

**REGISTERED COMPANY NUMBER: SC589570 (Scotland)**  
**REGISTERED CHARITY NUMBER: SC048164**

Report of the Trustees and  
Unaudited Financial Statements for the Year Ended 29 February 2020  
for  
Community Development Company Of Nesting

Community Development Company Of Nesting

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for the Year Ended 29 February 2020

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## Community Development Company Of Nesting

### Report of the Trustees for the Year Ended 29 February 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 29 February 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

#### **OBJECTIVES AND ACTIVITIES**

##### **The Aald Skul**

The CDCN (Community Development Company of Nesting) began life in December 2016. Two public meetings were held in the community to debate what was to be done to save the Aald Skül from potentially being sold by the Shetland Islands Council (SIC), who owned it at the time.

The property was owned by the Shetland Islands Council (SIC) and leased to the Nesting Local History Group (NLHG), but the property was falling into disrepair, and the SIC intimated that they could not justify the needed investment to restore, or arrest the decay of the buildings. The NLHG could not afford to fund the needed work either.

The CDCN, was set up; the remit of which was to pursue all possible means to save the property for further community use. Apart from the history group's base being there, the community also used some of the land as a burning site for the Nesting & Girlsta Up -Helly -Aa

##### **Community Ideas**

CDCN came to be born; with an initial membership that included members of every other group in the area, as well as various other interested people.

Articles of Association were written, the CDCN was set up as a company limited by guarantee (Incorporated on 22nd February 2018 Company Number 589570), and CDCN was registered as a charity (Charity Number SC048164 registered on 27th February 2018).

A survey of the whole community was conducted, door to door, to gauge interest in various ideas as to what additional uses the property could be put to, and to garner fresh ideas.

Community Development Company Of Nesting

Report of the Trustees  
for the Year Ended 29 February 2020

**ACHIEVEMENT AND PERFORMANCE**

**Charitable activities**

***THE AALD SKÜL***

CDCN (Community Development Company of Nesting) started its financial year of 2019-2020 with a flurry of activity and purpose. A new Development Officer had been appointed mid February. Applications to grant bodies had been made for the building and refurbishment works to the Aald Skül, some already granted, and a contractor had been chosen through a tender process to carry out the works.

Unfortunately our Development Officer resigned and her last day was 22nd November 2019. The same day Ellis Keith resigned his directorship of CDCN and became its new Development Officer on 25th November.

CDCN held its AGM on 16th December 2019 and voted on a new director - Vic Thomas of Catfirth.

By the end of March all the grant funding for the Building works had been secured and the contractor was appointed - Shetland Construction and Development Ltd (SCD).

During April 2019 all the initial demolitions and pre-building works were carried out by volunteers. This continued throughout the build with volunteers providing clear up, removal and further demolition works as required. This contribution by CDCN was the only affordable way the renovations could be carried out.

SCD commenced on site July 2019 with major completion of the works by the end of 2019. Snagging works were carried out in January and February 2020.

In January and February of 2020 the Gym equipment arrived and was installed and set up by CDCN volunteers.

Hand in hand with the building works, Malcolmson Architects started working on the feasibility study and planning for the next stage of development works. This involved a community workshop / shed, wigwams and poly tunnels on the Aald Skül site and a proposal as to how the Methodist Chapel could be used for dual purpose - worship and childcare. The final designs etc. are to be presented to the community in early summer 2020.

***CHILDCARE IN THE COMMUNITY***

A working group has been set up with members from CDCN. Input came from the Methodist Church and various interested parties, with the aim of investigating the requirements and developing a proposal for childcare within the Nesting Area. It is planned that this work will continue through 2020 and into 2021.

***WEBSITE***

During Spring and Summer of 2019, a website was developed for CDCN by NB Communications Ltd. CDCN had a working group of members that provided content and oversaw the works to final product. It was launched on 8th of October 2019 and can be found at <https://www.cdcn.co.uk>

***GYM***

With the completion of the building works in early 2020 a Gym management group was set up to provide the installation of equipment, commissioning and general management of the Gym which hopes to open in early spring of 2020. This management group was made up from a range of age groups - some existing CDCN members and some new members with young person's being included.

***SCRAPSTORE***

Throughout the year to end February 2020 the Scrap Store continued to flourish and managed to continue to open during the building works. It gained new helpers who are assisting Ellis with the organisation and bringing new ideas. The year end takings were £6,642 with an additional £130 in donations. The Scrap Store continues to be the main non-Grant contributor to CDCN.

Report of the Trustees  
for the Year Ended 29 February 2020

**ACHIEVEMENT AND PERFORMANCE**

**Charitable activities**

***SHETLAND CHARITABLE TRUST***

To provide cash flow for the Building and Development works CDCN applied for an interest free repayable loan from the Charitable Trust. CDCN received a £175,985.00 interest free loan from the Charitable Trust allowing Building works to proceed.

**FINANCIAL REVIEW**

**Principal funding sources**

- Robertson Trust
- SIC Economic Development
- SUEZ Communités Trust
- LEADER

**Reserves policy**

The charity has considered the reserves required and have taken into account their current and future liabilities. The trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately three months of unrestricted charitable expenditure. The trustees consider that this level will provide sufficient funds to respond to applications for grants and ensure that support and governance costs are covered.

The balance held as unrestricted funds at 28 February 2020 was £173,100 of which none are regarded as free reserves, after allowing for funds tied up in tangible fixed assets and investments. Actual 3 month cash payments totalled £11,029. The current level of reserves is therefore lower than is needed.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

SC589570 (Scotland)

**Registered Charity number**

SC048164

**Registered office**

Vardasta  
Gletness  
South Nesting  
Shetland  
ZE2 9PS

**Trustees**

J M Bradley  
S C S Christey  
W E Keith – resigned 22.11.19  
D G Stevenson  
V Thomas – appointed 22.11.19

**Company Secretary**

Ms S C S Christey

Community Development Company Of Nesting

Report of the Trustees  
for the Year Ended 29 February 2020

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Independent examiner**

Martin R Watt FCCA

FCCA

Bon Accord Accountancy Limited

53 Carden Place

Aberdeen

AB10 1UP

Approved by order of the board of trustees on 29 September 2020 and signed on its behalf by:



1/10/20

signature redacted

MR D G Stevenson - Trustee

Independent Examiner's Report to the Trustees of  
Community Development Company Of Nesting

**Independent examiner's report to the trustees of Community Development Company Of Nesting ('the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 29 February 2020.

**Responsibilities and basis of report**

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

**Independent examiner's statement**

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached



signature redacted

Martin R Watt FCCA  
FCCA  
Bon Accord Accountancy Limited  
53 Carden Place  
Aberdeen  
AB10 1UP

29 September 2020

Community Development Company Of Nesting

Statement of Financial Activities  
for the Year Ended 29 February 2020

	Not es	Unrestricted fund £	Restricted funds £	Year Ended 29.2.20 Total funds £	Period 22.2.18 to 28.2.19 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies		132	-	132	4,460
<b>Charitable activities</b>					
Charity		179,879	-	179,879	32,630
Other trading activities	2	6,642	-	6,642	7,866
Other income		<u>852</u>	<u>-</u>	<u>852</u>	<u>130</u>
<b>Total</b>		<b>187,505</b>	<b>-</b>	<b>187,505</b>	<b>45,086</b>
<b>EXPENDITURE ON</b>					
Raising funds	3	29,269	-	29,269	1,352
<b>Charitable activities</b>					
Charity		<u>14,639</u>	<u>919</u>	<u>15,558</u>	<u>4,497</u>
<b>Total</b>		<b>43,908</b>	<b>919</b>	<b>44,827</b>	<b>5,849</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>143,597</b>	<b>(919)</b>	<b>142,678</b>	<b>39,237</b>
<b>Transfers between funds</b>	13	<u>1,211</u>	<u>(1,211)</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		<b>144,808</b>	<b>(2,130)</b>	<b>142,678</b>	<b>39,237</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>28,292</b>	<b>10,945</b>	<b>39,237</b>	<b>-</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b><u>173,100</u></b>	<b><u>8,815</u></b>	<b><u>181,915</u></b>	<b><u>39,237</u></b>

The notes form part of these financial statements



Community Development Company Of Nesting

Balance Sheet

At 29 February 2020

	Notes	Unrestricted fund £	Restricted funds £	29.2.20 Total funds £	28.2.19 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	8	201,738	8,815	210,553	9,233
<b>CURRENT ASSETS</b>					
Debtors	9	31,801	-	31,801	3,641
Cash at bank and in hand		<u>115,895</u>	<u>-</u>	<u>115,895</u>	<u>27,313</u>
		147,696	-	147,696	30,954
<b>CREDITORS</b>					
Amounts falling due within one year	10	(349)	-	(349)	(950)
<b>NET CURRENT ASSETS</b>		<u>147,347</u>	<u>-</u>	<u>147,347</u>	<u>30,004</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		349,085	8,815	357,900	39,237
<b>CREDITORS</b>					
Amounts falling due after more than one year	11	(175,985)	-	(175,985)	-
<b>NET ASSETS</b>		<u>173,100</u>	<u>8,815</u>	<u>181,915</u>	<u>39,237</u>
<b>FUNDS</b>	13				
Unrestricted funds				173,100	28,292
Restricted funds				<u>8,815</u>	<u>10,945</u>
<b>TOTAL FUNDS</b>				<u>181,915</u>	<u>39,237</u>

The notes form part of these financial statements

Community Development Company Of Nesting

Balance Sheet - continued

At 29 February 2020

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 29 February 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 29 February 2020 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

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

The financial statements were approved by the Board of Trustees on 29 September 2020 and were signed on its behalf by:



1/10/20

signature redacted

MR D G Stevenson -Trustee



1/10/20

signature redacted

V Thomas -Trustee

Notes to the Financial Statements  
for the Year Ended 29 February 2020

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 50% on cost

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**2. OTHER TRADING ACTIVITIES**

	Year Ended 29.2.20	Period 22.2.18 to 28.2.19
Shop income	£ <u>6,642</u>	£ <u>7,866</u>

Notes to the Financial Statements - continued  
for the Year Ended 29 February 2020

3. RAISING FUNDS

Raising donations and legacies

	Year Ended 29.2.20 £	Period 22.2.18 to 28.2.19 £
Support costs	<u>29,269</u>	<u>1,352</u>

4. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	Year Ended 29.2.20 £	Period 22.2.18 to 28.2.19 £
Depreciation - owned assets	<u>712</u>	<u>388</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 29 February 2020 nor for the period ended 28 February 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 29 February 2020 nor for the period ended 28 February 2019.

6. STAFF COSTS

The average monthly number of employees during the year was as follows:

	Year Ended 29.2.20	Period 22.2.18 to 28.2.19
Development officer	<u>1</u>	<u>1</u>

No employees received emoluments in excess of £60,000.

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	4,460	-	4,460
<b>Charitable activities</b>			
Charity	20,000	12,630	32,630
Other trading activities	7,866	-	7,866
Other income	<u>130</u>	<u>-</u>	<u>130</u>
<b>Total</b>	32,456	12,630	45,086

Notes to the Financial Statements - continued  
for the Year Ended 29 February 2020

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
<b>EXPENDITURE ON</b>			
Raising funds	1,352	-	1,352
<b>Charitable activities</b>			
Charity	<u>2,812</u>	<u>1,685</u>	<u>4,497</u>
<b>Total</b>	<u>4,164</u>	<u>1,685</u>	<u>5,849</u>
<b>NET INCOME/(EXPENDITURE)</b>	<u>28,292</u>	<u>10,945</u>	<u>39,237</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>28,292</u>	<u>10,945</u>	<u>39,237</u>

8. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>					
At 1 March 2019	4	8,841	-	776	9,621
Additions	<u>-</u>	<u>194,590</u>	<u>7,442</u>	<u>-</u>	<u>202,032</u>
At 29 February 2020	<u>4</u>	<u>203,431</u>	<u>7,442</u>	<u>776</u>	<u>211,653</u>
<b>DEPRECIATION</b>					
At 1 March 2019	-	-	-	388	388
Charge for year	<u>-</u>	<u>-</u>	<u>324</u>	<u>388</u>	<u>712</u>
At 29 February 2020	<u>-</u>	<u>-</u>	<u>324</u>	<u>776</u>	<u>1,100</u>
<b>NET BOOK VALUE</b>					
At 29 February 2020	<u>4</u>	<u>203,431</u>	<u>7,118</u>	<u>-</u>	<u>210,553</u>
At 28 February 2019	<u>4</u>	<u>8,841</u>	<u>-</u>	<u>388</u>	<u>9,233</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	29.2.20 £	28.2.19 £
Other debtors	349	1,000
VAT	30,475	1,722
Prepayments and accrued income	<u>977</u>	<u>919</u>
	<u>31,801</u>	<u>3,641</u>

Notes to the Financial Statements - continued  
for the Year Ended 29 February 2020

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	29.2.20	28.2.19
	£	£
Trade creditors	-	600
Accrued expenses	<u>350</u>	<u>350</u>
	<u>350</u>	<u>950</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	29.2.20	28.2.19
	£	£
Other loans (see note 12)	<u>175,985</u>	<u>-</u>

12. LOANS

An analysis of the maturity of loans is given below:

	29.2.20	28.2.19
	£	£
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>175,985</u>	<u>-</u>

13. MOVEMENT IN FUNDS

	At 1.3.19	Net movement in funds	Transfers between funds	At 29.2.20
	£	£	£	£
<b>Unrestricted funds</b>				
General fund	28,292	143,597	1,211	173,100
<b>Restricted funds</b>				
Scottish Land Fund	7,484	-	(979)	6,505
Big Lottery Fund	<u>3,461</u>	<u>(919)</u>	<u>(232)</u>	<u>2,310</u>
	10,945	(919)	(1,211)	8,815
	<u>39,237</u>	<u>142,678</u>	<u>-</u>	<u>181,915</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
<b>Unrestricted funds</b>			
General fund	187,505	(43,908)	143,597
<b>Restricted funds</b>			
Big Lottery Fund	-	(919)	(919)
	<u>187,505</u>	<u>(44,827)</u>	<u>142,678</u>

13. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	Net movement in funds £	At 28.2.19 £
<b>Unrestricted Funds</b>		
General fund	28,292	28,292
<b>Restricted Funds</b>		
Scottish Land Fund	7,484	7,484
Big Lottery Fund	<u>3,461</u>	<u>3,461</u>
	10,945	10,945
	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<u><u>39,237</u></u>	<u><u>39,237</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	32,456	(4,164)	28,292
<b>Restricted funds</b>			
Scottish Land Fund	8,020	(536)	7,484
Big Lottery Fund	<u>4,610</u>	<u>(1,149)</u>	<u>3,461</u>
	12,630	(1,685)	10,945
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<u><u>45,086</u></u>	<u><u>(5,849)</u></u>	<u><u>39,237</u></u>

**Transfers between funds**

Transfer between funds was from general fund to balance overspend.

14. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 29 February 2020.

Community Development Company Of Nesting

Detailed Statement of Financial Activities  
for the Year Ended 29 February 2020

	Year Ended 29.2.20 £	Period 22.2.18 to 28.2.19 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Donations	<u>132</u>	<u>4,460</u>
	132	4,460
<b>Other trading activities</b>		
Shop income	6,642	7,866
<b>Charitable activities</b>		
Grants	179,879	32,630
<b>Other income</b>		
Other income	<u>852</u>	<u>130</u>
<b>Total incoming resources</b>	<b>187,505</b>	<b>45,086</b>
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Insurance	1,896	1,196
Light and heat	610	345
Telephone	360	-
Postage and stationery	-	323
Advertising	4,695	796
Sundries	765	1,811
Website	928	26
Equipment	255	-
Materials	771	-
Legal fees	120	-
Suez payment	<u>5,158</u>	<u>-</u>
	15,558	4,497
<b>Support costs</b>		
<b>Management</b>		
Wages	27,419	614
Pensions	<u>413</u>	<u>-</u>
	27,832	614
<b>Finance</b>		
Plant and machinery	324	-
Computer equipment	<u>388</u>	<u>388</u>
	712	388

This page does not form part of the statutory financial statements



Community Development Company Of Nesting

Detailed Statement of Financial Activities  
for the Year Ended 29 February 2020

	Year Ended 29.2.20 £	Period 22.2.18 to 28.2.19 £
<b>Governance costs</b>		
Accountancy fees	<u>725</u>	<u>350</u>
<b>Total resources expended</b>	44,827	5,849
	<hr/>	<hr/>
<b>Net income</b>	<u>142,678</u>	<u>39,237</u>

This page does not form part of the statutory financial statements