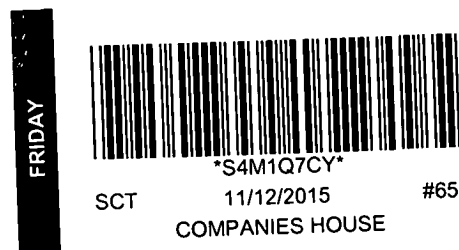


Caithness Voluntary Group
(A company limited by guarantee)
Registered Scottish Charity
Report and Financial Statements
For the year ended 31 March 2015



CAITHNESS VOLUNTARY GROUP

Company Number

SC150015

Charity Number

SC002484

Board of Directors

Mrs S Gunn (Chairman) – deceased on 3 June 2015

Mr G Ross (Vice Chairman)

Mrs J Banks (Vice Chairman)

Mr G MacDonald MBE

Mrs A Alexander

Mr J Green (resigned April 2015)

Mr A Gunn

Cllr W Mackay MBE

Secretary

N Smith

Independent Examiner

John F Cormack CA

Victor T Fraser & Co Limited

Chartered Accountants

Market Place

Wick

Caithness

KW1 4LP

Bankers

The Royal Bank of Scotland plc

1 Bridge Street

Wick

Caithness

KW1 4BU

Registered Office

Telford House

Williamson Street

Wick

Caithness

KW1 5ES

CAITHNESS VOLUNTARY GROUP
REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report and the financial statements for the year ended 31 March 2015.

Constitution

Caithness Voluntary Group is a registered charity and it was incorporated as a company limited by guarantee on 31 March 1994.

Directors

The names of the persons who served as directors during the year and up to the date of this report are listed on Page 1.

The Articles of Association require that there should be at least two and no more than seven directors, and they are elected at a general meeting of the company.

Objects

The objects of the charity are to present to the outside world the common policies and concerns of voluntary organisations and to develop new ways of responding to need in partnership with statutory health, social work, education, housing, employment, environmental and recreation agencies in the social and economic regeneration of the area.

Organisation

The charity is administered by the board of directors and a members' committee who meet together regularly. Day to day running of the Group is carried out by paid staff, headed by the Secretary. Directors are not remunerated for their work.

The Group undertakes grant funded research and development projects from time to time. Each of these activities is restricted as to its income and expenditure, both revenue and capital.

Financial activities

The Group derives its income mainly from grants towards the running costs of its activities, augmented by office services and donations.

The results for the year are shown on pages 6 to 9 of this report.

Review of Activities

Caithness Voluntary Group has completed four years as a partner in the Highland Third Sector Interface to deliver services in our area covering social enterprise support, volunteering support, community development and support services to local groups and communities and support for third sector engagement with community planning.

This process has involved us in far more Highland level work which has affected resourcing. Some small contracts are now being gained through this mechanism and if this continues and grows there is clear positive potential to sustain our support for the third sector in Caithness.

We have continued to develop our rural transport work. We continue to facilitate the Disabled Access Panel and the village hall federation. The Befriending Service has developed well over the year and we are now looking to sustain this growth.

Our partnership with Adult Health and Social Care Services (now part of the NHS) to deliver co-ordination of efforts in Caithness to support older adults with a view to reducing falls has developed with the appointment of a new falls assessor post.

We continue to work with very small margins and have filled some desk vacancies in our offices.

Directors' Report continued.....

Future developments

2015-16 will see Caithness Voluntary Group continue its attempts to consolidate its position. We face in common with much of rural Scotland a severe threat from pressures from other infrastructure bodies chasing scarce financial resources. We continue to develop our role being a local infrastructure organisation delivering on all four functions – volunteering, capacity building, social enterprise and community planning involvement. There is a particular need to demonstrate to stakeholders the extent of the work we do.

We continue to try to build stability in the network of interfaces around Scotland. We need to work with our network to achieve respect for all our differing communities if we are to thrive.

Our befriending service has now achieved reliable income to allow growth over the next five years, particularly from the Big Lottery.

Our Highland partnership continues to develop structurally, with a new open membership appointing a third of the board, improving our accountability to the sector we support. It will be interesting to discover how that can support our position.

Our own governance requires strengthening, due to the illness and retirement of one of our joint vice-chairs, and the death of our longstanding chair, Sheila Gunn, who is sorely missed.

Two long serving members of staff are changing their working hours: Helen McKay has moved to three days a week working and Niall Smith has cut his hours by 25%.

Reserves policy and risk management

The directors continuously review the performance of the Group in general and any project undertakings to ensure that they are adequately financed, and restricted funding is fully and properly accounted for. The directors believe that this policy is successful in ensuring that activities are carried out within their financial restraints and that reserves are sufficient to ensure the continuing activity of the Group.

Statements of directors' responsibilities

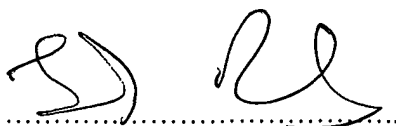
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

For the year ended 31 March 2015 the company was entitled to exemption under section 477 of the Companies Act 2006. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

This report was approved by the Board of Directors on *28 August* 2015 and signed on its behalf.



Mrs J Banks, Director

CAITHNESS VOLUNTARY GROUP**Independent Examiner's Report on the Financial Statements**

I report to the trustees of Caithness Voluntary Group, registered charity number SCO02484, on the financial statements of the charity for the year ended 31 March 2015, set out on page 5 to 10.

Respective responsibilities of the Directors and the Independent Examiner

The charity's trustees are responsible for the preparation of financial statements in accordance with the terms of the Charities and Trustee Investments (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 as amended by the Charities Accounts (Scotland) Amendment Regulations 2010. The charity trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the financial statements as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

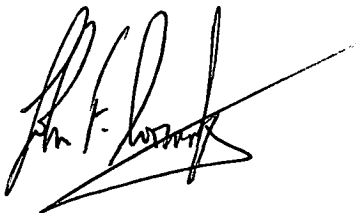
Basis of the Independent Examiner's statement

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

Independent Examiner's statement

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

- 1 which gives me reasonable cause to believe that in any material respect, the requirements:
 - (a) to keep accounting records in accordance with section 44(a)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - (b) to prepare financial statements which accord with the accounting records and comply with Regulation 9 of the 2006 Accounts Regulations.have not been met, or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



John F Cormack CA
Victor T Fraser & Co Limited
Chartered Accountants
Market Place
Wick
Caithness
KW1 4LP

Date: 3 September 2015

CAITHNESS VOLUNTARY GROUP
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2015

	Note	Restr- icted funds £	Unrestr- icted funds £	TOTAL 2015 £	TOTAL 2014 £
INCOMING RESOURCES					
VOLUNTARY INCOME		8695	2188	10883	6754
INCOME FROM CHARITABLE ACTIVITY					
Government funding		56460	89867	146327	162318
Other funding		8750	-	8750	15000
Other charitable activities		104657	38915	143572	109058
		169867	128782	298649	286376
INVESTMENT INCOME			17	17	42
OTHER INCOME			739	739	-
		178562	131726	310288	293172
RESOURCES EXPENDED					
COSTS OF CHARITABLE ACTIVITY		172340	133988	306328	268531
GOVERNANCE COSTS		725	475	1200	1080
FUNDRAISING COSTS		40		40	60
		173105	134463	307568	269671
NET SURPLUS/DEFICIT (-) BEFORE THE TRANSFER OF FUNDS		5457	-2737	2720	23501
TRANSFER OF FUNDS					
NET SURPLUSES FOR THE YEAR		5457	-2737	2720	23501
RECONCILIATION:					
Balances of funds at commencement		100582	1209	101791	78290
Balances of funds at close	8	106039	-1528	104511	101791

CAITHNESS VOLUNTARY GROUP
BALANCE SHEET AS AT 31 MARCH 2015

	Notes	2015	2014
<u>FIXED ASSETS</u>			
Tangible Fixed Assets	5	£ 29611	£ 39542
		-----	-----
<u>CURRENT ASSETS</u>			
Debtors	6	£ 23393	£ 30401
Cash at bank and in hand		105963	91581
		-----	-----
		£ 129356	£ 121982
<u>CURRENT LIABILITIES</u>			
Creditors – amounts falling due within one year	7	25811	28701
		-----	-----
<u>NET CURRENT ASSETS</u>			
		£ 103545	£ 93281
		-----	-----
Creditors – amounts falling due after one year	8	£ 28645	31032
		-----	-----
<u>NET ASSETS</u>			
		£ 104511	£ 101791
		=====	=====
<u>REPRESENTED BY:</u>			
<u>RESERVES</u>			
Restricted Funds		£ 106039	£ 100582
Unrestricted Funds		-1528	1209
		-----	-----
	8	£ 104511	£ 101791
		=====	=====

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2015.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2015 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss 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 company.

The financial statements were approved by the Board of Directors on 28 August 2015 and signed on its behalf by:

.....
 Mrs J Banks, Director

.....
 Mrs A Alexander, Director

CAITHNESS VOLUNTARY GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005), applicable accounting standards and the Companies Act 2006.

a] **Incoming resources**

Income from grants, donations and other sources is included in the financial statements on a cash receipts or accruals basis, as appropriate.

Income from donations and revenue grants are accounted for in accordance with the purpose and period which such income is intended to relate.

Capital grants are credited to a capital grants reserve and the annual depreciation on the associated assets is charged directly to reserve.

b] **Resources expended**

Resources expended are included in the statement of financial activities on an accruals basis, inclusive of any unrecoverable value added tax.

Expenditure which may be associated with specific activities or funding are accounted for accordingly while other costs which may not be specifically associated are apportioned on a basis which is reasonable and consistent.

c] **Pension costs**

The Group operates a defined contribution scheme for employees. The assets of the scheme are held separately from those of the company, in a fund administered by The Pensions Trust. The pension charge represents the amounts payable by the company to the fund in respect of the year.

d] **Operating leases**

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

e] **Tangible fixed assets**

Depreciation is calculated to write down the cost of tangible fixed assets to their estimated residual value over the period of their estimated useful lives at the following rates:

Equipment and furnishings	20% of the written down value
Minibuses	25% of the written down value
Other project assets	over the term of the project

f] **Fund accounting**

Funds held by the Charity are either:

- Unrestricted General Funds – funds which can be used in accordance with the charitable objects at the discretion of the Directors; or
- Restricted Funds – funds which can be used only for particular purposes within the objects of the charity or as specified by the donor or purpose of fundraising.

2. LEGAL STATUS OF THE CHARITY

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

Notes continued.....

3.	<u>Staff costs</u>		2015	2014
	Wages and salaries		£ 169715	£ 155896
	Social Security costs		9711	10987
	Other pension costs	Note 10	4317	4122
			-----	-----
			£ 183743	£ 171005
			=====	=====
	Average full-time equivalent employees:		9	8
			=====	=====

4. **TANGIBLE FIXED ASSETS**

	<u>Vehicles and Equipment</u>
<u>Cost</u>	
As at 31 March 2014	£ 131725
Additions	-
Disposals	-19363

As at 31 March 2015	£ 112362

<u>Depreciation</u>	
As at 31 March 2014	£ 92183
Charge for the year	9831
Disposals	-19263

As at 31 March 2015	£ 82751

NET BOOK VALUE AT 31 MARCH 2015	£ 29611
	=====
NET BOOK VALUE AT 31 MARCH 2014	£ 39542
	=====

Depreciation on assets which have been grant funded is charged to the restricted capital grants reserve.

	2015	2014
5. <u>DEBTORS</u>		
Prepayments	£ 2667	£ -
Accrued income	20726	30401
	-----	-----
	£ 23393	£ 30401
	=====	=====
6. <u>CREDITORS</u> – Amounts falling due within one year		
Accrued expenses	£ 10812	£ 22530
Deferred income	15000	6171
	-----	-----
	£ 25812	£ 28701
	=====	=====

Notes continued.....

	2015	2014
7. <u>CREDITORS</u> – Amounts falling due after one year		
Accrued expenses	£ 28645	£ 31032
	=====	=====

8. **STATEMENT OF FUNDS**

	<u>Restricted Funds</u>	<u>Unrestricted Funds</u>	<u>Total Funds</u>
Balances at 31 March 2014	£ 100582	1209	101791
Net surplus/deficit (-) for the year after transfers	5457	-2737	2720
	-----	-----	-----
Balances at 31 March 2015	£ 106039	-1528	104511
	=====	=====	=====
Represented by:			
Tangible fixed assets	£ 29202	409	29611
Debtors	16184	7209	23393
Cash at bank and in hand	76718	29245	105963
Creditors – Amounts falling due within one year	-7005	-18806	-25811
Amounts falling due after one year	-9060	-19585	-28645
	-----	-----	-----
	£ 106039	-1528	104511
	=====	=====	=====

9. **PAYMENT TO TRUSTEES**

No trustee received remuneration for services during the year. Expenses of £605 were paid to 1 trustee (2014 - £714 to 3 trustees).

Notes continued.....

10. PENSION SCHEME ADMINISTERED BY THE PENSIONS TRUST

On 18 February 2010 The Pensions Trust intimated the closure of the Scottish Voluntary Sector Pension Scheme (SVSPS) to future accrual benefits after 31 March 2010. The defined benefits scheme deficit at that date would be collected from participating organisations over the next ten years. The base levy of £5,115 per annum for Caithness Voluntary Group was fully accrued in the financial statements in the year ended 31 March 2010 and the levy, along with subsequent additional "salary growth assumptions", was paid up to 31 March 2013.

On 4 December 2012 The Pensions Trust intimated changes following the finalisation of the 2011 actuarial valuation which revealed an increase in the pension scheme deficit from £20.438 million in 2008 to £28.832 million in 2011, and as a consequence the base annual levy of £5,115 would, from April 2013, increase to £6,509. The original levy ceased on 31 March 2013 and the new one is scheduled to endure for fifteen years. No further accrual could be made within the charity's segmental funds in respect of this change, but the balance of the original accrual was re-scheduled over the following fifteen years; and the additional levy, including any further salary growth assumption increases, is charged in the Statement of Financial Activities each year when it is paid.

On 20 May 2015 The Pensions Trust made a preliminary report on the scheme's actuarial valuation as at 30 September 2014. At the time of this report, the valuation is not yet complete but it is clear from initial figures that the scheme's deficit has risen from £28.8 million in 2011 to £40.5 million in 2014. The Pensions Trust is presently engaged in consultation with participating bodies regarding an appropriate revised recovery plan to address the increased deficit.

Caithness Voluntary Group's position under the 2012 recovery plan is summarized:

	At 31/03/15	At 31/03/14
Balance of the original accrual	31,032	33,419
Unaccrued balance	53,581	57,702
Total value of the base recovery plan	£84,613	£91,121
Years remaining	13	14

The Scheme Actuary has estimated, as at 30 September 2014, the employer debt which would be payable should Caithness Voluntary Group withdraw from the scheme. This present contingent liability is £349,670; however the directors are not aware of any event which would cause this charge to crystallise.