,939	–	120,939	175,598
Support	–	92,087	92,087	95,147
Governance costs	–	2,650	2,650	4,800
	<u>495,683</u>	<u>94,737</u>	<u>590,420</u>	<u>464,997</u>

10. Analysis of grants

	2021 £	2020 £
Grants to institutions		
Bradbury Centre	–	22,912
Total grants	<u>–</u>	<u>22,912</u>

Kyle of Sutherland Development Trust

Company limited by guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2021

11. Net expenditure

Net expenditure is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation of tangible fixed assets	74,547	76,116
Foreign exchange differences	–	63
	<u> </u>	<u> </u>

12. Auditors remuneration

	2021	2020
	£	£
Fees payable for the audit of the financial statements	2,650	–
	<u> </u>	<u> </u>

13. Independent examination fees

	2021	2020
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	–	3,325
	<u> </u>	<u> </u>

14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021	2020
	£	£
Wages and salaries	274,843	207,464
Employer contributions to pension plans	5,297	4,970
	<u>280,140</u>	<u>212,434</u>

The average head count of employees during the year was 14 (2020: 11).

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

15. Trustee remuneration and expenses

None of the Trustees or key management personnel (or any persons connected with them) received any remuneration or reimbursement of expenses during the year (2019 - £nil).

Kyle of Sutherland Development Trust

Company limited by guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2021

16. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 July 2020	2,272,760	3,609	175,354	2,451,723
Additions	50,211	–	4,817	55,028
At 30 June 2021	2,322,971	3,609	180,171	2,506,751
Depreciation				
At 1 July 2020	192,632	2,427	99,701	294,760
Charge for the year	58,073	361	16,113	74,547
At 30 June 2021	250,705	2,788	115,814	369,307
Carrying amount				
At 30 June 2021	2,072,266	821	64,357	2,137,444
At 30 June 2020	2,080,128	1,182	75,653	2,156,963

17. Debtors

	2021 £	2020 £
Other debtors	15,306	29,835

18. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	–	12,543
Accruals and deferred income	12,910	9,527
Social security and other taxes	–	1,370
Other creditors	2,200	3,065
Other creditors	25,000	–
	40,110	26,505

19. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £5,297 (2020: £4,970).

Kyle of Sutherland Development Trust

Company limited by guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2021

20. Analysis of charitable funds

Unrestricted funds

	At 1 July 2020	Income	Expenditure	Transfers	At 30 June 2021
	£	£	£	£	£
Trading income	194,835	–	(7,786)	–	182,795
Office	(65,573)	61,459	(57,512)	12,559	(44,813)
FOS trading	23,556	8,029	(22,444)	–	9,141
Support	(21,917)	66,849	(79,081)	–	(34,149)
Other	6,248	11,624	(5,797)	–	12,075
	<u>137,149</u>	<u>147,961</u>	<u>(172,620)</u>	<u>12,559</u>	<u>125,049</u>

	At 1 July 2019	Income	Expenditure	Transfers	At 30 June 2020
	£	£	£	£	£
Trading income	194,948	–	(113)	–	194,835
Office	(134,366)	88,546	(106,354)	86,601	(65,573)
FOS trading	17,258	14,048	(7,750)	–	23,556
Support	–	73,230	(95,147)	–	(21,917)
Other	3,972	5,221	(2,945)	–	6,248
	<u>81,812</u>	<u>181,045</u>	<u>(212,309)</u>	<u>86,601</u>	<u>137,149</u>

Restricted funds

	At 1 July 2020	Income	Expenditure	Transfers	At 30 June 2021
	£	£	£	£	£
Post Office	46,393	–	–	–	46,393
Post Office House	111,384	–	(4,515)	–	106,869
FOS Build	1,099,908	–	(34,455)	–	1,065,453
CHESS	1,261	–	(65)	–	1,196
Ardgay Regeneration	769,400	–	(24,553)	–	744,847
KAT	–	–	(210)	210	–
FOS Experience	–	–	(13)	13	–
FFTF	–	–	(194)	194	–
ACF - Business	–	–	–	–	–
Dev/Inspire	–	–	–	–	–
ACF - Comm	–	–	–	–	–
Engagement	–	–	–	–	–
Broadband Project	33,655	–	(2,160)	–	31,495

Kyle of Sutherland Development Trust

Company limited by guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2021

20. Analysis of charitable funds *(continued)*

EMBO	–	–	(47)	47	–
The Energy Advice Service	–	–	(76)	76	–
Tulloch Road	15,063	–	(428)	–	14,635
Electric Car	17,724	–	(1,536)	–	16,188
DTAS	–	–	–	–	–
CARES SWF	1,435	9,484	(5,895)	(5,024)	–
COVID-19 Funds	(2,022)	35,219	(4,668)	(28,529)	–
Hardship Funds	1,454	4,192	(6,018)	372	–
KALM	30,940	73,262	(79,497)	(170)	24,535
LDCI HHF	(450)	1,981	(1,532)	1	–
BCKALM	15,960	28,853	(42,498)	–	2,315
Kyle Chronicle	(3,515)	4,000	(10,019)	2,034	(7,500)
Helping hands	–	–	–	1,871	1,871
Beinn Tharsuinn	–	20,000	–	–	20,000
BMW Post Office	–	8,750	(3,619)	–	5,131
FS LDCI HHF	–	638	(638)	–	–
HC LRD	–	1,500	(1,500)	–	–
HIE FOS	–	62,241	(17,625)	3,978	48,594
KOSTI	–	5,000	(13,475)	8,475	–
MFR CFK	–	10,000	(10,170)	170	–
RT LDCI HHF	–	2,500	(250)	–	2,250
SACC Project	–	94,470	(94,875)	–	(405)
SHHS HIE - CRF	–	57,241	(57,269)	28	–
Charitable Assets	–	–	–	3,695	3,695
	<u>2,138,590</u>	<u>419,331</u>	<u>(417,800)</u>	<u>(12,559)</u>	<u>2,127,562</u>

	At 1 July 2019	Income	Expenditure	Transfers	At 30 June 2020
	£	£	£	£	£
Post Office	46,393	–	–	–	46,393
Post Office House	115,966	–	(4,582)	–	111,384
FOS Build	1,136,339	–	(36,431)	–	1,099,908
CHESS	1,343	–	(82)	–	1,261
Ardgay Regeneration	818,528	–	(24,678)	(24,450)	769,400
KAT	(18,383)	26,620	(15,719)	7,482	–
FOS Experience	–	–	(16)	16	–
FFTF	(5,628)	30,185	(13,826)	(10,731)	–
ACF - Business					
Dev/Inspire	11,040	–	–	(11,040)	–
ACF - Comm					
Engagement	16,190	9,490	(11,113)	(14,567)	–
Broadband Project	46,775	–	(2,524)	(10,596)	33,655
EMBO	17,155	–	(90)	(17,065)	–
The Energy Advice Service	(266)	–	(95)	361	–
Tulloch Road	15,505	–	(442)	–	15,063
Electric Car	19,644	–	(1,920)	–	17,724
DTAS	503	16,589	(10,969)	(6,123)	–

Kyle of Sutherland Development Trust

Company limited by guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2021

20. Analysis of charitable funds *(continued)*

CARES SWF	–	8,610	(7,175)	–	1,435
COVID-19 Funds	–	36,688	(38,559)	(151)	(2,022)
Hardship Funds	–	2,771	(8,317)	7,000	1,454
KALM	–	81,040	(50,100)	–	30,940
LDCI HHF	–	2,500	(2,950)	–	(450)
BCKALM	–	30,851	(14,891)	–	15,960
Kyle Chronicle	7,431	4,000	(8,209)	(6,737)	(3,515)
		<u>2,228,535</u>	<u>249,344</u>	<u>(252,688)</u>	<u>(86,601)</u>
					<u>2,138,590</u>

21. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	42,192	2,095,252	2,137,444
Current assets	122,967	32,310	155,277
Creditors less than 1 year	(40,110)	–	(40,110)
Net assets	<u>125,049</u>	<u>2,127,562</u>	<u>2,252,611</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	46,152	2,110,812	2,156,964
Current assets	117,502	27,778	145,280
Creditors less than 1 year	(26,505)	–	(26,505)
Net assets	<u>137,149</u>	<u>2,138,590</u>	<u>2,275,739</u>

22. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2021 £	2020 £
Financial assets that are debt instruments measured at amortised cost		
Financial assets that are debt instruments measured at amortised cost	<u>15,306</u>	<u>29,835</u>
Financial liabilities measured at amortised cost		
Financial liabilities measured at amortised cost	<u>27,200</u>	<u>22,070</u>

Kyle of Sutherland Development Trust

Company limited by guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2021

23. Analysis of changes in net debt

	At 1 Jul 2020	Cash flows	At 30 Jun 2021
	£	£	£
Cash at bank and in hand	<u>115,446</u>	<u>24,525</u>	<u>139,971</u>

24. Related parties

There were no disclosable related party transactions during the year (2020 - none).

25. Ethical standards

In common with many other charities of our size and nature we use our auditors to assist with the preparation of the financial statements.

Kyle of Sutherland Development Trust

Company limited by guarantee

Management information

Year ended 30 June 2021

The following pages do not form part of the financial statements.

Kyle of Sutherland Development Trust

Company limited by guarantee

Detailed statement of financial activities

Year ended 30 June 2021

	2021 £	2020 £
Income and endowments		
Donations and legacies		
Donations	<u>7,357</u>	<u>3,283</u>
Charitable activities		
Grant income	475,335	339,180
Rental income	30,029	37,507
Business services	47,735	37,819
Fundraising events	–	3,810
Other income	<u>6,819</u>	<u>8,744</u>
	<u>559,918</u>	<u>427,060</u>
Investment income		
Bank interest receivable	<u>17</u>	<u>46</u>
Total income	<u>567,292</u>	<u>430,389</u>

Kyle of Sutherland Development Trust

Company limited by guarantee

Detailed statement of financial activities *(continued)*

Year ended 30 June 2021

	2021 £	2020 £
Expenditure		
Expenditure on charitable activities		
Purchases	840	14,853
Wages and salaries	274,843	207,464
Pension costs	5,297	4,970
Rent	1,185	1,375
Rates and water	10,055	9,801
Light and heat	5,497	10,400
Repairs and maintenance	23,495	14,915
Insurance	5,505	2,645
Other establishment	12,220	17,630
Motor vehicle expenses	–	623
Other motor/travel costs	5,341	4,975
Legal and professional fees	61,443	28,391
Telephone	1,545	2,370
Other office costs	46,717	26,809
Depreciation	74,547	76,116
Office expense contr. from projects	(26,918)	–
Salary contr. from projects	(12,294)	–
Foreign exchange gain/loss	–	63
Events	11,238	8,334
Advertising	12,336	5,873
Training	1,185	4,478
CGS support grants	68,683	22,912
Bad debts	7,660	–
	<u>590,420</u>	<u>464,997</u>
Total expenditure	<u>590,420</u>	<u>464,997</u>
Net expenditure	<u>(23,128)</u>	<u>(34,608)</u>