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**OSCR Registration number SC045782
Community Benefit Society RS008214**

Shambellie House Trust
Trustees' report and financial statements
for the year ended 30th June 2020

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Shambellie House Trust

Trust information

Trustees	Christine M Eltherington Susan Gibson Ann Hill Joanna F Kemp Gordon L Mann OBE Thomas G B McCartney Alan McNeish Richard B Nolan Glynne L Shackleton John G Stewart Kerry Thomas Robert Lucas	Appointed 13th January, 2020 Appointed 13th January, 2020 Resigned 28th January, 2020 Leave of absence from 13th July, 2020 Appointed on 10th February 2020 Resigned 16th November, 2020
Charity number	SC045782	
Community Benefit Society	RS008214	
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	

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Shambellie House Trust

Trustees' report
for the year ended 30th June 2020

The trustees have pleasure in presenting their report and the unaudited financial statements for the year ended 30th June 2020. 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.

As 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).

Following a unanimous decision at the EGM on 9th September 2019 the Trust progressed its registration as a charitable community benefit society. Approval for this was given by the Financial Conduct Authority on 4th October. This change did not alter our charitable status and was simply noted by OSCR. The Trust will launch its initial membership share offer in early 2021 depending on the status of the pandemic.

During the Financial Year 2018/19 the Trust had to accept that its initial plan was too ambitious and could not be funded in the short term. As a consequence, they worked with the Design Team and the prospective Tutors to develop an alternating proposal saving over 30% of the previous budget. All of this work was supported by the William Grant Foundation (delivered by the Architectural Heritage Fund).

At the start of this Financial Year the Trust were successful in getting approval for funding from the Scottish Government under its Investing in Communities Fund to pay for the costs of taking this project forward. Final approval for this was given in January 2020. Work on the impact of VAT on the project was also commissioned but was more complex than initially thought. This increased the cost which was met by generous donations from two Trustees.

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Shambellie House Trust

Trustees' report for the year ended 30th June 2020

In the early part of the year the Trust was struck by two events. Covid19 severely restricted what could be done; however, the Board quickly adopted the policy of continuing to meet using Zoom and all the monthly meetings were held as usual. The second issue was that the Chair, Gordon Mann was diagnosed with cancer which required a stay in hospital and a long period of convalescence. During his absence his place was taken by Rob Lucas, the recently retired Chief Executive of the Field Studies Council that runs 18 residential study centres throughout the UK. The Trust was fortunate to get the services of such an experienced professional and are grateful for his sage advice. Gordon returned to Chair the Board in November 2020. Rob Lucas continues to advise the Board

As the pandemic progressed it became clear to the Trust that it would have a significant effect on the ability of funders to consider the levels of capital expenditure necessary for a considerable period of time. The Scottish Government has very generously allowed the Trust time to put the project together and has met the running costs of the House. During 2020 they indicated that a decision on the future of the House would have to be made by the end of March 2021.

Taking this into account and the problems over capital funding the Trust took the difficult decision to scale back the first phase to only the works to the House that were essential to allow it to operate as a non-residential centre for at least some of the courses planned. Before taking this decision, they consulted locally and were supported in this by the three local councillors. The Community Council and the members were also kept informed of progress.

A revised Business Plan demonstrated that even this minimal option would be able to cover its costs. With the assistance of the ICF funds the Trust were able to seek professional advice and develop a scheme which will see repairs to the house and the addition of toilets on the Principal floor level. The House has a chair lift to enable wheelchair users to access the Principal floor so the proposed lift to access the remaining floors will be delayed to a later phase and courses where a wheelchair user is enrolled will all be facilitated on the Principal floor.

The Trust is clear however that this is simply a first step and the long-term ambition is to complete the revised design (Plan B) even if this now has to be done in phases over a long period.

The Trust has now embarked on two work strands to enable it to be in a position to confirm its wish to take over ownership of the House and grounds. The first is to prepare detailed designs and quotes for the necessary works and the second is to seek funding for these works. By the end of 2020 the Trust had lodged 10 applications to various charities and expect to start to hear from them in early 2021.

Because of Covid the Trust has not been able to carry on its programme of meetings and events in the House. That has not prevented it from being active. The local Art Group met in the House until the outbreak of the pandemic. As a response to the challenges of the initial lockdown the Quilt Group produced "quilted hugs" where quilts were made and distributed to those living alone. This project attracted publicity as well as the thanks from the wider community. This group is now working with the children of the local Primary Schools to design new seat covers to allow some chairs to be upcycled. Contact has been made with Cloverglen who provide services to vulnerable young people funded by the Social Work Department of the Council. This is now being developed in a number of ways but initially they will be responsible for routine maintenance of the grounds.

Financial review

There is a surplus for the year of £10,395 compared with a deficit in the previous year of £4,725. Total funds held at the year end are £17,919, made up of unrestricted funds of £4,548 and restricted funds of £13,371.

Reserves Policy

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

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Shambellie House Trust

Trustees' report
for the year ended 30th June 2020

Structure, governance and management

Shambellie House Trust was incorporated on 2nd June 2015, and is a registered Scottish charity (no. SC045782). It 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. The organisation also became a Community Benefit Society on the 4th October 2019, registered under the Co-operative and Community Benefit Societies Act 2014.

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.

Reference and administrative details

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

Christine M Eltherington	
Susan Gibson	Appointed 13th January, 2020
Ann Hill	Appointed 13th January, 2020
Joanna F Kemp	
Gordon L Mann OBE	
Thomas G B McCartney	Resigned 28th January, 2020
Alan McNeish	
Richard B Nolan	
Glynne L Shackleton	
John G Stewart	
Kerry Thomas	Leave of absence from 13th July, 2020
Robert Lucas	Appointed 10th February, 2020 - resigned 16th November, 2020

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

Charity Number: SC045782

Community Benefit Society: RS008214

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

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Shambellie House Trust

Trustees' report
for the year ended 30th June 2020

Statement of trustees' responsibilities

The trustees 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).

Charity law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing these financial statements, the trustees 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 charity will continue in business.

The trustees 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 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Board on and signed on its behalf by

Robert Lucas
Trustee

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Shambellie House Trust

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 2020 which are set out on pages 6 to 13.

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.

Opinion in relation to Co-operative and Community Benefit Societies Act 2014

In my opinion:-

- the SOFA account and the balance sheet for the year ended 30th June 2020 are in agreement with the books of account kept by the society under the Section 75 of the Co-operative and Community Benefit Societies Act 2014;
- having regard only to, and on the basis of the information contained in the books of account, the SOFA account and the balance sheet for the year ended 30th June 2020 comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- the society met the financial criteria enabling it to disapply the requirement to have an audit of the accounts for the year specified in section 84 of the Co-operative and Community Benefit Societies Act 2014.

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

The notes on pages 8 to 13 form an integral part of these financial statements.

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Shambellie House Trust

Statement of Financial Activities (incorporating Income and Expenditure Account)
for the year ended 30th June 2020

	Notes	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Income from:					
Donations and legacies	2	1,857	27,996	29,853	2,817
Other trading activities	3	3,200	-	3,200	4,406
Total income		<u>5,057</u>	<u>27,996</u>	<u>33,053</u>	<u>7,223</u>
Expenditure on:					
Raising funds		-	-	-	-
Charitable activities	4	<u>7,273</u>	<u>15,385</u>	<u>22,658</u>	<u>11,948</u>
Total expenditure		<u>7,273</u>	<u>15,385</u>	<u>22,658</u>	<u>11,948</u>
Net income/(expenditure)	5	(2,216)	12,611	10,395	(4,725)
Transfers between funds	9	<u>(760)</u>	<u>760</u>	<u>-</u>	<u>-</u>
Net movement in funds		(2,976)	13,371	10,395	(4,725)
Reconciliation of funds:					
Total funds brought forward		<u>7,524</u>	-	<u>7,524</u>	<u>12,249</u>
Total funds carried forward		<u>4,548</u>	<u>13,371</u>	<u>17,919</u>	<u>7,524</u>

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 8 to 13 form an integral part of these financial statements.

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Shambellie House Trust

Balance sheet
as at 30th June 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	7		570		-
Current assets					
Stocks		100		100	
Cash at bank and in hand		17,749		10,546	
		<u>17,849</u>		<u>10,646</u>	
Creditors: amounts falling due within one year	8	<u>(500)</u>		<u>(3,122)</u>	
Net current assets			<u>17,349</u>		<u>7,524</u>
Total net assets			<u>17,919</u>		<u>7,524</u>
The funds of the charity					
Unrestricted general			4,548		7,524
Restricted			13,371		-
Total charity funds	9		<u>17,919</u>		<u>7,524</u>

These financial statements were approved by the Trustees and signed on their behalf by:-

Robert Lucas
Trustee

Date:

The notes on pages 8 to 13 form an integral part of these financial statements.

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Shambellie House Trust

Notes to the financial statements
for the year ended 30th June 2020

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 charity registered in Scotland.

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).

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.

The Society is registered under the Co-operative and Community Benefit Societies Act 2014 (registered number RS008214)

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).

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Shambellie House Trust

Notes to the financial statements
for the year ended 30th June 2020

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. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings
and equipment - 25% Straight Line

1.6. Stock

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

1.7 Taxation

The company has charitable status and is exempt from taxation.

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Shambellie House Trust

Notes to the financial statements
for the year ended 30th June 2020

2. Donations and legacies

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Grants received				
Voluntary income - restricted		1,000	1,000	-
Grant - Architectural Heritage Fund		10,000	10,000	-
Grant - ICF Scottish Government		14,996	14,996	-
Grant - New Abbey Trust		2,000	2,000	-
	-	27,996	27,996	-
Other donations				
Donations	242	-	242	937
Unrestricted Grants	1,615	-	1,615	1,880
Memberships	-	-	-	-
	1,857	-	1,857	2,817
	1,857	27,996	29,853	2,817

Of the income from donations and legacies received in the previous year £0 was attributable to restricted funds with the balance of £2817 being added to unrestricted funds.

3. Other trading activities

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	2019 Total Funds £
Sales	3,200	-	3,200	4,406

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

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Shambellie House Trust

Notes to the financial statements
for the year ended 30th June 2020

4. Expenditure on charitable activities

	2020	2019
	Total	Total
	Funds	Funds
	£	£
Direct costs		
Rates and insurance	607	486
Light and heat	1,454	1,675
Repairs and maintenance	131	636
Equipment	449	-
Printing, postage and stationery	-	125
Advertising	1,713	479
Website costs	287	248
Hire of equipment	20	-
Professional fees	14,780	7,300
Bank charges	47	51
Sundry expenses	2,050	108
Depreciation on plant and machinery	190	-
	<u>21,728</u>	<u>11,108</u>
Governance costs		
Independent examiners fees	930	840
Accountancy	-	-
	<u>930</u>	<u>840</u>
	<u>22,658</u>	<u>11,948</u>

Of the expenditure on charitable activities £15385 (2019 - £0) was attributable to restricted funds and £7273 (2019 - £11948) was attributable to unrestricted funds.

5. Net income/(expenditure)

	2020	2019
	£	£
Net income/(expenditure) is stated after charging:		
Depreciation and other amounts written off tangible assets	190	-
Independent examination fee	930	840
	<u>1,120</u>	<u>840</u>

6. Employees

There are no employees. The trustees did not receive any remuneration or other benefit in cash or kind (2019 - £nil). Expenses paid to the trustees in the year totalled £1120 (2019 - £330). These expenses were made up of 1 trustee being reimbursed for exhibition costs of £nil (2019 - £0) and 2 trustees being reimbursed for admin expenses of £1120 (2019 - £330).

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Notes to the financial statements
for the year ended 30th June 2020

7. Tangible fixed assets	Fixtures, fittings and equipment £	Total £
Cost		
Additions	760	760
At 30th June 2020	760	760
Depreciation		
Charge for the year	190	190
At 30th June 2020	190	190
Net book values		
At 30th June 2020	570	570
	<hr/> <hr/>	<hr/> <hr/>
8. Creditors: amounts falling due within one year	2020 £	2019 £
Trade creditors	-	2,622
Accruals and deferred income	500	500
	500	3,122
	<hr/> <hr/>	<hr/> <hr/>

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Shambellie House Trust

Notes to the financial statements
for the year ended 30th June 2020

9. Statement of funds

	Total funds at 1st July 2019 £	Income £	Expenditure £	Transfer between funds £	Total funds at 30th June 2020 £
Unrestricted funds:-					
General funds	<u>7,524</u>	<u>5,057</u>	<u>(7,273)</u>	<u>(760)</u>	<u>4,548</u>
Restricted funds:-					
Grant - Architectural Heritage Fund		10,000	(10,760)	760	-
Grant - New Abbey Trust	-	2,000	-	-	2,000
Voluntary income - restricted	-	1,000	(1,000)	-	-
Grant - ICF Scottish Government		14,996	(3,625)	-	11,371
	<u>-</u>	<u>27,996</u>	<u>(15,385)</u>	<u>760</u>	<u>13,371</u>

Unrestricted funds

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

Restricted funds

The purpose of each restricted fund is as follows :-

The Architectural Heritage Fund (AHF) - The William Grant Foundation, through the administration of the AHF provided a grant of £10,000 to develop the business plan and take the project forward to the next development stage. This made it possible for the Trust to carry out a project viability study by DC Research and a comprehensive VAT study.

New Abbey Trust - A generous donation of £2,000 was received to help cover the cost of the VAT study.

Scottish Government Investing in the Community Fund - Early in 2020 the trust was awarded a grant totalling £62,048 which has enabled it to acquire the services of a project development manager. The first payment of the grant was received prior to the year end.

10. Related party transactions

There were no related party transactions during the year.

11. Analysis of net assets in unrestricted funds

	Tangible fixed assets £	Other net assets £	Total £
Unrestricted funds	<u>570</u>	<u>17,349</u>	<u>17,919</u>
	<u>570</u>	<u>17,349</u>	<u>17,919</u>