

Company Registration number SC507404
OSCR Registration number SC045782

Shambellie House Trust
(Company Limited By Guarantee)

Directors' report and financial statements

for the year ended 30th June 2018

Shambellie House Trust
(Company Limited By Guarantee)

Company information

Directors

Christine M Eltherington
Joanna F Kemp
Gordon L Mann OBE
Thomas G B McCartney
Alan McNeish
Richard B Nolan
Glynne L Shackleton
John G Stewart
Kerry Thomas

Company number

SC507404

Charity number

SC045782

Registered office

Barrview
Amisfield
Dumfries
DG1 3LL

Independent examiner

R S Williamson, BA CA
Carson & Trotter
Chartered Accountants
123 Irish Street
Dumfries
DG1 2PE

Business address

Barrview
Amisfield
Dumfries
DG1 3LL

Bankers

Cumberland Building Society
Cumberland House
Cooper Way
Carlisle
CA3 0JF

Shambellie House Trust
(Company Limited By Guarantee)

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Shambellie House Trust
(Company Limited By Guarantee)

Directors' report
for the year ended 30th June 2018

The trustees, who are also directors of the charity for the purposes of the Companies Act, have pleasure in presenting their report and the unaudited financial statements for the year ended 30th June 2018. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) published on 16th July 2014.

Objectives and activities

The trust's objectives are:-

1. To arrange for the buildings and grounds to be used for the advancement of arts, heritage and culture. Providing facilities for the arts and providing heritage benefit to the community by preserving the listed building of Shambellie House (including any outbuildings or associated buildings and grounds).
2. To arrange for the buildings and grounds to be used for the advancement of education, in particular arts, culture and the environment.

The principle activity of the trust is holding events, in the form of photographic and art exhibitions, in line with the objectives.

Achievements and performance and plans for the future

Shambellie House was owned by Charles Stewart a renowned book illustrator and he donated the building to Scottish Ministers in 1997 along with his impressive collection of costumes. The costumes are now in storage with the National Museum of Scotland and the building is vacant following its closure as a museum. If no alternative uses can be found then the property will be sold on the open market and lost to the community. The house sits in 6 acres of grounds and is listed category B as a good example of Scottish baronial mansion house architecture by David Bryce and built in 1856.

Following the closure of the Museum of Costume a report (commissioned by Scottish Government) by the Prince's Regeneration Trust (PRT) identified a number of potential uses which could be both suitable and sustainable in the long term and these require to be worked up into a detailed business plan taking account of local community views and interests.

5As part of the PRT study several local meetings were held where it was agreed that a new organisation needed to be set up to take on the work of developing a sustainable future for the House and grounds. This led to the creation of Shambellie House Trust, which was registered as a company limited by guarantee (Company reg no. 507404) on 2nd June 2015 and with charitable status (SC045782).

During the last financial year, the Trust concentrated on refining the project and identifying the work necessary to satisfy itself and potential funders that there is a sustainable business plan in place. It secured the necessary funding to allow it to commission this work during the current financial year.

This work involved the following stages:-

1. Review of the works to the house to improve accessibility, provide residential accommodation and additional lecture and display space. This will include the preparation of a probable cost.
2. Desk based market research
3. Board development
4. Product and community development
5. Business plan

All of this work was completed by April 2018 as required in terms of the funding applications. The Product and Community workshops identified a significant group of locally based experts both willing and excited about the concept. Their enthusiasm and expertise provided a real boost to the project.

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Directors' report
for the year ended 30th June 2018

The Trust has now completed its Business Plan and is in process of making applications to all the relevant funding organisations and charities. It has also mounted a fund-raising campaign to cover its general running costs. This has resulted in an anonymous donation of £10,000 through the Charities Aid Foundation which was offered in June 2018 and received in August.

The Trust believes that it has a sustainable plan to take this project forward under its guiding vision to:-
"Create a centre for day and short residential courses; celebrating the culture and environment of Dumfries & Galloway; connecting the Centre to the wider community"

An exhibition of the drawings will be held in October open to the public. The web site now carries a summary of the plan and illustrations, and a short leaflet has been published.

This work was organised by Piotr Bienkowski and the Trust are grateful for the dedication and skill he brought to this work. This completed his contribution to the project.

As part of the Board Development the Trustees carried out a skills audit and have been actively recruiting new Trustees; we welcomed Ricky Nolan, Alan McNeish and Christine Eltherington to the Board, bringing a wide range of financial, arts, photography and educational skills. Two Trustees retired at the last AGM, Suzanne Broatch and Graham Whiteley and Stephanie Farmer resigned during the year due to family pressures. The Trust is grateful to all of them for their contribution to our work. Following the end of the financial year Laura Hudson Mackay resigned (August 2018) due to pressure of work, and two new Trustees were recruited in September 2018 Jamie Blackett and Alison Burns bringing the Board back to 11 Trustees.

Financial review

There is a deficit for the year of £1,594 compared with a surplus in the previous year of £8,925. Total funds held at the year end are £12,249, made up entirely of unrestricted funds.

Reserves Policy

The directors regularly review the level of reserves held by the charity. They consider that the current funds are adequate to meet current administrative costs.

Risk Management

The directors have assessed the major risks to which the company is exposed, in particular those related to the operations and financing of the company and are satisfied that systems are in place to mitigate these risks.

Structure, governance and management

Shambellie House Trust was incorporated on 2nd June 2015, and is a registered Scottish charity (no. SC045782). It is limited by guarantee and is recognised by H M Revenue & Customs as a charity, therefore it is not liable to corporation tax. It is governed by its Memorandum and Articles of Association.

Appointment and training

The trust is run by a Board of Trustees appointed by the members at the AGM who will normally serve for three years. The Board can also invite organisations that they want to work in partnership with to appoint a trustee. They can also co-opt anyone with specialist knowledge to the Board. In doing so the Board must ensure that the trustees appointed at the AGM are always in the majority.

When new trustees are appointed they are given a formal induction to the work of the trust and provided with the information they need to fulfil their roles, which includes information about the role of the trustees and charity law. Training is offered to new trustees when available.

Shambellie House Trust
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Directors' report
for the year ended 30th June 2018

Reference and administrative details

The directors who served the trust during the year and since the year end were as follows:-

Suzanne Broatch	(Resigned 14th November 2017)
Stephanie A Farmer	(Resigned 19th May 2018)
Christine M Eltherington	(Appointed 15th January 2018)
Laura J Hudson Mackay	(Resigned 10th August 2018)
Joanna F Kemp	
Gordon L Mann OBE	
Thomas G B McCartney	
Alan McNeish	(Appointed 14th November 2017)
Richard B Nolan	(Appointed 14th November 2017)
Glynne L Shackleton	
John G Stewart	
Kerry Thomas	
Graham K Whitely	(Resigned 14th November 2017)

Registered Office: Barrview, Amisfield, Dumfries, DG1 3LL

Company Number: SC507404

Charity Number: SC045782

Independent Examiner: R S Williamson, BA CA, Chartered Accountants, 123 Irish Street, Dumfries, DG1 2PE

Bankers: Cumberland Building Society, Cumberland House, Cooper Way, Carlisle, CA3 0JF

Shambellie House Trust
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Directors' report
for the year ended 30th June 2018

Statement of directors' responsibilities

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

Company law applicable to charities in Scotland requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and the incoming resources and application of resources, including the net income or expenditure, of the company for the year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Small Company Exemption

This report is prepared in accordance with the special provisions of Section 415A of the Companies Act 2006 relating to small companies.

This report was approved by the Board on 10th September 2018 and signed on its behalf by

Gordon L Mann OBE
Director

Shambellie House Trust
(Company Limited By Guarantee)

Independent Examiner's Report to the Trustees of
Shambellie House Trust

I report on the accounts of the charity for the year ended 30th June 2018 which are set out on pages 6 to 15.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors of the charity for the purposes of the Companies Act) are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under Section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of the independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention

- a. which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and regulation 4 of the 2006 Accounts Regulations, and
 - to prepare accounts which accord with the accounting records and comply with regulation 8 of the 2006 Accounts Regulations
- have not been met, or
- b. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

R S Williamson, BA CA
Carson & Trotter
Chartered Accountants
123 Irish Street
Dumfries
DG1 2PE

11th September 2018

The notes on pages 9 to 15 form an integral part of these financial statements.

Shambellie House Trust
(Company Limited By Guarantee)

Statement of Financial Activities (incorporating Income and Expenditure Account)
for the year ended 30th June 2018

	Notes	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Income from:					
Donations and legacies	2	11,020	24,615	35,635	20,615
Other trading activities	3	669	-	669	494
Income from investment	4	-	-	-	2
Total income		11,689	24,615	36,304	21,111
Expenditure on:					
Raising funds	5	254	319	573	940
Charitable activities	6	2,909	34,416	37,325	11,246
Total expenditure		3,163	34,735	37,898	12,186
Net income/(expenditure)	7	8,526	(10,120)	(1,594)	8,925
Transfers between funds	11	180	(180)	-	-
Net movement in funds		8,706	(10,300)	(1,594)	8,925
Reconciliation of funds:					
Total funds brought forward		3,543	10,300	13,843	4,918
Total funds carried forward		12,249	-	12,249	13,843

All income and expenditure derive from continuing activities.

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

The notes on pages 9 to 15 form an integral part of these financial statements.

Shambellie House Trust
(Company Limited By Guarantee)

Company Registration Number SC507404

Balance sheet
as at 30th June 2018

	Notes	2018		2017	
		£	£	£	£
Current assets					
Stocks		100		100	
Debtors	9	10,000		-	
Cash at bank and in hand		3,632		14,243	
		<u>13,732</u>		<u>14,343</u>	
Creditors: amounts falling due within one year					
	10	<u>(1,483)</u>		<u>(500)</u>	
Net current assets			12,249		13,843
Total net assets			<u>12,249</u>		<u>13,843</u>
The funds of the charity					
Unrestricted general			12,249		3,543
Restricted			-		10,300
Total charity funds	11		<u>12,249</u>		<u>13,843</u>

The directors' statements required by Section 475 are shown on the following page which forms part of this Balance Sheet.

The notes on pages 9 to 15 form an integral part of these financial statements.

Shambellie House Trust
(Company Limited By Guarantee)

Balance sheet (continued)

Directors' statements required by Section 475
for the year ended 30th June 2018

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 477 of the Companies Act 2006 relating to small companies;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 476 requesting that an audit be conducted for the year ended 30th June 2018; and

(c) that we acknowledge our responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The financial statements were approved and authorised for issue by the Board on 10th September 2018 and signed on its behalf by

Gordon L Mann OBE
Director

Company registration number: SC507404

The notes on pages 9 to 15 form an integral part of these financial statements.

Shambellie House Trust
(Company Limited By Guarantee)

Notes to the financial statements
for the year ended 30th June 2018

1. Summary of significant accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.1. General information and basis of preparation

Shambellie House Trust is a company limited by guarantee, registered in Scotland. 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 address of the registered office is given in the directors' report.

The charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16th July 2014 (as updated through update Bulletin 1 published on 2nd February 2016), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006.

The charity has applied Update Bulletin 1 as published on 2nd February 2016 and does not include a cash flow statement on the grounds that it is applying FRS102 Section 1A.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity.

1.2. Fund accounting

Unrestricted general funds are the free funds available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds that can only be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.3. Income recognition

All income is included gross in the Statement of Financial Activities when the charity is legally entitled to the income, after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Grants are revenue in nature and are received in connection with the company's charitable activities. These have been released in full to the profit and loss account in line with expenditure incurred during the year.

Investment income is recognised on a receivable basis.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS102).

Shambellie House Trust
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Notes to the financial statements
for the year ended 30th June 2018

1.4. Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payment to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Charitable expenditure comprises those costs incurred by the charity and includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs have not been separately identified as the trustees consider the primary activity of the trust to be holding fundraising events in the form of photographic and art exhibitions, therefore support costs relate wholly to the exhibitions and have been allocated as such.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to the independent examination of the accounts. As with the support costs, the governance costs are treated as being wholly for fundraising events.

1.5. Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Taxation

The company has charitable status and is exempt from taxation.

2. Donations and legacies

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Grants received				
Grant - Architectural Heritage Fund		10,000	10,000	15,700
Grant - D & G Council		-	-	4,600
Grant - Heritage Lottery Fund		5,615	5,615	-
Grant - Scottish Government		7,000	7,000	-
Grant - Scottish Enterprise		2,000	2,000	-
	-	24,615	24,615	20,300
Other donations				
Donations	1,000	-	1,000	295
Charities Aid Foundation	10,000	-	10,000	-
Memberships	20	-	20	20
	11,020	-	11,020	315
	11,020	24,615	35,635	20,615

Of the income from donations and legacies received in the previous year £20,300 was attributable to restricted funds with the balance of £315 being added to unrestricted funds.

Shambellie House Trust
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Notes to the financial statements
for the year ended 30th June 2018

3. Other trading activities

	Unrestricted Funds	Restricted Funds	2018 Total Funds	2017 Total Funds
	£	£	£	£
Sales	669	-	669	494
	<u>669</u>	<u>-</u>	<u>669</u>	<u>494</u>

All of the income from other trading activities in the previous year was attributable to unrestricted funds.

4. Income from investment

	Unrestricted funds	Restricted funds	2018 Total funds	2017 Total funds
	£	£	£	£
Bank interest received	-	-	-	2
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>

All income from investments in the previous year was attributable to unrestricted funds.

5. Raising funds

	Unrestricted funds	Restricted funds	2018 Total funds	2017 Total funds
	£	£	£	£
Costs of sales	-	319	319	-
Exhibition costs	254	-	254	940
	<u>254</u>	<u>319</u>	<u>573</u>	<u>940</u>

All of the fundraising costs in the previous year were attributable to unrestricted funds.

Shambellie House Trust
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Notes to the financial statements
for the year ended 30th June 2018

6. Expenditure on charitable activities

	2018	2017
	Total	Total
	Funds	Funds
	£	£
Direct costs		
Project Organiser	8,450	8,747
Rates and insurance	628	543
Light and heat	648	485
Repairs and maintenance	6,740	-
Equipment	360	-
Printing, postage and stationery	983	-
Advertising	396	-
Research	8,760	-
Telephone	-	706
Website costs	11	211
Professional fees	8,615	-
Bank charges	45	40
Sundry expenses	13	64
Conference costs	326	-
	<hr/>	<hr/>
	35,975	10,796
	<hr/>	<hr/>
Governance costs		
Independent examiners fees	1,350	500
Accountancy	-	(50)
	<hr/>	<hr/>
	1,350	450
	<hr/>	<hr/>
	37,325	11,246
	<hr/> <hr/>	<hr/> <hr/>

Of the expenditure on charitable activities £34,416 (2017 - £8,811) was attributable to restricted funds and £2,909 (2017 - £2,435) was attributable to unrestricted funds.

7. Net income/(expenditure)

	2018	2017
	£	£
Net income/(expenditure) is stated after charging:		
Independent examination fee	1,170	500
Tax advisory services carried out by independent examiner	180	-
	<hr/>	<hr/>

8. Employees

There are no employees. The directors did not receive any remuneration or other benefit in cash or kind (2017 - £nil). Expenses paid to the directors in the year totalled £1,279 (2017 - £125). These expenses were made up of 1 trustee being reimbursed for exhibition costs of £254 (2017 - £94), 1 trustee being reimbursed for workshop costs of £187 (2017 - £nil) and 1 trustee being reimbursed for admin expenses of £838 (2017 - £31).

Shambellie House Trust
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Notes to the financial statements
for the year ended 30th June 2018

9.	Debtors: all receivable within one year	2018	2017
		£	£
	Trade debtors	10,000	-
		<u>10,000</u>	<u>-</u>
10.	Creditors: amounts falling due within one year	2018	2017
		£	£
	Trade creditors	983	-
	Accruals and deferred income	500	500
		<u>1,483</u>	<u>500</u>

Shambellie House Trust
(Company Limited By Guarantee)

Notes to the financial statements
for the year ended 30th June 2018

11. Statement of funds

	Total funds at 1st July 2017 £	Income £	Expenditure £	Transfer between funds £	Total funds at 30th June 2018 £
Unrestricted funds:-					
General funds	3,543	11,689	(3,163)	180	12,249
Restricted funds:-					
Grant - Architectural Heritage Fund	5,700	10,000	(15,700)	-	-
Grant - Heritage Lottery Fund	-	5,615	(5,297)	(318)	-
Grant - Scottish Government	-	7,000	(7,138)	138	-
Grant - Scottish Enterprise	-	2,000	(2,000)	-	-
Grant - D & G Council	4,600	-	(4,600)	-	-
	10,300	24,615	(34,735)	(180)	-
Total funds	13,843	36,304	(37,898)	-	12,249

The transfers between funds are required in order to cover deficit in restricted funds.

Unrestricted funds

The unrestricted general funds represents the free funds of the charity which are not designated for particular purposes.

Restricted funds

The Architectural Heritage Fund and Heritage Lottery Fund provided an initial grant to cover the cost of the Project Organiser and have subsequently provided the second cycle of £5,615 and £10,000 of their contribution towards the next stage of development of the project and business plan.

D & G Council's Area Committee also provided £4,600 in the previous year for this work, which has been utilised during the year.

The grant from the Scottish Government was received to maintain Shambellie House and has since been used for dry rot treatment and general maintenance.

The grant received from Scottish Enterprise was also to be put towards expenditure associated with creating the business plan.

12. Related party transactions

There were no related party transactions during the year.

Shambellie House Trust
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Notes to the financial statements
for the year ended 30th June 2018

13. Analysis of net assets in unrestricted funds

	Tangible fixed assets	Other net assets	Total
	£	£	£
Unrestricted funds	-	12,249	12,249
	-	12,249	12,249