

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

Report of the Trustees and  
Unaudited Financial Statements for the Period 22 February 2018 to 28 February 2019  
for

Community Development Company Of Nesting

Bon Accord Accountancy Limited  
2 North Ness Business Park  
Lerwick  
Shetland  
ZE1 0LZ

Community Development Company Of Nesting

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for the Period 22 February 2018 to 28 February 2019

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Report of the Trustees  
for the Period 22 February 2018 to 28 February 2019

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 period 22 February 2018 to 28 February 2019. 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).

**INCORPORATION**

The charitable company was incorporated on 22 February 2018.

**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 Skul 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.

## **ACHIEVEMENT AND PERFORMANCE**

### **Charitable activities**

A grant was secured from the Scottish Land Fund to pay for the preparation of a business plan. After a tendering process, we selected Community Enterprise Scotland was selected to further research CDCN's ideas, and write a business plan that could be used to attract further grant funding.

Another equally important use that the business plan was put to, was to make a case for acquiring the Aald Skül through Community Asset Transfer. Through that process we were able to get the whole of the buildings and land for a nominal sum (which ended up being agreed at £4), but Community Asset Transfer can only be successful if you can prove that your group can handle the running costs of the property through into the longer term. CDCN was the first group in Shetland to acquire a property by Community Asset Transfer. Ours This was also the first case of Community Asset Transfer that the SIC handled and ; we were very happy with the thorough and professional manner in which the SIC negotiated this complex new legislation.

The transaction for the buildings and land were settled on the 16th October 2018.

While the afore-mentioned paperwork was ongoing, CDCN started running the Nesting Scrap-store. This brought in significant enough cash which to allow could payment of minor expenses, and be saved towards capital grant cash contributions.

The Scrap-store has been highly successful. We intend to keep the Scrap-store running long-term, and we continue to improve it.

Another little project that CDCN organised and funded, during our first years, was the reinstatement of fallen headstones in both the cemeteries at Garth and the one at Laxfirth. We did this to prove our commitment to improving the community, and to put some of the money we were earning back into the wider community.

Funding from the Scottish Land Fund was secured and this-this went towards design expenses on preparing plans to have the buildings renovated, paying the associated planning fees, insurance and wages paying our first insurance bill, and providing a substantial amount towards a wage for a development officer.

### **Development Officer**

Having cleared these first hurdles of acquiring the property, a business plan and additional grant funding, CDCN had significant momentum with which to press forward towards realising our short-term goals. During the winter of 2018 into 2019 we gained planning permission and a building warrant for our proposed renovations. We tendered the contract and selected our preferred contractor, and applied for several grants to total over £200,000. This would contribute towards the costs of works.

It was a very busy winter but, we also found time to recruit, development officer (appointed 27th January 2019). The official is well established and working towards future projects. By the spring of 2019 or is it 2018 we had won enough grant and we were ready to commence with building works.

## **FINANCIAL REVIEW**

### **Principal funding sources**

We received grants from Scottish Land Fund, and Big Lottery Fund.

### **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 2019 was £28,292 of which £27,874 are regarded as free reserves, after allowing for funds tied up in tangible fixed assets and investments. Actual 3 month cash payments totalled £1,595. The current level of reserves is therefore higher than is needed.

Report of the Trustees

for the Period 22 February 2018 to 28 February 2019

**FUTURE PLANS**

We are hoping hopeful that the Grants applied for will be successful and if so weso we can will start the building works early summer 2019. This should allow us forto be completeion by Christmas 2019.

But we are not resting on our laurels, we are pressing on, -researching and developing new projects and fresh ideas.

-oOur story has only just begun -this is but the first chapter.

**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**

Mrs J M Bradley

- appointed 22.2.18

Ms S C S Christey

- appointed 22.2.18

W E Keith

- appointed 22.2.18

MR D G Stevenson

- appointed 22.2.18

**Company Secretary**

Ms S C S Christey

**Independent examiner**

Wilma A Sim ACCA (non-practicing)

Bon Accord Accountancy Limited

2 North Ness Business Park

Lerwick

Shetland

ZE1 0LZ

Approved by order of the board of trustees on 22 November 2019 and signed on its behalf by:



signature redacted

MR D G Stevenson - Trustee

**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 period ended 22 February 2018 to 28 February 2019.

**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

Wilma A Sim ACCA (non-practicing)  
Bon Accord Accountancy Limited  
2 North Ness Business Park  
Lerwick  
Shetland  
ZE1 0LZ

22 November 2019

Community Development Company Of Nesting

Statement of Financial Activities

for the Period 22 February 2018 to 28 February 2019

	Notes	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	2	7,866	-	7,866
Other income		130	-	130
<b>Total</b>		<b>32,456</b>	<b>12,630</b>	<b>45,086</b>
<b>EXPENDITURE ON</b>				
Raising funds	3	738	-	738
<b>Charitable activities</b>				
Charity		3,426	1,685	5,111
<b>Total</b>		<b>4,164</b>	<b>1,685</b>	<b>5,849</b>
<b>NET INCOME</b>		<b>28,292</b>	<b>10,945</b>	<b>39,237</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>28,292</b>	<b>10,945</b>	<b>39,237</b>

The notes form part of these financial statements

Community Development Company Of Nesting

Balance Sheet

At 28 February 2019

	Notes	Unrestricted fund £	Restricted funds £	Total funds £
<b>FIXED ASSETS</b>				
Tangible assets	7	418	8,815	9,233
<b>CURRENT ASSETS</b>				
Debtors	8	2,722	919	3,641
Cash at bank and in hand		26,102	1,211	27,313
		<u>28,824</u>	<u>2,130</u>	<u>30,954</u>
<b>CREDITORS</b>				
Amounts falling due within one year	9	(950)	-	(950)
<b>NET CURRENT ASSETS</b>		<u>27,874</u>	<u>2,130</u>	<u>30,004</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>28,292</u>	<u>10,945</u>	<u>39,237</u>
<b>NET ASSETS</b>		<u>28,292</u>	<u>10,945</u>	<u>39,237</u>
<b>FUNDS</b>	10			
Unrestricted funds				28,292
Restricted funds				<u>10,945</u>
<b>TOTAL FUNDS</b>				<u>39,237</u>

The notes form part of these financial statements



Community Development Company Of Nesting

Balance Sheet - continued

At 28 February 2019

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 28 February 2019.

The members have not required the company to obtain an audit of its financial statements for the period ended 28 February 2019 in accordance with Section 476 of the Companies Act 2006.

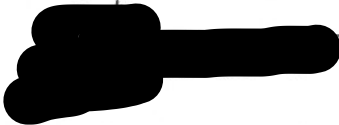
The trustees acknowledge their responsibilities for

- (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 22 November 2019 and were signed on its behalf by:

MR D G Stevenson -Trustee



signature redacted

W E Keith -Trustee



signature redacted

The notes form part of these financial statements

**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.

**2. OTHER TRADING ACTIVITIES**

Shop income	£ 7,866
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**3. RAISING FUNDS**

**Raising donations and legacies**

Support costs	£ 738
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Notes to the Financial Statements - continued  
for the Period 22 February 2018 to 28 February 2019

4. NET INCOME/(EXPENDITURE)

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

Depreciation - owned assets	£ 388
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5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the period ended 28 February 2019.

**Trustees' expenses**

There were no trustees' expenses paid for the period ended 28 February 2019.

6. STAFF COSTS

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

Development officer	1
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No employees received emoluments in excess of £60,000.

7. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Computer equipment £	Totals £
<b>COST</b>				
Additions	4	8,841	776	9,621
<b>DEPRECIATION</b>				
Charge for year	-	-	388	388
<b>NET BOOK VALUE</b>				
At 28 February 2019	4	8,841	388	9,233

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Other debtors	£ 1,000
VAT	1,722
Prepayments and accrued income	919
	<u>3,641</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

10. 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	3,461	3,461
	<u>10,945</u>	<u>10,945</u>
<b>TOTAL FUNDS</b>	<u><u>39,237</u></u>	<u><u>39,237</u></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	32,456	(4,164)	28,292
<b>Restricted funds</b>			
Scottish Land Fund	8,020	(536)	7,484
Big Lottery Fund	4,610	(1,149)	3,461
	<u>12,630</u>	<u>(1,685)</u>	<u>10,945</u>
<b>TOTAL FUNDS</b>	<u><u>45,086</u></u>	<u><u>(5,849)</u></u>	<u><u>39,237</u></u>

11. RELATED PARTY DISCLOSURES

There were no related party transactions for the period ended 28 February 2019.

Detailed Statement of Financial Activities  
for the Period 22 February 2018 to 28 February 2019

	£
<b>INCOME AND ENDOWMENTS</b>	
<b>Donations and legacies</b>	
Donations	4,460
<b>Other trading activities</b>	
Shop income	7,866
<b>Charitable activities</b>	
Grants	32,630
<b>Other income</b>	
Other income	130
<b>Total incoming resources</b>	<u>45,086</u>
<b>EXPENDITURE</b>	
<b>Charitable activities</b>	
Wages	614
Insurance	1,196
Light and heat	345
Postage and stationery	323
Advertising	796
Sundries	1,811
Website	26
	<u>5,111</u>
<b>Support costs</b>	
<b>Finance</b>	
Computer equipment	388
<b>Governance costs</b>	
Accountancy fees	350
<b>Total resources expended</b>	<u>5,849</u>
<b>Net income</b>	<u><u>39,237</u></u>