

COMPANY REGISTRATION NUMBER: SC401019
CHARITY REGISTRATION NUMBER: SC043587

Kyle of Sutherland Development Trust
Company Limited by Guarantee
Financial Statements
30 June 2022

RITSONS
Chartered Accountants & Statutory Auditors
36 Huntly Street
Inverness
IV3 5PR

Kyle of Sutherland Development Trust

Company Limited by Guarantee

Financial Statements

Year ended 30 June 2022

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Kyle of Sutherland Development Trust

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Trustees' Annual Report (Incorporating the Director's Report)

Year ended 30 June 2022

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 2022.

Chair's report

Welcome to another annual report for the Kyle of Sutherland Development Trust (KoSDT); and it's certainly been yet another year full of challenges and successes.

The impacts on the economy that have arisen since the COVID-19 pandemic and the war in Ukraine have demonstrated that we now live in a global society and even remote, rural communities such as those in the Kyle of Sutherland feel the impact of situations with their origins many miles from here. Unfortunately, that has driven the levels of hardship found in Sutherland beyond the high levels that we were encountering over the past few years.

As a pertinent example, in 2019 26% of children in Sutherland were living in poverty and 42% of households were living in fuel poverty. These figures are much higher now and it is estimated that over 60% of households in Sutherland are fuel poor and/or living in poverty.

Given this, it is clear that there will be an ongoing need to deliver community support in the future and, as a result, the role of Development Trusts such as KoSDT will become even more important. Development Trusts are able to respond to local needs and understand that to regenerate a community means adopting a comprehensive approach, engaging in a wide range of economic, social and environmental projects; ranging from the development and restoration of property to support for the more isolated within our society.

Over the past few years KoSDT had been building its reserves in accordance with guidance from OSCR for a minimum of 3 months core costs, with best practice being 12-months operating costs. However, due to issues with two of our major capital assets, Bonar Bridge Post Office and The Falls of Shin Visitor Restaurant, we are now in a position where our healthy reserves (built up over a ten-year period) have mostly been committed. This is far from ideal and something that was unforeseen, however there are always risks associated with owning expensive community assets.

The complete refurbishment of Bonar Bridge Post Office was necessary as a lack of action would have resulted in the building being permanently closed and possibly condemned. KoSDT committed a significant amount of unrestricted reserves to this project.

The Falls of Shin closed as a result of the lockdown imposed in March 2020. However, despite much effort, KoSDT were unable to identify a new operator. This was not helped by the ongoing COVID restrictions and the difficulty of sourcing staff due to Brexit. This has resulted in a considerable drain on the Trust's reserves as we became ever more responsible for all costs associated with the asset without being able to generate any income. The asset became a liability.

The current economic challenges mean that everything is now much more expensive than it was three years ago and the increase in energy costs is having a particularly big impact on householders, businesses, charities, and community groups alike.

From the perspective of a non-profit making organisation such as KoSDT this has meant a big increase in the core costs that we incur as a result of delivering the community projects and services that we have developed over the past few years. These costs cannot simply be passed on to our clients as they would be in the private sector. This puts a big emphasis on our fundraising and means that we are spending more and more time applying for grants and investments to allow us to continue to deliver essential community support.

KoSDT has a good history of fundraising and securing investments into our communities. In recent times the projects that we deliver have become more focussed on community support than large and expensive capital projects. Despite this, since January 2019, KoSDT have secured significant

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Year ended 30 June 2022

investments to continue to deliver our existing projects as well as develop new ones. The following figures represent the investments that KoSDT has secured for both ourselves, and other community groups across Sutherland, over the past four years.

- 2019: £605,203 funding secured
- 2020: £722,186 (Includes £4,000 for the five local community halls, £500 for the KoS Hub, £18,737 for the Bradbury Care Centre, and £106,018 for LDCI)
- 2021: £509,414 (Includes £3,125 for the Allt Beag Trust, £4,425 for the Melvich Community SCIO, £6,700 for North Coast Connections (Tongue), £3,500 for LDCI, £6,500 for the Brora Hub, and £7,639 for Helmsdale Development Trust)
- 2022: £661,807

This gives a total of almost £2.5 million since January 2019. The bulk of these investments would not have come to our area in it weren't for having an anchor organisation such as KoSDT working with and for our community. It's not too bad for a wee Development Trust based in Ardgay.

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, Lairg & District Learning Centre, our local Citizens Advice Bureau's, Planet Sutherland, and the Highlands & Islands Climate Hub.

I feel that it is essential that we, as a community, recognise the substantial efforts that have been contributed by the Trust's staff and in particular, its senior Manager, David Watson. This past period has been most testing with, amongst others, the complexities caused by Covid and the issues surrounding the current cost of living crisis. Without the dedication, hard work, tenacity and integrity of these people, the Trust would amount to very little. We should all be grateful to them. Long may that continue.

Pete Campbell
Chairman

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Year ended 30 June 2022

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
A J Wright
Prof. N P Simco
P R Monahan (Resigned 27 April 2023)
M A R Munro (Resigned 20 June 2023)
S Muras Sanmartin

Company secretary D G Watson

Key management personnel D G Watson
V Houston
K Raven

Auditor Ritsons
Chartered Accountants & Statutory Auditors
36 Huntly Street
Inverness
IV3 5PR

Bankers Bank of Scotland
PO Box 1000
Bx2 1LB

Solicitors Macleod & MacCallum
28 Queensgate
Inverness
IV1 1DJ

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Year ended 30 June 2022

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 in this report. 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.

There are policies and procedures in place for new trustees to review and the Trust manager carries out an induction with new trustees.

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.

Achievements and performance

An Overview of the year:

KoSDT Assets:

Ardgay Regeneration Project: The Barn Business Centre and Drovers Square

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.

It is unlikely that we will be able to generate the same amount of income from desk rental as we did prior to Covid as more people move to home working. We will have to monitor the impact that this has on KoSDT finances.

Bonar Bridge Post Office & Assynt House

The Post Office (and the associated housing unit) 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 moved to The Barn in Ardgay until work was completed in December. 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.

In addition, a community defibrillator has been fitted to the external wall of the Post Office and we have applied for funding to turn the adjacent garden into a Community Kitchen Garden.

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Falls of Shin

Although the Café has not been open KoSDT has continued to invest in the site as it is a much loved community asset. Several events have taken place in the main building. These have included a Venture North workshop with HOST members, two KoS Gala Week events (Sutherland Sessions concert and a Viking Treasure Hunt), a meeting with The Highland Council's Highland Adapts climate change manager, and in October the Club Triumph Round Britain Reliability Run stopped at the site.

The overnight parking facility for motorhomes, including electric hook up points, water, and waste disposal facilities has now had more than a year of operation. The facilities have done well, with the chemical waste facility having particularly high uptake. The initial pricing structure was much less than the industry average and was therefore increased to better cover the costs of emptying the required waste tanks which has increased considerably since the development was planned. 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. However, the chemical waste disposal unit was purposely damaged in April, and again in June, allowing dumping of waste without charge. We have also had reports of work vans dumping multiple waste cassettes at a time, obviously from large construction sites, for a single charge. This has resulted in the installation of CCTV at the site.

In addition, Forestry & Land Scotland (FLS) have also upgraded their walking trails and have undertaken some additional landscaping and tree planting to make the site a better experience for visitors.

Crofters Kitchen traded well over the summer before closing in October 2021 with overwhelming good feedback for the service and the site in general.

In November KoSDT readvertised for expressions of interest for the long-term operation of the attraction. A preferred bidder with an exciting vision for the site was identified in February but subsequently the prospective operator has withdrawn their interest due to a lack of confidence in being able to staff a new operation as a result of COVID and Brexit impacts. As this was the second procurement exercise to falter due to macro-economic issues in March the KoSDT Board made the decision to approach The National Lottery Community Fund to try and establish the parameters and implications of KoSDT moving on from an asset that has now become a liability.

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 now have over 140 premises in 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. However, there is a realisation that we will need many more installed as a result of the increase in electric vehicles which will continue to grow.

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 yet secured planning permission for the site due to an objection from SEPA regarding the risk of flooding on the site. As a result, the application will have to be referred to Scottish Government Ministers for their consideration as set out under Category 2 of Planning Circular 3 2009, pursuant to

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the Town and Country Planning (Notification of Applications) (Scotland) Direction 2009. Therefore, the Bonar Bridge Toilets are still under the ownership and management of the Highland Council despite the North Planning Committee recommending the application for approval.

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. Funding was subsequently extended by the Scottish Government until the end of March 2023. The project, called KALM, takes a holistic approach in addressing health inequalities and their associated drivers.

Community Food Stop Café - After a two-year break due to Covid-19 the Café reopened in March 2022. It is great to see this much-loved community service back in operation. Although numbers are not as high as they were they are slowly growing due to the hard work and commitment of our team of staff and volunteers.

Community Food Larder - This has proved to be a great success and was very heavily used by the community during lockdown, with demand increasing by 400%. Due to this increase in demand the previous location was proving to be too small so in March 2022 moved the larder into new premises in the Community Bothy in Ardgay. We now have much more space to make our clients feel welcome. The new premises will not only address issues surrounding food insecurity but, as we have a seating area in the Bothy, it will also help to address issues surrounding social isolation. Our customers will be encouraged to stay and have a cup of tea and a chat. It still operates 2 days per week (Tuesdays and Fridays).

Community Growing - Our new Polytunnel was installed in August and the first volunteers meeting took place in September. Our volunteers have worked extremely hard and have grown tomatoes, strawberries, garlic, onions, salad leaves and lots of other produce that is now available to our community residents through the Larder/Bothy and the Community Café. Work will soon begin on an outdoor education space in land behind the polytunnel, and adjacent to Ardgay public hall, that we will be leasing from THC.

Keep Active Together - The team are now delivering weekly socially distanced 'walk and talk' sessions in Bonar Bridge and Ardgay. 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.

Due to COVID, high fuel costs, and many other reasons, Christmas 2021 was very challenging for many members of our community. Due to this KoSDT delivered some special seasonal support to try and help those who were facing a difficult holiday period.

Christmas Themed Larder - We held a special Christmas themed larder on the 21st of December. To deliver this special larder, KoSDT purchased enough food to provide all that was needed to make a great Christmas meal.

Christmas Food Hampers - In addition to the Christmas Food Larder all our existing Food Parcel clients received special Christmas food hampers with enough food for a three course Christmas Meal. In total the Trust provided meals for 99 adults and 41 children this past Christmas.

Christmas Eve Gift Boxes - KoSDT also coordinated the distribution of Christmas Eve Boxes for less fortunate children across Sutherland. The project, led by Aberdeen based charity AberNecessities and funded by the Westminster Foundation provided gift boxes including items such as pyjamas, slipper socks, Christmas shower gel or bubble bath, an activity, a storybook, a mug or cup, and a selection box. The Trust organised a Christmas Eve Gift Box for 51 children across Sutherland.

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Year ended 30 June 2022

MFR Cash for Kids Mission Christmas Appeal - KoSDT also worked with our friends at MFR Cash for Kids to coordinate applications in Sutherland for their amazing Mission Christmas Appeal. This supported families across Sutherland whose children were at risk of having no Christmas presents to wake up to on Christmas day. The Trust also distributed 10 sacks of presents to children across Sutherland on behalf of MFR Cash for Kids. We hope our support helped people to have a great Christmas and we are already planning our support for next year.

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

For a number of years now KoSDT, supported by 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. 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.

In addition, KoSDT have been successful in applying to Moray Firth Radio's 'Cash for Kids' to secure funding for distribution 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)

Funding from the Scottish Government's Aspiring Communities Fund (ACF) has allowed KoSDT to employ 3FTE's over a period of 21 months, finishing in April 2022. The funding enabled staff to work with the Sutherland Community Planning Partnership (SCP) to support Sutherland communities to deliver projects dealing with inequalities and deprivation.

As well as progressing established 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. 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 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.

The SACC team also supported the delivery of a Sutherland Fuel Poverty Summit in October 2021. The summit was hugely successful gaining National press coverage, the keynote speech was delivered by the Cabinet Secretary for Finance and The Economy.

The SACC team, in partnership with colleagues from SSE, delivered a local awards ceremony to recognise all the volunteers who helped the community during the COVID-19 crisis. This was held on-line on the 30th of November with local MSP, Maree Todd, leading the prize giving.

The SACC team also led the process to create a joint Community Resilience Plan for Creich and Ardgay & District which was signed off in April 2021. This project continues to evolve and has been recognised as one of the best community resilience plans developed in the Highland Council area.

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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 is a page in the Kyle Chronicle which includes a map of key safe locations, community defibrillators 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, KoSDT identified some gaps in provision in the area for defibrillators, first responders and points to hook up generators. As a result, funding was secured from the SSE Beatrice Fund to install five new public defibrillators across the Kyle of Sutherland area and install four generator hook up points at our community halls. This will ensure that each main settlement has access to life saving equipment and safe places to gather in a time of emergency.

Unfortunately, as a result of the temporary contracts available as a result of short-term funding, three of the four SACC officers were able to secure permanent employment elsewhere. However, new officers will be appointed to continue with the great work delivered to date.

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 2022 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 several more in development that could potentially benefit our communities. 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. 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, we will still negotiate with developers to get the best deal for the community in the event that they gain planning consent.

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, Kinlochbervie, and Scourie) with a developer to look at the opportunities for shared community ownership of a development on Sallachy Estate. An MOU with a commitment to explore community shared ownership with the developer was signed in 2021. KoSDT have also negotiated with the developer to include a clause in the MOU that will allow the community to negotiate increased community benefit funding in the event that Community Shared Ownership is not a viable option. This project was granted planning permission in April 2022.

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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.

Staffing

After 8 years with the Trust the Deputy Manager, Valerie Houston, has moved on after being offered a great opportunity to take on the role of Grid Consultant for Bidwells. To fill this vacuum, we appointed Kelly Raven as part-time but permanent Office & Assets manager. Kelly has experience of running charitable financial systems and will be tasked with keeping on top of all our governance and asset management requirements. Our Contacts Officer, Beth Simco, submitted her University of Strathclyde Undergraduate Dissertation earlier in 2022. Her research explores the limitations of Sutherland's community development framework in creating sustainable communities for all. For the past four years Beth has been studying for a graduate apprenticeship degree whilst working for the Trust. This has allowed her to study for a top quality degree whilst living and working in the community she calls home. This shows that young people can achieve great things without having to move away to study. And the added benefit is the top quality work that the Trust, and the community, have received from Beth while she gained invaluable, real life, workplace experience in community and economic development. Beth will be graduating later this year and we are all very proud of her. The great experience that we have had through this process means that KoSDT would definitely consider taking on another local youngster in the future to help them achieve a degree qualification whilst living and working in the area.

Communications

Kyle Chronicle

The 11th 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.

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 staff who work with communities across the county on behalf of the Sutherland Community Partnership.
- The KoSDT Manager sits on the Venture North Board.
- The KoSDT Manager Chairs the Far North Line Community Rail Partnership
- The KoSDT manager also sits on the Caithness and Sutherland PACE (Partnership Action for Continuing Employment) group.
- The KoSDT Manager is on the Scottish Government Social Enterprise Steering Group which is responsible for delivering the SG Social Enterprise Action Plan

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- 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 2021/22 KoSDT was successful in securing the following external funding. Depending on the terms of the grants this funding will be recorded in the accounts or in the 2023 accounts.

Fund	Project	Amount	Year
Communities Recovery Fund 2*	Support for growing projects in Sutherland*	£44,256*	2021
HIE	Refurbishment of BBPO	£37,500	2021
HIE	Set up of KoSTA	£25,000	2021
THC Ward Discretionary Funding	KALM 6-month extension (Oct 21-Mar 22)	£1,500	2021
Police Scotland – CPP Support	Reducing isolation/promoting wellbeing	£8,000	2021
SG Scotland Loves Local II	Green Gym at Falls of Shin	£5,000	2021
National Lottery - TFOP	Bonar Bridge Kitchen Garden	£10,000	2021
HTSI Cairngorm Small Grant	Christmas larder food	£500	2021
Westminster Foundation	Christmas Eve Boxes	£2,000	2021
MFR Cash for Kids	Support for 200 children in poverty	£20,000	2021
SG ICF Fund	KALM 6-month extension (Oct 21-Mar 22)	£38,408	2021
SG ICF Fund	KALM 12-month extension (Apr 22–Mar 23)	£87,780	2021
NHI grant support program	FoS Green Gym	£1,000	2022
Nourish Scotland	Kit for Kitchens	£600	2022
Edderton CC - BTCWF	Edderton HHHEF support	£2,500	2022
MFR Cash for Kids	Support for 100 children in poverty	£10,000	2022
HIE	SACC extension	£101,315	2022
Arnold Clark Comm fund	Support for community food	£2,500	2022

* Includes £3125 for the Allt Beag Armadale Trust, £4425 for the Melvich Community SCIO, £6700 for North Coast Connections (Tongue), £3500 for LDCl, £6500 for the Brora Hub, £7639 for Helmsdale Development Trust, and £1k for 5 community orchards across Sutherland.

Membership & AGM

Membership has remained consistently above 200 members of the community. The first AGM since the onset of COVID will be held in August. There are a number of changes that need to be made to our Memorandum and Articles, these will have to be agreed at the AGM through a vote of the members. We are working with DTAS to ensure that the proposed changes are fit for purpose for what the Trust does and hopes to do in the future.

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.

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Supporters:

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

- The Scottish Government
- The Highland Council
- Highland and Islands Enterprise
- Ardgay & District CC
- Creich CC
- Edderton CC
- SSE Achany Community Windfarm Fund
- EON Rosehall Community Windfarm Fund
- Beinn Tharsuinn windfarm Community Fund
- Kyle of Sutherland Apprenticeship Scheme
- Development Trusts Association Scotland
- SSE Beatrice Fund
- MFR Cash for Kids
- The Sutherland Community Partnership partners
- The National Lottery Community Fund
- SCVO
- Arnold Clark Community Fund
- Nourish Scotland
- North Highland Initiative
- Westminster Foundation
- HTSI

Financial review

The charity generated a deficit for the year of £673,445 (2021 - £23,128). This is after a non-cash depreciation charge of £77,019 (2021 - £74,547) and an impairment loss of £567,954 (2021 - £nil).

Total unrestricted funds at the year end amount to £48,274 (2021 - £125,049). The charity also holds restricted funds at the year end amounting to £1,530,892 (2021 - £2,127,562). Restricted funds comprise funds advanced for a specific purpose.

The impairment loss of £567,954 relates to the Falls of Shin building which the charity received grant funding to rebuild in earlier years. The cost in the accounts was in excess of the property value and therefore an impairment was required.

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 unrestricted expenditure. As mentioned above, due to additional costs in relation to the Post Office and Falls of Shin properties, our unrestricted reserves have fallen below our desired levels.

Plans for the future

As mentioned in the Chairs Report, 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.

Kyle of Sutherland Development Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 June 2022

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.

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.

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 was approved on 21/7/23 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 2022

Opinion

We have audited the financial statements of Kyle of Sutherland Development Trust (the 'charity') for the year ended 30 June 2022 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 2022 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 the provisions available for small entities, in the circumstances set out in note 25 to the financial statements, 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 2022

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 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 2022

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:

As part of the audit planning process, the Responsible Individual and the engagement team obtained an understanding and discussed the legal and regulatory frameworks that are applicable, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the company. The key laws and regulations we considered in this context included Companies Act 2006, Financial Report Standard 102 (FRS 102), employment and tax laws and health and safety legislation.

The Responsible Individual and the engagement team discussed non-compliance with laws and regulations at the audit team planning meeting. The Responsible Individual made enquiries of management regarding their assessment of the likelihood of fraud or error or non-compliance with laws and regulations which could lead to material misstatements in the financial statements and whether they were aware of any instances of fraud or non-compliance. The engagement partner was satisfied that the engagement team had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations during the audit.

The engagement team also enquired of management as part of the audit, including obtaining and reviewing supporting documentation and reading minutes of meetings of those charged with governance. The engagement team did not identify any key audit matters relating to irregularities, including fraud.

Part of the engagement team's assessment of non-compliance with laws and regulations included a review of the risk of management override of controls. This was carried out by reviewing journals posted to the financial records and reviewing accounting estimates identify any material misstatement which may be due to fraud.

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 2022

The audit team also considered whether there could be fraudulent revenue recognition. This was carried out by reviewing the revenue recognition policies, testing of material revenue streams and testing cut off at the year end date.

The disclosures in the financial statements were reviewed and tested to supporting documentation to assess compliance with applicable laws and regulations. A Disclosure Check was carried out to confirm that the financial statements comply with current accounting requirements.

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.
- 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.

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 2022

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.



Gemma Palombo MA (Hons), CA (Senior Statutory Auditor)

For and on behalf of
Ritsons
Chartered Accountants & Statutory Auditors
36 Huntly Street
Inverness
IV3 5PR

26 JULY 2023.

Kyle of Sutherland Development Trust

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 30 June 2022

			2022		2021
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	940	1,420	2,360	7,357
Charitable activities	6	65,513	577,171	642,684	559,918
Investment income	7	10	–	10	17
Total income		<u>66,463</u>	<u>578,591</u>	<u>645,054</u>	<u>567,292</u>
Expenditure					
Expenditure on charitable activities	8,9	106,562	1,211,937	1,318,499	590,420
Total expenditure		<u>106,562</u>	<u>1,211,937</u>	<u>1,318,499</u>	<u>590,420</u>
Net expenditure		<u>(40,099)</u>	<u>(633,346)</u>	<u>(673,445)</u>	<u>(23,128)</u>
Transfers between funds		(36,676)	36,676	–	–
Net movement in funds		<u>(76,775)</u>	<u>(596,670)</u>	<u>(673,445)</u>	<u>(23,128)</u>
Reconciliation of funds					
Total funds brought forward		125,049	2,127,562	2,252,611	2,275,739
Total funds carried forward		<u>48,274</u>	<u>1,530,892</u>	<u>1,579,166</u>	<u>2,252,611</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 21 to 34 form part of these financial statements.

Kyle of Sutherland Development Trust

Company Limited by Guarantee

Statement of Financial Position

30 June 2022

	Note	2022		2021	
		£	£	£	£
Fixed assets					
Tangible fixed assets	15		1,520,964		2,137,444
Current assets					
Debtors	16	30,394		15,306	
Cash at bank and in hand		59,756		139,971	
		90,150		155,277	
Creditors: amounts falling due within one year	17	(31,948)		(40,110)	
Net current assets			58,202		115,167
Total assets less current liabilities			1,579,166		2,252,611
Net assets			1,579,166		2,252,611
Funds of the charity					
Restricted funds			1,530,892		2,127,562
Unrestricted funds			48,274		125,049
Total charity funds	20		1,579,166		2,252,611

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 21/7/23 and are signed on behalf of the board by:

P C Campbell
Trustee



The notes on pages 21 to 34 form part of these financial statements.

Kyle of Sutherland Development Trust

Company Limited by Guarantee

Statement of Cash Flows

Year ended 30 June 2022

	2022	2021
	£	£
Cash flows from operating activities		
Net expenditure	(673,445)	(23,128)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	77,019	74,547
Impairment of tangible fixed assets	567,954	–
Other interest receivable and similar income	(10)	(17)
Accrued expenses	2,238	3,383
<i>Changes in:</i>		
Trade and other debtors	(15,088)	14,529
Trade and other creditors	(10,400)	10,222
Cash generated from operations	(51,732)	79,536
Interest received	10	17
Net cash (used in)/from operating activities	<u>(51,722)</u>	<u>79,553</u>
Cash flows from investing activities		
Purchase of tangible assets	(28,493)	(55,028)
Net cash used in investing activities	<u>(28,493)</u>	<u>(55,028)</u>
Net (decrease)/increase in cash and cash equivalents	(80,215)	24,525
Cash and cash equivalents at beginning of year	139,971	115,446
Cash and cash equivalents at end of year	<u>59,756</u>	<u>139,971</u>

The notes on pages 21 to 34 form part of these financial statements.

Kyle of Sutherland Development Trust

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 30 June 2022

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

The directors have reviewed the cashflows and funding and on this basis determined there are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

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

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Kyle of Sutherland Development Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

3. Accounting policies *(continued)*

Income

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.

Expenditure

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 raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- 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.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on 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.

Kyle of Sutherland Development Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

3. Accounting policies *(continued)*

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.

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:

Freehold property	-	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.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

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.

Kyle of Sutherland Development Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

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 2022

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Donations	940	1,420	2,360

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Donations	2,610	4,747	7,357

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Grant income	5,743	577,171	582,914
Rental income	20,390	–	20,390
Business services	33,500	–	33,500
Other income	5,880	–	5,880
	<u>65,513</u>	<u>577,171</u>	<u>642,684</u>

	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
Other income	6,819	–	6,819
	<u>145,334</u>	<u>414,584</u>	<u>559,918</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Bank interest receivable	10	10	17	17

Kyle of Sutherland Development Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Environmental	–	–	–
Business	–	–	–
Community	–	–	–
Development	–	–	–
General	96,554	1,211,937	1,308,491
Support costs	10,008	–	10,008
	<u>106,562</u>	<u>1,211,937</u>	<u>1,318,499</u>

	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>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2022 £	Total fund 2021 £
Environmental	–	–	–	561
Business	–	–	–	26,891
Community	–	–	–	286,146
Development	–	–	–	61,146
General	1,308,491	–	1,308,491	120,939
Support	–	–	–	92,087
Governance costs	–	10,008	10,008	2,650
	<u>1,308,491</u>	<u>10,008</u>	<u>1,318,499</u>	<u>590,420</u>

10. Net expenditure

Net expenditure is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	77,019	74,547
Impairment of tangible fixed assets recognised in:		
Expenditure on charitable activities	<u>567,954</u>	<u>–</u>

Kyle of Sutherland Development Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

10. Net expenditure *(continued)*

An impairment of £567,954 has been recognised on the Falls of Shin property which is included within land and buildings in tangible fixed assets.

11. Auditors remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	5,000	2,650
Fees payable for accountancy services	1,500	-
	<u>6,500</u>	<u>2,650</u>

12. Staff costs

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

	2022	2021
	£	£
Wages and salaries	228,575	252,710
Employer national insurance	10,908	9,839
Employer contributions to pension plans	5,707	5,297
	<u>245,190</u>	<u>267,846</u>

The average head count of employees during the year was 14 (2021: 14).

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £81,545 (2021: £82,723).

13. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

No trustee expenses have been incurred.

14. Material fund transfers

£20,000 (2021 - £nil) was transferred from RWE Rosehall Community Fund (Ardgay) in favour of Supported posts to cover salary costs which can be covered by the RWE grant.

£33,224 (2021 - £nil) was transferred from unrestricted to BMW Post Office to cover the charity's share of the cost in relation to the refurbishment.

£48,274 (2021 - £nil) was transferred from the various unrestricted funds into the General Unrestricted Fund to incorporate all reserves into one fund.

Kyle of Sutherland Development Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

15. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 July 2021	2,322,971	3,609	180,171	2,506,751
Additions	–	–	28,493	28,493
At 30 June 2022	<u>2,322,971</u>	<u>3,609</u>	<u>208,664</u>	<u>2,535,244</u>
Depreciation				
At 1 July 2021	250,705	2,788	115,814	369,307
Charge for the year	58,073	361	18,585	77,019
Impairment losses	567,954	–	–	567,954
At 30 June 2022	<u>876,732</u>	<u>3,149</u>	<u>134,399</u>	<u>1,014,280</u>
Carrying amount				
At 30 June 2022	<u>1,446,239</u>	<u>460</u>	<u>74,265</u>	<u>1,520,964</u>
At 30 June 2021	<u>2,072,266</u>	<u>821</u>	<u>64,357</u>	<u>2,137,444</u>

16. Debtors

	2022 £	2021 £
Trade debtors	8,449	14,331
Other debtors	21,945	975
	<u>30,394</u>	<u>15,306</u>

17. Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals and deferred income	26,875	37,910
Social security and other taxes	2,314	–
Other creditors	2,759	2,200
	<u>31,948</u>	<u>40,110</u>

18. Deferred income

	2022 £	2021 £
At 1 July 2021	25,000	–
Amount released to income	(25,000)	–
Amount deferred in year	11,727	25,000
At 30 June 2022	<u>11,727</u>	<u>25,000</u>

Deferred income is income received during the year that relates to the following year.

Kyle of Sutherland Development Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

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 £5,707 (2021: £5,297).

20. Analysis of charitable funds

Unrestricted funds

	At 1 July 2021 £	Income £	Expenditure £	Transfers £	At 30 June 2022 £
General	–	–	–	48,274	48,274
Trading income	182,795	66,463	(106,562)	(142,696)	–
Office	(44,813)	–	–	44,813	–
FOS trading	9,141	–	–	(9,141)	–
Support	(34,149)	–	–	34,149	–
Other	12,075	–	–	(12,075)	–
	<u>125,049</u>	<u>66,463</u>	<u>(106,562)</u>	<u>(36,676)</u>	<u>48,274</u>

	At 1 July 2020 £	Income £	Expenditure £	Transfers £	At 30 June 2021 £
Trading income	194,835	–	(7,786)	–	187,049
Office	(65,573)	61,459	(57,512)	12,559	(49,067)
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>

Kyle of Sutherland Development Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

20. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 July 2021	Income	Expenditure	Transfers	At 30 June 2022
	£	£	£	£	£
Post Office	46,393	–	–	–	46,393
Post Office House	106,869	–	(4,460)	–	102,409
FOS Build	1,065,453	–	(600,829)	–	464,624
CHESS	1,196	–	(53)	–	1,143
Ardgay Regeneration KAT	744,847	–	(24,454)	–	720,393
FOS Experience	–	–	–	–	–
FFTF	–	–	–	–	–
Broadband project	31,495	–	(1,869)	–	29,626
EMBO	–	–	–	–	–
The Energy Advice Service	–	–	–	–	–
Tulloch Road	14,635	–	(416)	–	14,219
Electric Car	16,188	–	(1,229)	–	14,959
CARES SWF	–	–	–	–	–
COVID-19 funds	–	–	(267)	267	–
Hardship funds	–	–	–	–	–
KALM	24,535	86,344	(100,614)	–	10,265
LDCI HHF	–	–	–	–	–
BCKALM	2,315	66,851	(50,576)	–	18,590
Kyle Chronicle	(7,500)	10,000	(10,250)	–	(7,750)
Helping Hands	1,871	–	–	(1,871)	–
RWE Rosehall Community Fund (Ardgay) administered by Foundation Scotland.	20,000	–	–	(20,000)	–
BMW Post Office	5,131	102,500	(126,533)	33,224	14,322
FS LDCI HHF	–	–	–	–	–
HC LRD	–	–	–	–	–
HIE FOS	48,594	–	(1,787)	–	46,807
KOSTI	–	–	–	–	–
MFR CFK	–	40,250	(40,029)	–	221
RT LDCI HHF	2,250	2,000	(3,491)	–	759
SACC Project	(405)	88,981	(66,069)	–	22,507
SHHS HIE - CRF	–	–	(446)	31	(415)
Charitable Assets	3,695	–	–	–	3,695
Arnold Clark	–	2,500	(1,088)	–	1,412
Beatrice Resil	–	22,155	(19,866)	–	2,289
Big lottery FOS	–	2,880	(2,400)	–	480
CFK MD	–	718	–	–	718
CGorm Xmas Fund	–	500	(61)	–	439
Connecting Scotland - Kylesku	–	1,644	(698)	–	946
Edderton HHF	–	2,500	(998)	–	1,502
Fuel Pov Sum	–	–	(1,143)	1,143	–
Green Gym FOS	–	6,000	–	–	6,000
Kitchen Garden	–	10,000	–	–	10,000

Kyle of Sutherland Development Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

20. Analysis of charitable funds *(continued)*

Restricted funds *(continued)*

	At 1 July 2021 £	Income £	Expenditure £	Transfers £	At 30 June 2022 £
KOS HHF	–	7,000	(7,537)	3,882	3,345
Police Scot Com Plan fund	–	7,500	(7,500)	–	–
Queen's Jubilee	–	1,750	(1,566)	–	184
SCVO Com Grow	–	42,256	(42,256)	–	–
Supported posts	–	74,262	(93,452)	20,000	810
	<u>2,127,562</u>	<u>578,591</u>	<u>(1,211,937)</u>	<u>36,676</u>	<u>1,530,892</u>
	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 KAT	769,400	–	(24,553)	–	744,847
FOS Experience	–	–	(210)	210	–
FFTF	–	–	(13)	13	–
Broadband project	33,655	–	(194)	194	–
EMBO	–	–	(2,160)	–	31,495
The Energy Advice Service	–	–	(47)	47	–
Tulloch Road	15,063	–	(76)	76	–
Electric Car	17,724	–	(428)	–	14,635
CARES SWF	1,435	9,484	(1,536)	–	16,188
COVID-19 funds	(2,022)	35,219	(5,895)	(5,024)	–
Hardship funds	1,454	4,192	(4,668)	(28,529)	–
KALM	30,940	73,262	(6,018)	372	–
LDCI HHF	(450)	1,981	(79,497)	(170)	24,535
BCKALM	15,960	28,853	(1,532)	1	–
Kyle Chronicle	(3,515)	4,000	(42,498)	–	2,315
Helping Hands	–	–	(10,019)	2,034	(7,500)
RWE Rosehall Community Fund (Ardgay) administered by Foundation Scotland.	–	–	–	1,871	1,871
BBMW Post Office	–	20,000	–	–	20,000
FS LDCI HHF	–	8,750	(3,619)	–	5,131
HC LRD	–	638	(638)	–	–
HIE FOS	–	1,500	(1,500)	–	–
	–	62,241	(17,625)	3,978	48,594

Kyle of Sutherland Development Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

20. Analysis of charitable funds *(continued)*

Restricted funds *(continued)*

	At 1 July 2020	Income	Expenditure	Transfers	At 30 June 2021
	£	£	£	£	£
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
Arnold Clark	–	–	–	–	–
Beatrice Resil	–	–	–	–	–
Big lottery FOS	–	–	–	–	–
CFK MD	–	–	–	–	–
CGorm Xmas Fund	–	–	–	–	–
Connecting Scotland - Kylesku	–	–	–	–	–
Edderton HHF	–	–	–	–	–
Fuel Pov Sum	–	–	–	–	–
Green Gym FOS	–	–	–	–	–
Kitchen Garden	–	–	–	–	–
KOS HHF	–	–	–	–	–
Police Scot Com Plan fund	–	–	–	–	–
Queen's Jubilee	–	–	–	–	–
SCVO Com Grow	–	–	–	–	–
Supported posts	–	–	–	–	–
	<u>2,138,590</u>	<u>419,331</u>	<u>(417,800)</u>	<u>(12,559)</u>	<u>2,127,562</u>

Post office and Post Office House are fixed asset funds relating to the Post Office in Bonar Bridge.

FOS Build is a fixed asset fund for the initial purchase of Falls of Shin and the rebuild costs.

Ardgay Regeneration is a fixed asset fund. Funding was received to regenerate the site of a derelict hotel in the centre of the village of Ardgay. This work was completed in 2019.

Broadband Project is a fixed asset fund. Funding was received from the SSE Beatrice Fund to erect masts to act as the carriers of wi-fi superfast broadband to our most remote communities.

Tulloch Road – Funding received to investigate the opportunity to build three housing units on land adjacent to Bonar Bridge Post Office. This build has not proceeded.

Electric Car is a fixed asset fund. In 2017 funding was secured to purchase an electric vehicle so that our staff could travel to meetings and projects in a more environmentally sustainable way.

KALM funding was received to deliver the project Kyle All Lives Matter. This was initially funded by the Scottish Government with further funding received from The Highland Council.

BMW Post Office was funding received from SSE Achany, HIE and both Community Councils for a refurbishment. This was completed in November 2021. The balance on the fund relates to fixed assets.

Kyle of Sutherland Development Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

20. Analysis of charitable funds *(continued)*

Restricted funds *(continued)*

HIE FOS is a fixed asset fund with funding received from HIE to provide an overnight parking facility for motorhomes, including electric hook up points, water, and waste disposal facilities which were installed at Falls of Shin in early 2021.

SACC Project is funding received from The Scottish Government's Aspiring Communities Fund which funded 3 FTE employees and help deliver, in partnership with communities, projects dealing with inequalities and deprivation

Green Gym funding was received to create an outdoor gym at Falls of Shin. This grant has not been spent and a change of use has now been requested.

Kitchen Garden is funding received from The National Lottery Community Fund for a Ready Steady Grow project.

21. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	44,295	1,476,669	1,520,964
Current assets	30,485	59,665	90,150
Creditors less than 1 year	(26,506)	(5,442)	(31,948)
Net assets	<u>48,274</u>	<u>1,530,892</u>	<u>1,579,166</u>

	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>

22. Analysis of changes in net debt

	At 1 Jul 2021 £	Cash flows £	At 30 Jun 2022 £
Cash at bank and in hand	<u>139,971</u>	<u>(80,215)</u>	<u>59,756</u>

23. Related parties

During the year the E Simco, daughter of Professor Simco, trustee, received remuneration of £27,729 (2021 - £26,303) as an employee of the charity. This figure includes ER NIC and pension contributions.

During the year the charity paid £11,016 (2021 - £7,926) to Carn Bren Publishing Ltd, a company in which S Muras Sanmartin, trustee, is a director and shareholder, for publishing costs in connection with the Kyle Chronicle.

Kyle of Sutherland Development Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

24. Post balance sheet events

In June 2023, the property and part of the land at Falls of Shin was put on the market for sale at a price of £350,000. No offer has been accepted at the date of signing the financial statements.

25. Ethical standards

In common with many other businesses 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 2022

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 *(continued)*

Year ended 30 June 2022

	2022	2021
	£	£
	2022	2021
	£	£
Income and endowments		
Donations and legacies		
Donations	2,360	7,357
	<u> </u>	<u> </u>
Charitable activities		
Grant income	582,913	475,335
Rental income	20,390	30,029
Business services	33,500	47,735
Other income	5,880	6,819
	<u>642,683</u>	<u>559,918</u>
Investment income		
Bank interest receivable	10	17
	<u> </u>	<u> </u>
Total income	<u>645,053</u>	<u>567,292</u>
Expenditure		
Expenditure on charitable activities		
Purchases	–	840
Wages and salaries	239,483	262,549
Pension costs	5,707	5,297
Equipment rental	1,049	–
Rent	10,769	1,185
Rates and water	89	10,055
Light and heat	20,156	5,497
Repairs and maintenance	123,705	23,495
Insurance	6,005	5,505
Other establishment	–	12,220
Motor vehicle expenses	7,542	5,341
Legal and professional fees	64,757	61,443
Telephone	691	1,545
Other office costs	21,265	19,799
Depreciation	77,019	74,547
Impairment	567,954	–
Events	27,538	11,238
Advertising	12,947	12,336
Training	2,894	1,185
CGS support grants	105,781	68,683
Bad debts	–	7,660
Miscellaneous expenses	18,974	–
Donations and gifts	4,173	–
	<u>1,318,498</u>	<u>590,420</u>
Total expenditure	<u>1,318,498</u>	<u>590,420</u>
Net expenditure	<u>(673,445)</u>	<u>(23,128)</u>