

Company registration number: SC515720

Charity registration number: SC45988

# Newcastleton & District Community Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2021

# Newcastleton & District Community Trust

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## Newcastleton & District Community Trust

### Reference and Administrative Details

<b>Trustees</b>	B Elborn G J Cuthbert M Elliott S Hartley R O Leishman S E Wilson
<b>Secretary</b>	B Elborn
<b>Principal Office</b>	Buccleuch House 4 South Hermitage Street Newcastleton TD9 0QR
<b>Registered Office</b>	Buccleuch House 4 South Hermitage Street Newcastleton TD9 0QR  The charity is incorporated in Scotland.
<b>Company Registration Number</b>	SC515720
<b>Charity Registration Number</b>	SC45988
<b>Auditor</b>	JRW Auditor 19 Buccleuch Street Hawick TD9 0HL

# Newcastleton & District Community Trust

## Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2021.

### **Objectives and activities**

#### *Objects and aims*

The company has been formed to benefit the community of Newcastleton and its environs (as defined by the postcodes within the boundary of Newcastleton Community Council and Upper Liddesdale & Hermitage Community Council with the following objects:

The advancement of community development through regeneration of the community by the maintenance or improvement of the physical, social and economic infrastructure and by assisting people who are at a disadvantage because of their social and economic circumstance and by being a community focal point, providing leadership within the community through self-help activities and initiatives combating social problems.

The advancement of education and provision of recreational facilities and activities through the facilitation and organisation of various activities within the community. But such that the company shall do so following principles of sustainable development.

#### *Objectives, strategies and activities*

Background for 2020-21

Flooding – we left 2020 in recovery mode following the devastation of the combined forces of Storm Ciara and Dennis in Feb 2020; snow melt and waters combined to devastate homes and businesses. The covid pandemic forced the lockdown in March close to the aftermath of the flood meaning no remedial works were undertaken. Many residents chose to remain living in premises without homely comforts or facilities incurring additional charges as insurance solutions agreed pre pandemic were then not sufficient to cover the increased cost of delays enforced by the lockdown. Public service support dried up and many were faced with the daily vision of seeing their homes on pavements or in skips until the local authority freed manpower from covid support services to remove debris. Pavements, damaged kerbs, drains, pavement setts and community facilities remained unusable and unsafe for many months. In Feb 2021, just as many of our residents had returned to their homes a second devastating flood occurred with many returning households facing the prospect of relocation and remedial work again. It wasn't as dramatic, but it was just as devastating to the homes and businesses who had to face the trauma of repair and renew again.

The mental impact of these events on our community has been marked and NDCT was extremely grateful to receive funds from Scottish Government from the Covid Community Recovery fund to help support the work clear up and impact of the triple whammy. What we did with this and the many donations we received as a result of the events that impacted our community follows:

# Newcastleton & District Community Trust

## Trustees' Report

### Achievements and performance

#### Community Projects

Copshaw Fit for our Future, the community development plan previously agreed was put into action:

With the successful asset transfer of the community Leisure facilities from Border Estates, Buccleuch the community is now able to embark on our plan of upgrade and investment where facilities can be monetised and improved. NDCT's principle of working with community groups who operate facilities is that we work collaboratively, supporting them if they wish to develop their assets to deliver sustainable solutions.

The community now owns an approx. 100 acres of sites in and around the village which we refer to as our Leisure assets; these assets continue to be managed by the user groups and members as they have done for many years; owning them means we can develop them without hindrance if users wish and we thank Scottish Land Fund for their support which enabled this to happen.

With help both financially and as mentors from Scottish Land Fund, Investing in Community Fund, CARES Local Energy Scotland, and our third sector partners The Bridge, Development Trust Association Scotland, and Community Enterprise in Scotland, NDCT successfully completed the community-buy-out of 750 acres of Holm Hill. The outcome of this work was a revision to COPSHAW:FIT for our Future including the Holm Hill and expanding our Development & Action Plan comprising:

1. Health & Wellbeing program – acquiring full ownership of community assets, working with community groups to upgrade them increasing usage and appeal to engage more to undertake exercise and activity throughout the year.

NDCT is currently working to overcome the challenges of living in a remote, rural location, recovering from the trauma of 2 major floods (Feb 2020 & Feb 2021) alongside the Covid- 19 Pandemic. These events caused great heartache and anxiety for our close-knit community, on top of the challenges already presented by our remote location, poor transport links and lack of local services.

As a result of the triple-trauma of two floods and Covid19 NDCT received Scot Gov Covid Recovery funding to support those in immediate need; working with 40 volunteers to support 120 shielding homes and 100 flooded households.

Covid Recovery also enabled NDCT to invest in a short-term wellbeing service. The 'Community Outreach' Team (CO) has proved extremely valuable, providing local help, and bridging the gap between individual need and other support services. Since May 2020 NDCT has supported 77 households via its Hardship Fund, and Community Outreach have provided ongoing 1-1 support for 40+ individuals.

This work is ongoing and NDCT are working with public sector partners to find ways we can continue to deliver the support needed in the aftermath of events of 2020-21.

2. Overcoming barriers to learning - our remoteness and lack of access to further education for our young people (and adults) remains an issue. It currently takes 2 buses/3 hours to reach our nearest college campus. As a result, attainment levels are poor. Buccleuch House, acquired via asset transfer from the Club Community Trustees its previous owners in 2016, will be home to our new community Enterprise, Learning and Outreach (EL&O) centre.

We have already successfully delivered upskilling and Enterprise training in collaboration with Women in Enterprise in Scotland; encouraging women (particularly those living in rural, remote locations) to 'have a go' and follow their dreams; creating business models using their skills. Fourteen women completed the 10week course with several going on to work collaboratively supporting each other to follow their aspirations. NDCT continues to seek ways we can create and deliver other 'remote' skills courses to support local development and enterprise growth going forward.

3. Capacity Building – NDCT traditionally relied on the willingness of volunteers to work with the board to drive forward community initiatives. This built to a point where NDCT needed paid posts to support their work to build local capacity and to create proper management systems to ensure continued smooth operations given the volume of local projects spawning from the community groups/needs identified. Scot Gov awarded Investing in Communities grant enabling us to employ a development officer and the Enterprise, Learning & Outreach Manager. NDCT outsource payroll and IT currently.

## Newcastleton & District Community Trust

### Trustees' Report

Since inception NDCT have acquired assets on behalf of the community and continue to explore how these can be exploited for maximum gain; socially, economically, and sustainably:

#### BUCCLEUCH HOUSE

Community hub New Enterprise, Learning & Outreach Centre providing outreach learning, skills development & training, part of the Borders College hub & spoke. Delivering our social inclusion program for the community.

Bunkhouse three bedroomed ensuite bunkhouse with capacity to accommodate 14, located on the top floor of Buccleuch House accessible via its own entrance. Incomes from this venture will sustain the community activities planned for the ELO on the ground floor. Secure lock up pods for bikes and outdoor gear are located in the garden.

Commercial laundry – located at the rear of the grounds servicing needs of the bunkhouse but also provide commercial laundry services to the community creating a new social enterprise.

£950,000 capital project, originally planned to open Autumn 2021 but this is as a result of the pandemic impacting the supply chain. Now envisaged as the early part of 2022.

#### NEWCASTLETON FUEL EXPRESS

Opened March 2018, double unmanned community fuel pumps, card operated, plus an electric charger. 1p pr litre sold retained for community. Community storage providing secure lock up for community assets (exhibitions and events). Vacant development site to rear. Based on community feedback local fuel provision saves each car household over £300 pr year in additional transport costs.

Since opening one business reopened, another started. There has also been significant increase in local spending as well as increased visitor numbers with day visitors returning to enjoy our remote rural scenery, bike trails of hospitality. £450,000 capital project

#### LEISURE ASSETS – circa 100 acres across various locations:

Polysport: pavilion, gym and changing rooms, playing fields and astro courts. Located on the riverside used by community and visitors. Gym and tennis Membership sustains the organisation although use of its communal changing room facilities is lacking; NDCT has applied for change of use to enable this facility to provide space for retail services. Flooding limits expansion in central locations. If granted, the Poly will home a hairdresser, the visiting vet and in time we hope it will become a multi-use health & wellbeing facility.

Sawmill plantation & walks: located on the old railway track above the village and below Holm Hill this mixed woodland plantation is part of a circular walk route embracing the riverside. Much loved by locals and visitors as it allows you to get a good feel for the village. NDCT have recently upgraded fencing and gates to keep it stock free. Riverside walks run north and south of the village, linking into the Sawmill and Two bridges walk. Remedial works were undertaken to repair damaged fencing post the floods, until flood defences are secured little more can be done, but the walks remain accessible and are well used.

Golf Course & Clubhouse this site is now part of our Cow Hill Leisure future development program (more shortly) with surrounding lands also included as part of a large investment in visitor accommodation and new leisure facilities; accessible walks, trails, and e-bike routes as well as camping | glamping sites and off-grid accommodation pods. A new pavilion | gallery will be built on the top of the hill to exploit dark skies and provide a new multi-purpose venue for events, weddings, corporate days as well as community usage and a members area for golfers.

Show fields and further grazing – much of this is already let to tenants who graze it or grow for silage.

Lockups/storage – this is a jumble of good well-maintained facilities by some tenants and abused by others leaving unsightly mess. The board is reviewing this site along with others for development as part of the community housing program, steps will be taken once the outcome of this is known to decide on how to manage the clean-up process of the site. The community needs more lock-up storage so an alternative site will be found with greater capacity to allow for growth.

# Newcastleton & District Community Trust

## Trustees' Report

Circa £220,000 see appendix for maps.

### HOLM HILL

During 2019 NDCT consulted the community widely about the potential opportunity to purchase land immediately adjacent to the village known as Holm Hill, also referred to as Langholm Moor. There was overwhelming support for this to happen, NDCT was awarded capital from Scottish Land Fund and the land came into community ownership in September 2020.

Initial feasibility work was undertaken which identified potential workstreams that would enable the community to continue to rejuvenate itself creating a more sustainable future going forward.

### OUTLINE DEVELOPMENT

**Forestry:** In the short term, this continues to offer lucrative returns exploiting government grant subsidy. Our community is hugely opposed to having more commercial forestry given the swathes that surround us. There are £££'s to be made but NDCT sees no direct benefit developing forestry in the immediate future.

**Tourism:** Investigations confirm the activity/outdoors holiday market and off-the-beaten-track | away-from-it-all markets are booming, particularly in mountain biking, walking and dark sky areas, all locally renowned. Our new unique Cow Hill Leisure plan, using land adjacent to our community-owned golf course, allows us to create new leisure environments as well as add complementary walks, cycle tracks and mountain bike trails, expanding & linking existing routes for all users. Financial planning confirms positive returns to expand community leisure facilities for the benefit of our paying visitor but importantly support the existing community program of health and wellbeing being actioned as part of Copshaw: FIT for our Future.

**Renewables:** Specifically, solar and battery storage. These are growing sectors we will exploit, allowing us to lift households out of fuel poverty (55%) and deliver longer-term benefit attracting inward investment. Investigations identified 2 potential sites offering scope to host 100-200 acres of array. Following discussions with Scottish Power Energy Networks, NDCT widened the scope of the energy project to include battery storage (grid connection cannot be before 2025 and capital cost is excessive). Working with them, NDCT created a community renewables model with capacity to be carbon neutral allowing us to employ this approach to commercial properties and housing.

Owning land allows us to better plan for our energy needs and incorporating solar and battery storage gives us competitive advantage; if the renewables model can be realised then a community energy company will evolve able to offer 'cheap energy'. NDCT will use surplus to attract inward investment to deliver long-term employment opportunities.

## Newcastleton & District Community Trust

### Trustees' Report

**Farming:** Feasibility outcomes confirm there are still questions hanging over the future of farming, but our culture was built on farming, it is an integral part of our community and still a way of life for many. NDCT plans to use some of the land to enable farming to continue as we have always done, enabling 'Copshaw Crofting' to carry on. There are no financial liabilities attached to this going forward.

**Housing:** new sites within the community boundary (avoiding flood territories) are being explored. The priority is to provide assisted housing to support the elderly and vulnerable; flood and Covid highlighted the ongoing challenge of supporting our most vulnerable at a time when they should be amongst friends and family in a place they know. Born and bred here but have to go over the hill to die, was never truer than in Newcastleton. NDCT hope to use some of its land within the community to accommodate a small-assisted housing site. NDCT are currently working with consultants to identify suitable locations prior to undertaking a full feasibility assessment.

Holm Hill land provides sites adjacent to the current village boundary to provide new housing sites to accommodate growth/attract new residents. SBC planning have been consulted and confirm that development next to the Local Development Plan boundary can be justified and will be supported given the overall planned development for the community.

**Commercial/industrial:** if the Borders Railway is reinstated to Carlisle, then land with access to the railway will be at a premium. Land has been ringfenced to enable the community to exploit this opportunity when/if it evolves.

#### OWNING HOLM HILL INSPIRES US

NDCT will use it to create new local industry that employs local people. Newcastleton has proven that it can emerge from life-changing events like foot & mouth and floods and create new markets; tourism is now our economic driver, but we want to expand employment opportunities into other well-paid sectors – owning Holm Hill gives us that opportunity.

It allows the community to continue the process of reinvention and regeneration but in doing so consider bigger more impactful projects, which have capacity to change our fortunes. Owning 750 acres makes that difference, taking us from the status quo we found ourselves in to giving us the potential to deliver an inclusive growth strategy.

We can now exploit our assets, natural capital, skills, and experience and use them to plan our future, for our people, to meet our needs at a pace we control, in space we own.  
Valued at £925,000

See appendix for map

#### **Financial review**

Income resources totalled £1,273,558 (2020: £131,546) details of resources are shown in Note 3 and 4 attached to the financial statements. A surplus of £1,079,311(2020: £32,403) before other recognised gains and losses was recorded in the period. Unrestricted reserves amount to £85,609 (2020: £34,087) to be spent solely for the charitable aims and objectives of the company.

#### ***Policy on reserves***

The board's policy is to maintain free reserves in unrestricted funds at a level which will cover unrestricted expenditure for six months. The directors consider that this level will provide sufficient funds available to cover support and governance costs

#### **Plans for future periods**

##### ***Aims and key objectives for future periods***

The charity are hoping to open Buccleuch House during 2022, after this had been delayed due to Covid-19. The charity are also looking into developing Holm Hill after they have carried out the remedial works required due to the storms. The charity are looking to continue to develop and provide a range of benefits to Newcastleton and the wider community.



# Newcastleton & District Community Trust

## Trustees' Report

### **Structure, governance and management**

#### *Nature of governing document*

The company, which is a recognised charity in Scotland, is a charitable company limited by guarantee and was set up by a Memorandum of Association on 6 October 2015.

#### *Recruitment and appointment of trustees*

Trustees still represent a wide selection of the local voluntary community groups; Newcastleton and District Community Council (NDCC), Newcastleton Business Forum (NBF), Newcastleton School Partnership (NSP) with representation from the Hermitage Valley.

#### *Induction and training of trustees*

Trustees are inducted in to the company with an induction pack, which summarises Trustees obligations and responsibilities. Relevant training is offered to both new and existing trustees on all aspects of governance.

#### *Organisational structure*

The Board of Directors is responsible for developing the company strategy, agreeing an annual operating plan and budget to achieve key objectives and monitoring progress against that plan. The board also reviews compliance with agreed quality standards and legal requirements.

#### *Major risks and management of those risks*

##### *Risk Management*

The Trustees have examined the major business and operational risks which the company faces and have established systems to enable regular reports to be produced so that the necessary steps may be taken to provide reasonable assurances against these risks.

### **Funds held as custodian trustee on behalf of others**

No funds are held on behalf of other organisations.

### **Disclosure of information to auditor**

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

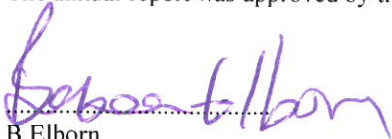
### **Reappointment of auditor**

JRW are deemed to be reappointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continued in force under the Companies Act 2006.

### **Small companies provision statement**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 22 March 2022 and signed on its behalf by:



B Elborn  
Company Secretary and Trustee

## Newcastleton & District Community Trust

### Statement of Trustees' Responsibilities

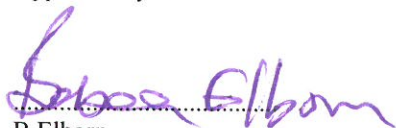
The trustees (who are also the directors of Newcastleton & District Community Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. 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;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 22 March 2022 and signed on its behalf by:



B Elborn

Company Secretary and Trustee

## Newcastleton & District Community Trust

### Independent Auditor's Report to the Members of Newcastleton & District Community Trust

#### Opinion

We have audited the financial statements of Newcastleton & District Community Trust (the 'charity') for the year ended 31 March 2021, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The comparative financial statements are unaudited.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Newcastleton & District Community Trust

### Independent Auditor's Report to the Members of Newcastleton & District Community Trust

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 8), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

## Newcastleton & District Community Trust

### Independent Auditor's Report to the Members of Newcastleton & District Community Trust

Identifying and assessing potential risks related to irregularities

Enquiring with management and trustees, including obtaining and reviewing supporting documentation, concerning the charities policies and procedures relating to:

- Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances on non compliance;
- Detecting and responding to the risks of fraud and whether they have any knowledge of any actual, suspected or alleged fraud; and
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;

Discussing with the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud.

Obtaining an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a direct effect on the financial statements. These areas were identified through enquiries with trustees, management and our knowledge and understanding of the charity accumulated throughout the audit and our sector-specific experience.

#### Audit responses to risks identified

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud being accounting for grant income.

In addition to the above, our procedures to respond to the risks identified included the following:

- Reviewing the financial statement disclosures and testing and supporting documentation to assess compliance with relevant laws and regulations identified as having a direct effect on the financial statements;
- Performing analytical procedures to identify and unusual or unexpected relationships that may indicate the risk of material misstatement due to fraud;
- Testing of grant income receivable and ensuring these were received;
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments.

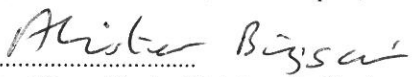
We also communicated relevant laws and regulations identified as potential fraud risks to all the engagement team members and remained vigilant to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

  
.....  
Alister Biggar (Senior Statutory Auditor)  
For and on behalf of JRW, Statutory Auditor

19 Buccleuch Street  
Hawick  
TD9 0HL

23 March 2022

## Newcastleton & District Community Trust

### Statement of Financial Activities for the Year Ended 31 March 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	32,908	1,220,949	1,253,857
Charitable activities	4	<u>19,287</u>	<u>414</u>	<u>19,701</u>
Total income		<u>52,195</u>	<u>1,221,363</u>	<u>1,273,558</u>
<b>Expenditure on:</b>				
Charitable activities	5	<u>(673)</u>	<u>(193,574)</u>	<u>(194,247)</u>
Total expenditure		<u>(673)</u>	<u>(193,574)</u>	<u>(194,247)</u>
Net income		51,522	1,027,789	1,079,311
<b>Other recognised gains and losses</b>				
Gains/losses on revaluation of fixed assets		<u>-</u>	<u>289,481</u>	<u>289,481</u>
Net movement in funds		51,522	1,317,270	1,368,792
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>34,087</u>	<u>570,052</u>	<u>604,139</u>
Total funds carried forward	16	<u>85,609</u>	<u>1,887,322</u>	<u>1,972,931</u>
	Note	Unrestricted funds £	Restricted funds £	Total 2020 £ (As restated)
<b>Income and Endowments from:</b>				
Donations and legacies	3	10,941	103,146	114,087
Charitable activities	4	<u>7,459</u>	<u>10,000</u>	<u>17,459</u>
Total income		<u>18,400</u>	<u>113,146</u>	<u>131,546</u>
<b>Expenditure on:</b>				
Charitable activities	5	<u>(18,651)</u>	<u>(80,492)</u>	<u>(99,143)</u>
Total expenditure		<u>(18,651)</u>	<u>(80,492)</u>	<u>(99,143)</u>
Net (expenditure)/income		<u>(251)</u>	<u>32,654</u>	<u>32,403</u>
Net movement in funds		(251)	32,654	32,403
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>34,338</u>	<u>537,398</u>	<u>571,736</u>
Total funds carried forward	16	<u>34,087</u>	<u>570,052</u>	<u>604,139</u>

All of the charity's activities derive from continuing operations during the above two periods.


The funds breakdown for 2021 is shown in note 16.


Newcastleton & District Community Trust

(Registration number: SC515720)  
Balance Sheet as at 31 March 2021

	Note	31 March 2021 £	31 March 2020 £ (As restated)
<b>Fixed assets</b>			
Tangible assets	12	1,745,183	524,772
<b>Current assets</b>			
Debtors	13	42,076	-
Cash at bank and in hand	14	192,691	80,220
		<u>234,767</u>	<u>80,220</u>
<b>Creditors: Amounts falling due within one year</b>	15	<u>(7,019)</u>	<u>(853)</u>
<b>Net current assets</b>		<u>227,748</u>	<u>79,367</u>
<b>Net assets</b>		<u>1,972,931</u>	<u>604,139</u>
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds	16	1,887,322	570,052
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>85,609</u>	<u>34,087</u>
<b>Total funds</b>	16	<u>1,972,931</u>	<u>604,139</u>

The financial statements on pages 12 to 24 were approved by the trustees, and authorised for issue on 22 March 2022 and signed on their behalf by:

  
B Elborn  
Company Secretary and Trustee

  
S Hartley  
Trustee

Newcastleton & District Community Trust

Statement of Cash Flows for the Year Ended 31 March 2021

	Note	31 March 2021 £	31 March 2020 £ (As restated)
<b>Cash flows from operating activities</b>			
Net cash income		1,368,792	32,403
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation		25,021	23,107
Revaluation of fixed assets		<u>(289,481)</u>	<u>-</u>
		1,104,332	55,510
<b>Working capital adjustments</b>			
Increase in debtors	13	(42,076)	-
Increase in creditors	15	<u>6,166</u>	<u>403</u>
Net cash flows from operating activities		1,068,422	55,913
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets	12	<u>(955,951)</u>	<u>-</u>
Net increase in cash and cash equivalents		112,471	55,913
Cash and cash equivalents at 1 April		<u>80,220</u>	<u>24,307</u>
Cash and cash equivalents at 31 March		<u><u>192,691</u></u>	<u><u>80,220</u></u>

All of the cash flows are derived from continuing operations during the above two periods.



## Newcastleton & District Community Trust

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 1 Charity status

The charity is limited by guarantee, incorporated in Scotland, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Buccleuch House  
4 South Hermitage Street  
Newcastleton  
TD9 0QR

The principal place of business is:

Buccleuch House  
4 South Hermitage Street  
Newcastleton  
TD9 0QR

These financial statements were authorised for issue by the trustees on 22 March 2022.

#### 2 Accounting policies

##### Summary of significant accounting policies and key accounting estimates

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

##### Statement of compliance

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 (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

##### Basis of preparation

Newcastleton & District Community Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are presented in Sterling (£) and rounded to the nearest £0.

##### Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

## Newcastleton & District Community Trust

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### **Judgements**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made included:

Useful economic lives of tangible assets – the annual depreciation charge for tangible assets is sensitive to change in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on economic utilisation, and the physical condition of the assets.

#### **Income and endowments**

Voluntary income including donations and grants that provide core funding or are of a general nature is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

#### *Donations and legacies*

Donations, legacies and similar incoming resources are included in the year for which they are receivable, which is when the charity becomes entitled to the resource

#### *Grants receivable*

Grants receivable are credited to the Statement of Financial Activities (SOFA) in the year for which they are received. Deferred income represents amounts received in advance for future periods and is released in the period to which it relates.

#### *Investment income*

Investment income is recognised on a receivable basis.

#### **Expenditure**

All expenditure is included on an accruals basis and is recognised when there is a legal obligation to pay. All costs are directly attributable to one of the functional categories of resources expended in the SOFA. NDCT is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

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

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource, Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis

#### *Charitable activities*

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

#### *Grant provisions*

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

#### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of the resources, for example, allocated property costs by floor area, or per capita and other costs by their usage.

## Newcastleton & District Community Trust

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### **Governance costs**

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

#### **Government grants**

Grants receivable are credited to the Statement of Financial Activities (SOFA) in the year for which they are received. Deferred income represents amounts received in advance for future periods and is released in the period to which it relates.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Tangible fixed assets**

Individual fixed assets costing £500.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less estimated residual value, over their expected useful economic life as follows;

<b>Asset class</b>	<b>Depreciation method and rate</b>
Land and buildings	4% straight line
Office Equipment	25% straight line

#### **Impairment of fixed assets**

The policy with respect to impairment review of fixed assets is that an annual review is carried out by the trustees. As at 31 March 2021 in the trustee's opinion, there are no differences between the market value and the carrying value in the accounts.

#### **Trade debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade creditors**

Creditors are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured reliably or estimated reliably.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

## Newcastleton & District Community Trust

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### Financial instruments

##### *Classification*

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

#### 3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £ (As restated)
Donations and legacies;				
Donations from individuals	15,408	-	15,408	7,561
Donations from community groups	-	10,644	10,644	-
Grants, including capital grants;				
Grants from other charities	17,500	1,210,305	1,227,805	106,526
	<u>32,908</u>	<u>1,220,949</u>	<u>1,253,857</u>	<u>114,087</u>

#### 4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £ (As restated)
Rent	7,826	-	7,826	7,459
Other income	11,461	414	11,875	-
	<u>19,287</u>	<u>414</u>	<u>19,701</u>	<u>7,459</u>

## Newcastleton & District Community Trust

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 5 Expenditure on charitable activities

	Activity undertaken directly £	2021 £	2020 £ (As restated)
Wages	47,169	47,169	3,557
Hardship funding	62,003	62,003	-
Rates, Power & Insurance	4,198	4,198	5,504
Repairs and maintenance	11,499	11,499	402
Telephone & computer costs	4,625	4,625	851
Advertising	6,473	6,473	5,902
Travel & Subsistence	335	335	723
Events	8,750	8,750	-
Professional fees	10,119	10,119	55,224
Subscriptions	1,558	1,558	105
Training	2,552	2,552	-
Printing, postage and stationery	1,319	1,319	426
Sundries	2,059	2,059	2,086
Depreciation	25,021	25,021	23,107
	<u>187,680</u>	<u>187,680</u>	<u>97,887</u>

In addition to the expenditure analysed above, there are also governance costs of £6,567 (2020 - £1,256) which relate directly to charitable activities. See note 6 for further details.

#### 6 Analysis of governance and support costs

##### Governance costs

	Restricted funds £	Total 2021 £	Total 2020 £ (As restated)
Audit fees			
Audit of the financial statements	4,200	4,200	-
Independent examiner fees			
Examination of the financial statements	-	-	1,256
Other governance costs	2,367	2,367	-
	<u>6,567</u>	<u>6,567</u>	<u>1,256</u>

## Newcastleton & District Community Trust

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 7 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

##### **B Elborn**

£245 (2020: £2,812) of expenses were reimbursed to B Elborn during the year.

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any other benefits from the charity during the year.

#### 8 Staff costs

The aggregate payroll costs were as follows:

	31 March 2021 £	31 March 2020 £ (As restated)
<b>Staff costs during the year were:</b>		
Wages and salaries	46,465	3,557
Pension costs	704	-
	47,169	3,557

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	31 March 2021 No	31 March 2020 No (As restated)
Administration staff	5	1

4 (2020 - 0) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £704 (2020 - £Nil).

No employee received emoluments of more than £60,000 during the year.

#### 9 Independent examiner's remuneration

	31 March 2020 £ (As restated)
Examination of the financial statements	1,256

#### 10 Auditors' remuneration

	31 March 2021 £
Audit of the financial statements	4,200

## Newcastleton & District Community Trust

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

#### 12 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
<b>Cost</b>			
At 1 April 2020	569,711	1,275	570,986
Revaluations	289,481	-	289,481
Additions	940,727	15,224	955,951
At 31 March 2021	<u>1,799,919</u>	<u>16,499</u>	<u>1,816,418</u>
<b>Depreciation</b>			
At 1 April 2020	45,576	638	46,214
Charge for the year	23,083	1,938	25,021
At 31 March 2021	<u>68,659</u>	<u>2,576</u>	<u>71,235</u>
<b>Net book value</b>			
At 31 March 2021	<u>1,731,260</u>	<u>13,923</u>	<u>1,745,183</u>
At 31 March 2020	<u>524,135</u>	<u>637</u>	<u>524,772</u>

## Newcastleton & District Community Trust

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### Revaluation

The fair value of the company's Leisure Assets was revalued on 31 March 2021 by D M Hall LLP, Chartered Surveyors, an independent valuer.

The land is valued at open market value.

Had this class of asset been measured on a historical cost basis, their carrying amount would have been £1 (2020 - £Nil).

The fair value of the company's Holm Hill was revalued on 31 March 2021 by Butler Land Management Ltd, Chartered Surveyors, an independent valuer.

The land is valued at open market value.

Had this class of asset been measured on a historical cost basis, their carrying amount would have been £842,183 (2020 - £Nil).

#### 13 Debtors

	31 March 2021 £
Trade debtors	42,076

#### 14 Cash and cash equivalents

	31 March 2021 £	31 March 2020 £ (As restated)
Cash at bank	192,691	80,220

#### 15 Creditors: amounts falling due within one year

	31 March 2021 £	31 March 2020 £ (As restated)
Other taxation and social security	1,209	-
Accruals	5,810	853
	7,019	853



## Newcastleton & District Community Trust

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 16 Funds

	Balance at 1 April 2020 £ (As restated)	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>					
<i>General</i>					
General Fund	34,087	52,195	(673)	-	85,609
<b>Restricted funds</b>					
Property Fund	524,291	90,286	(25,028)	-	589,549
Copshaw Fit For Our Future	28,221	15,300	(4,447)	191,499	230,573
Holm Hill	13,540	850,000	(927)	97,982	960,595
Dark Skies	4,000	-	-	-	4,000
Investing in Communities	-	80,869	(47,752)	-	33,117
Covid Recovery	-	184,908	(115,420)	-	69,488
<b>Total restricted funds</b>	<u>570,052</u>	<u>1,221,363</u>	<u>(193,574)</u>	<u>289,481</u>	<u>1,887,322</u>
<b>Total funds</b>	<u>604,139</u>	<u>1,273,558</u>	<u>(194,247)</u>	<u>289,481</u>	<u>1,972,931</u>
	<b>Balance at 1 April 2019 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>		<b>Balance at 31 March 2020 £ (As restated)</b>
<b>Unrestricted funds</b>					
<i>General</i>					
General Fund	34,338	18,400	(18,651)		34,087
<b>Restricted</b>					
Property Fund	537,398	10,000	(23,107)		524,291
Copshaw Fit For Our Future	-	41,918	(13,697)		28,221
Holm Hill	-	57,228	(43,688)		13,540
Dark Skies	-	4,000	-		4,000
<b>Total restricted funds</b>	<u>537,398</u>	<u>113,146</u>	<u>(80,492)</u>		<u>570,052</u>
<b>Total funds</b>	<u>571,736</u>	<u>131,546</u>	<u>(99,143)</u>		<u>604,139</u>

The specific purposes for which the funds are to be applied are as follows:

Property Fund - property owned and managed on behalf of the community; 40 North Hermitage Street (unmanned fuel forecourt and rear site) and Buccleuch House, 4 South Hermitage Street (Community Resource Centre and residential flat).

Copshaw Fit For Our Future - improvements to local assets for wider use in the community.

Holm Hill - purchase of land for the local community.

Investing in Communities - NDCT Capacity/staff/consultants to support the Community Development Plan phase 1.

Covid Recovery - Resilience, Hardship, NDCT support and creation of Community Outreach services.

## Newcastleton & District Community Trust

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 17 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2021 £
Tangible fixed assets	-	1,745,183	1,745,183
Current assets	85,609	149,158	234,767
Current liabilities	-	(7,019)	(7,019)
Total net assets	85,609	1,887,322	1,972,931

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2020 £ (As restated)
Tangible fixed assets	-	524,772	524,772
Current assets	34,940	45,280	80,220
Current liabilities	(853)	-	(853)
Total net assets	34,087	570,052	604,139

#### 18 Related party transactions

There were no related party transactions in the year.