

CHARITY NO: SC035197

COMPANY NO: SC295004

PROJECT 81 YOUTH AND COMMUNITY ENTERPRISE LTD

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

**COMPANIES HOUSE
EDINBURGH**

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PROJECT 81 YOUTH AND COMMUNITY ENTERPRISE LTD
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REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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PROJECT 81 YOUTH AND COMMUNITY ENTERPRISE LTD
(A company limited by guarantee)

Report of the Directors for the year end 31 December 2018

LEGAL AND ADMINISTRATIVE INFORMATION

Charity Name: Project 81 Youth & Community Enterprise Ltd

**Registered Office
and Operational Address:** Centre 81 Old School Road
Garelochhead
Helensburgh
G84 0AT

Charity Registration Number: SC035197

Company Registration Number: SC295004

Directors Harry Cathcart (Chair)
Lesley Fitton (Vice Chair)
David Bell
Tim Lamb
Rev Christine Murdoch
Judith Oliver
Gareth Roberts (Resigned 15/06/2018)
Maurice Steuart-Corry MSP
Nicholas Daniel Beevers (Appointed 12/10/2018)

Independent Examiners: Wylie & Bisset LLP
Chartered Accountants
168 Bath Street
Glasgow
G2 4TP

Bankers: The Royal Bank of Scotland
Helensburgh Branch
2 Colquhoun Square
Helensburgh
G84 8SJ

PROJECT 81 YOUTH AND COMMUNITY ENTERPRISE LTD
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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors are pleased to present their report together with the financial statements of the charity for the year ended 31 December 2018. The Directors of Project 81 Youth and Community Enterprise Ltd are also the charity's Trustees however will be referred to as Directors throughout the financial statements.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Memorandum and Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The legal and administrative information on page one forms part of this report.

Structure, governance and management

Governing Document

Project 81 Youth and Community Enterprise Ltd is a Company Limited by Guarantee and is administered in accordance with its Memorandum and Articles of Association together with its Standing Orders.

Recruitment and Appointment of Directors

Directors may be appointed at any time on a proposal from one of the existing Directors and with the concurrence of the other Directors as and when a vacancy exists or as a result of a shared decision to increase the number of Directors. New Directors who are invited to join the Board of Directors have normally been associated with the project beforehand as volunteers, staff members or gym members and have then been invited to attend several Board meetings as a guest of the Board and have thereby demonstrated their interest in and commitment to the values and activities of the project.

Because of the original nature of the project, and the inevitability that all Directors will have some level of contact with young people, it is still a requirement that all Directors must submit a PVG disclosure check as laid down by the Central Registered Body of Scotland. This policy will be reviewed annually in the light of the fact that in future some Directors will have little or no direct personal involvement with the youth work team and youth project activities and consequently blanket PVG disclosure checks on all Directors may serve no particular purpose other than to give all concerned peace of mind.

Organisational Structure

Responsibility for the direct running of the Project is shared between three principal groups:

1. The Board of Directors
2. The Centre staff
3. The Route 81 staff, senior and junior volunteers

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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2018

Organisational Structure (continued)

The Board of Directors is the top tier of the managerial structure and meets on a roughly monthly basis, the aim at each meeting being to have as many Directors as possible present and thus to keep all senior management fully briefed and able to discuss current issues and all other matters pertaining to the project. The Board is responsible for all policy decisions, for all legal compliance, for all funding and finance issues, for selection, recruitment, training and management of all staff and volunteers.

The Centre staff team has responsibility primarily for the programme of events and activities which the project provides for its members. From the financial restructuring in September 2016 onwards the Centre 81 office has been staffed on a volunteer-led basis with day-to-day assistance from a part-time Hostel Manager and the Youth Work Team as required.

The Route 81 team is made up of the Youth Work Manager, a second Youth Worker and both senior and junior volunteers who meet on a regular basis to review and plan a programme of activities.

The Centre Manager and Youth Manager report directly to the Board of Directors and attend the monthly Director's meeting. Since 1st September 2016 the post of Centre Manager has been filled on a volunteer basis by one of the Directors assisted by other Directors, adult volunteers, and the part-time Hostel Manager. The Project's community fitness operations are now provided by a number of suitably qualified local fitness instructors, all the fitness class instructors working as external contractors to the business and the Project's youth fitness activities are provided by one of the youth work team with the relevant additional qualifications.

Objectives and Activities

Route 81 Youth Project was formed in 2004 out of a partnership between local young people, The Garelochhead and Portincaple Community Trust and other concerned local residents in response to a need recognised by all parties to improve and provide facilities for young people in the communities of Garelochhead and Portincaple.

Specifically, the Youth Project exists to provide positive and supportive leadership, dynamic opportunities for personal development and a fully resourced and dedicated facility for all young people aged 11-18 living in the local area, in order that they may reach their full potential mentally, physically and emotionally, as individuals and members of society. The catchment area includes Garelochhead, Portincaple, the Rosneath peninsular, Rhu & Shandon and Helensburgh and exactly matches the catchment area of Hermitage Academy, Helensburgh, the local secondary school.

In 2011 we opened Centre 81, a community and youth facility which gave Route 81 Youth Project a dedicated youth facility that is used to deliver an innovative range of youth related activity for young people aged between 11 and 18 years. The activities are shaped to provide a balance between recreation, stimulation and personal growth, and team building for young people. The Youth Project's programme is kept under constant review and involves the young people in the planning and development of all activities. A typical programme includes the following elements: structured activities within "The Hub" and Centre 81, outdoor activities, health and well-being initiatives, skills development, leadership and volunteering and residential experience.

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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2018

Objectives and Activities (continued)

The Centre hosts an array of facilities including a large hall, IT suite, gym, cafe area, meeting room, a small office/treatment room for hire, a large commercial standard kitchen, and the hostel accommodation. The hall can and does accommodate up to 150 people and is regularly used for functions and party hire, including family fun days, birthday parties, assorted public events, meetings and dinners, discos and receptions. A variety of gym, yoga and fitness classes are run by fitness instructors working as external contractors to the business. The hostel accommodation can cater for up to 45 people and the cafe area provides a friendly warm environment for people attending scheduled events and activities within the Centre. The meeting room and IT suite are well used, the small IT suite being open to members of the public on weekday mornings.

The Centre offers employment and training opportunities to our senior volunteers in running community events, family discos and Family Fun Days. The more experienced senior volunteers from our "Entertainment Team" staff and help to organise children's birthday parties.

All income generated by Centre 81 activities are used to support the Route 81 Youth Project.

Achievements and Performance

Hostel

The hostel does most of its business during the summer tourist high season months of June, July and August. The hostel accommodation remains open throughout the autumn and winter months with occasional group bookings and a few long term contractors being the principle business as these make much better use of limited staff resources during the much quieter out of season months.

Successful group bookings in 2018 included several weekend workshops run by Youth Scotland, visits from Young Carers and a long term booking from contractors working in the nearby Faslane naval base. All income generated from The Three Lochs Hostel is used to support the work of the Route 81 Youth Project.

Gym

The Centre 81 gym continues to run very successfully providing health and fitness facilities to the surrounding community and to facilitate the improvement in community health and wellbeing by making exercise accessible to as many people as possible. The cost effectiveness of providing a full schedule of fitness classes was reviewed by the Board in late 2017 and the operation of all adult fitness classes was subsequently provided by suitably qualified local fitness instructors, all the fitness class instructors working as external contractors to the business and renting the hall, spin bikes and other fitness kit as required.

Youth gym sessions are now offered as a regular part of the 2018 Youth Programme and have been a great success. Funding was sought in 2017 to train one of the Route 81 Youth Workers as a qualified Level 2 Fitness Instructor (Gym) and in Gym Instruction for Adolescents thus ensuring that Route 81 Youth Project members from age 11 can access the well-equipped Centre 81 gym under professional supervision.

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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2018

Gym (continued)

The keycard access system installed in late 2016 continues to allow gym members to access the designated gym area of the building for much longer hours on weekdays and throughout weekends. This keycard access system has been a great success and is an attraction to new members.

In autumn 2018 all gym memberships were migrated onto a commercial online software platform with the principal aim of moving all gym memberships to direct debit payments. This has greatly simplified the management of the gym's membership and also increased gym income by means of better oversight and control of each member's current payment status.

The gym and fitness classes continue to offer great benefits to the local community where there was previously no exercise provision. The benefits of exercise are well known to improve physical and mental health which has proved invaluable in an area that has an incidence of mental illness higher than the national average. Many gym and class members report that their mental wellbeing is very much improved by taking regular exercise.

Youth Work

The Route 81 Youth Project has continued to provide a varied and exciting youth led programme of activities provided free of charge for all 11-18 year olds living in the catchment area of the local secondary school, Hermitage Academy in Helensburgh. Youth membership has grown to 220 young people with 145 young people regularly attending on a monthly basis.

Route 81 continues to deliver a youth led programme of activities and support which is relevant to the needs and aspirations of today's young people. This includes a strong focus on building, developing and maintaining positive relationships and delivering a 'person centred approach' to youth work which provides opportunities, experiences, skills development and support to encourage young people to realise their full physical, mental and emotional potential.

Throughout the 2018 year over 70 drop-in sessions have taken place offering a safe space for up to 60 young people per session to meet and socialise within the Project's dedicated Youth Hub area. Options to participate in volunteering, sports, creative arts, theme nights and workshops have also been offered as part of the varied activity programme offered during the drop-in sessions.

The drop-ins also allow for the development and growth of supportive relationships and the provision of 1-2-1 individual support sessions with Route 81's professional youth work staff. These support sessions have continued to thrive, so much so that we cannot meet the evident local need for this type of youth work. In 2018, 361 sessions took place, 84 young people were supported and 8 of these young people were referred on to other agencies for more specific in-depth professional help. Partnership work with other agencies continues to be at the forefront of Route 81's work supporting young people.

Nine educational workshops known as 'hotspots' have taken place on Friday evenings targeting issues raised by young people such as alcohol, drink spiking, bullying, self-esteem and resilience. A weekly Friday night Football Project has also taken place attracting up to 20 young people per session.

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Youth Work (continued)

A variety of separate smaller Route 81 projects have also emerged and developed during 2018 in response to need. Over 30 young people have participated in weekly Youth Gym Sessions, 23 young people have participated in a 6-month Teen Yoga Workshop and the weekly 'Bake Off Project' has continued to raise funds towards the Centre's sustainability as well as teaching young people cooking skills.

Busy Easter and Summer Youth Programmes were again provided free of charge during 2018 by obtaining a mix of smaller grant funding. The varied activities included items such as Trampoline Parks, Canoeing, Hill Walking, Go Karting, visiting the YouthBeatz Music Festival, Go Country, Swimming, Volunteering, and organising, hosting and running Community Events. These well attended activities broaden the horizons of young people whilst developing new skills, boosting confidence, enhancing friendships and developing team work.

Fundraising efforts by young people have focussed on improving health and wellbeing this year and included a sponsor walk from Helensburgh to Balloch and a Neon Ninja Fitness event incorporating a creative arts workshop.

In summary the work of the Route 81 Youth Project has continued to be popular, successful and wide-ranging throughout 2018.

Community Work

A weekly Café n Play event for parents/guardians and under 5's has taken place throughout the 2018 year. From 2016 onwards the management of Café n Play was taken over by Route 81 staff and this event has slowly become a volunteer led activity and is now financially sustainable. The event attracts 40+ users per week offers healthy lunches, socialisation and community integration without the barrier of limited transport to the nearest town.

Family Fun Days and Community Discos have taken place throughout the year which have been organised by the young volunteers from Route 81. These events have attracted up to 140 members of the local community per event. The Centre also provides an excellent community space for people to hire out for parties, weddings, exhibitions, special events or for meetings. During 2018 hall hires have brought various community groups into the Centre including Boccia, Fencing and Yoga.

Leadership and Volunteering Opportunities

Volunteering opportunities have enriched the work of Route 81 throughout 2018 and the development of our strong Volunteering Programme has continued. An Annual Awards night too place in June 2018 when 55 young people gained their Saltire Volunteering Award for committing a total of over 3,000 hours of volunteering to Route 81 and their local community.

Young people have been provided with opportunities to developing their leadership skills by participating in the Route 81 Senior Volunteer Programme as well as attending various external training courses. Through volunteering over three-quarter of young people reported that they had increased their employability skills, enhanced both their CV's and their College and University Applications. A specialised Youth Worker took up a 10-week post supporting the Route 81 Team during 2018 enhancing new opportunities for young people.

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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2018

Training and Development

Staff and Volunteer training and development has continued to be at the forefront of Project 81. Community Job Scotland (CJS) provided Project 81 with funding to recruit one or more young adult employees for a 12-month period as a means of improving the young person's training and skills and provide pathways for those not currently in employment.

Route 81's monthly in-house training providing basic youth work skills has taken place for all Youth Volunteers. Numerous other training courses have been included in this programme during 2018: Youth Scotland Residential Training for Peer Mentoring/First Aid; Ready and Media Makers; Fast Forward; Alcohol and Drug Resilience Training; Emergency First Aid at Work Course; Youth Scotland 'Ready For Youthwork'; Youth Scotland Big Ideas Weekend and an Elementary Food Hygiene Course.

Future of Youth and Community Work

Route 81 Youth Project and Community Work within Centre 81 is becoming increasingly intertwined, focussing on the intergenerational relationships within the community and providing opportunities for young people to reach their full potential. The need and number of service users continues to grow but further funding will be required to be able to meet this need.

The aim during 2019 is therefore to obtain further funding to secure the employment of the current staff, and then consideration can be given to enlarging the team to meet the demands and needs of local young people and the community.

Financial Review

The statement of financial activities on page 11 shows incoming resources for the year of £110,686 (2017: £135,207), resources expended of £129,166 (2017: £140,581) and a deficit of £18,480 (2017: deficit £5,374). This was split between a deficit of £6,329 on the unrestricted funds and a deficit of £12,151 on the restricted funds.

The charity remains indebted to the many supporters, organisations, trusts and foundations without whose financial help our work would not progress. The directors are grateful to all donors to the Trust and the principal donors during the year were: Big Lottery, Young Start, Armed Forces Community Fund, Argyll & Bute ADP, Argyll and Bute Council, ACHA, Rosneath Co-Op and Community Cashback.

Reserves Policy

The Directors stated policy is to hold an unrestricted reserve of three months' staff, office and activity costs in a readily realisable form as a cushion against contingencies and short term funding gaps. This figure on the current cost structure amounts to approximately £32,292 (2017: £35,145). At 31 December 2018 the charity had £63,111 (2017: £65,168) of unrestricted funds not tied up in fixed assets. It is anticipated that the additional reserves will be spent on essential repair and maintenance work.

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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2018

Plans for future periods

2018 was the second full year of operations since the Project Board restructured the management and operation of Centre 81 in mid- 2016. During 2018 the restructured operating model has further reduced Centre 81's operating costs and income has been increased particularly by updating and improving the management of the gym membership roll. The successful rental of the attached staff house has continued and again operations have been concentrated on profitable activities.

The mid-2016 review had investigated how the Project's business model could be altered to reduce the cost of staffing and thereby minimise the operating costs of the large Centre 81 building whilst maintaining the Route 81 Youth Project in its entirety and attempting to retain as much of Centre 81's fitness and community work provision as possible.

For several years prior to 2016 the Project's overall business model had remained unchanged i.e. the gym, fitness classes and hostel profits were intended to provide a sufficient income stream to offset the overheads of the Centre 81 building, staff wages, and also provide support for the activities of the Route 81 Youth Group. It was always understood that additional charitable grant funding would be required to support the salaries of the youth work team.

By mid-2016 it had become apparent that without very significant additional grant income, which was unlikely to be forthcoming, the Project could not continue to employ the several full-time and part-time management staff or afford to keep the Centre 81 building open and manned for 66 hours per week.

Thus from September 2016 a new 'Minimal Operations' business and operating model was introduced including a key card access system for gym members, using external fitness instructors and moving the Centre's office and administrative functions onto a predominantly volunteer led' staffing model.

The much improved financial situation regarding the centre building's overheads and office administration costs during both 2017 and 2018 has provided the Project with a measure of financial stability. This has allowed realistic plans for the future of the charity to be made. Working from the more stable financial base further incremental improvements have been made during 2018, notably the updating of gym membership management and the membership fee collection system.

In due course the replacement of the old and unreliable phone and IT systems, and the sourcing of funding for the updating and refurbishment of gym equipment and the general fabric of the building will be required. Both gas boilers are in poor condition and decisions will have to be made regarding their repair or replacement next year.

The success of the recent restructuring must be set against the Project's requirement for external grant funding, principally to support the salaries of its two full-time youth workers, and also to fund major items of expenditure. The seeking of grant funding thus remains a principal objective.

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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2018

Trustees Responsibilities

The trustees (who are also directors of Project 81 Youth and Community Enterprise Ltd for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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.

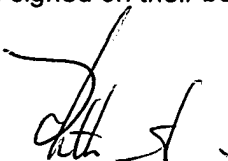
The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the 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) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the directors and signed on their behalf by:

Name: Harry Cathcart (Chair)



Date:

15/7/19

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF PROJECT 81 YOUTH AND COMMUNITY ENTERPRISE LTD FOR THE YEAR ENDED 31 DECEMBER 2018

I report on the accounts of the charity for the year ended 31 December 2018, which are set out on pages 11 to 23.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

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 accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

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

Independent examiner's statement

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

1. which gives me reasonable cause to believe that in any material respects the requirements:
 - to keep accounting records in accordance with Section 44 (1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulationshave not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Wylie & Bisset LLP
Jenny Simpson BSc (Hons) FCA DChA
Wylie & Bisset LLP
Chartered Accountants
168 Bath Street
Glasgow
G2 4TP

Date: *18 July 2019*

PROJECT 81 YOUTH AND COMMUNITY ENTERPRISE LTD
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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 DECEMBER 2018
(Including Income and Expenditure Account)

	Note	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £
Income and endowments from:							
Donations and legacies	3	4,259	-	4,259	1,638	-	1,638
Charitable activities	4	57,575	42,024	99,599	61,709	68,966	130,675
Investments	5	6,828	-	6,828	2,894	-	2,894
Total Income		68,662	42,024	110,686	66,241	68,966	135,207
Expenditure on:							
Raising funds							
Raising donations & legacies	8	3,500	-	3,500	3,495	-	3,495
Charitable activities	6	71,491	54,175	125,666	66,285	70,801	137,086
Total Expenditure		74,991	54,175	129,166	69,780	70,801	140,581
Net (expenditure)		(6,329)	(12,151)	(18,480)	(3,539)	(1,835)	(5,374)
Transfers between funds		-	-	-	-	-	-
Net movement in funds		(6,329)	(12,151)	(18,480)	(3,539)	(1,835)	(5,374)
Funds reconciliation							
Total Funds brought forward	16	671,929	749,098	1,421,027	675,468	750,933	1,426,401
Total Funds carried forward	16	665,600	736,947	1,403,198	671,929	749,098	1,421,027

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

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BALANCE SHEET AS AT 31 DECEMBER 2018

	Note	Total Funds 2018 £	Total Funds 2017 £
Fixed assets:			
Investments	11	1	1
Tangible assets	12	1,321,821	1,326,093
Total Fixed Assets		1,321,822	1,326,094
Current assets:			
Stock	13	60	60
Debtors	14	11,704	24,423
Cash at bank and in hand		73,410	75,311
Total Current Assets		85,174	99,794
Liabilities:			
Creditors falling due within one year	15	(4,449)	(4,861)
Net Current assets		80,725	94,933
Total assets less current liabilities		1,402,547	1,421,027
Net assets		1,402,547	1,421,027
The funds of the charity:			
Restricted income funds	16	736,947	749,098
Unrestricted funds	16	665,600	671,929
Total charity funds		1,402,547	1,421,027

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

For the year ended 31 December 2018 the company was entitled to exemption under section 477 of the Companies Act 2006. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

Approved by the directors and signed on their behalf by:

Name:

HARRY CATHEART

Date:

15/7/19

Name:

JUDITH E. OLVER
JUDITH ELIZABETH OLVER

Company number: SC295004

PROJECT 81 YOUTH AND COMMUNITY ENTERPRISE LTD
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting Policies

(a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The directors consider that there are no material uncertainties about the charity's ability to continue as a going concern.

(b) Funds structure

Unrestricted income funds comprise those funds which the directors are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the directors, at their discretion, have created funds for specific purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed.

Further details of each fund are disclosed in note 15.

(c) Income recognition

Income is recognised once the charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations, are recognised when they have been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the bank.

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

PROJECT 81 YOUTH AND COMMUNITY ENTERPRISE LTD
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting Policies (continued)

(d) Expenditure recognition

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 settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (f) below.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred.

(e) Allocation of support and governance costs

Support costs have been allocated between governance and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory independent examination and other professional fees.

The allocation of support and governance costs is analysed in note 7.

(f) Tangible fixed assets and depreciation

All tangible fixed assets costing in excess of £250 having a value to the charity greater than one year, other than those acquired for specific purposes, are capitalised at cost. Depreciation is provided on a straight line basis to write off the cost of tangible fixed assets over their estimated useful lives:

Activities equipment, Fixtures, Fittings and Office equipment 33.33%

The Directors believe that due to regular maintenance and newly carried out refurbishment the building is not currently subject to depreciation; however this situation will be reassessed on an annual basis.

(g) Stock

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

(h) Debtors

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

(i) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(j) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting 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 or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting Policies (continued)

(k) Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

(l) Pensions

Project 81 Youth and Community Enterprise Ltd currently pays contributions into employee's personal pension plans. The Charity has no liability beyond making its contributions and paying across the deductions for the employee's contributions.

(m) Financial instruments

The charity 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(n) Taxation

The company is a charitable company within the meaning of Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only.

(o) Fixed asset investments

The charity's investment in its wholly owned subsidiary is included within the accounts at cost less provision for any impairment.

2. Related party transactions and directors' expenses and remuneration

The directors all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2017: £nil).

There were no expenses waived by directors (2017: Nil) during the year.

During the year, donations of £800 (2017: £nil) were paid to the charity by one trustee.

At the year end the charity was owed £10,167 (2017: £21,806) from its wholly owned subsidiary, Centre 81 (Garelochhead) Limited.

3. Income from donations and legacies

	2018	2017
	£	£
Donations	4,259	1,638
	<u>4,259</u>	<u>1,638</u>

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018

4. Income from charitable activities

	2018	2017
	£	£
Charitable activities	99,599	130,675
	<u>99,599</u>	<u>130,675</u>

5. Income from investment income

	2018	2017
	£	£
Interest on cash deposits	364	36
Flat rental income	6,464	2,858
	<u>6,828</u>	<u>2,894</u>

6. Raising funds

	Direct Costs	Support Costs	Total 2018	Total 2017
	£	£	£	£
Cost of raising funds	-	3,500	3,500	3,495
	<u>-</u>	<u>3,500</u>	<u>3,500</u>	<u>3,495</u>

7. Analysis of expenditure on charitable activities

	2018	2017
	£	£
Staff costs	2,436	2,436
Purchases & event costs	19,231	20,268
Property, repairs & maintenance	27,804	28,799
Administration & other costs	9,171	12,446
Professional fees	1,385	4,389
Gym Class trainers	1,067	4,302
Governance costs (Note 8)	4,985	4,581
Support costs (Note 8)	59,587	59,865
	<u>125,666</u>	<u>137,086</u>

8. Allocation of governance and support costs

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

Cost type	Total allocated	Governance related	Other support costs	Basis of apportionment
	£	£	£	
Staff costs	64,768	1,943	62,825	Staff time
Total	<u>64,768</u>	<u>1,943</u>	<u>62,825</u>	

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018

8. Allocation of governance and support costs (continued)

Governance costs:	2018	2017	
	£	£	
Management costs	1,943	1,952	
Independent examiners' remuneration	3,304	2,870	
Total	5,247	4,822	

Allocation of governance and other support costs	Support costs	Governance costs	Total
	£	£	£
Analysed to charitable activities	59,587	4,985	64,446
Analysed to raising funds	3,238	262	3,500
Total allocated	62,825	5,247	67,946

9. Analysis of staff costs and remuneration of key management personnel

	2018	2017
	£	£
Salaries and wages	63,834	63,938
Social security costs	974	1,133
Pension costs	2,436	2,436
Total staff costs and employee benefits	67,244	67,507

Key management personnel remuneration	-	-
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The charity made £2,436 of contributions to the pension plan operated by Aviva on behalf of two employees (2017: £2,436).

No employees had employee benefits in excess of £60,000 (2017: Nil).

	2018	2017
	No.	No.
The staff numbers by average head count are as follows:	7	7

10. Net income/(expenditure) for the year

This is stated after charging:	2018	2017
	£	£
Depreciation	4,272	6,667
Independent examiners' remuneration	3,304	2,720
Accountancy fee	-	150

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018

11. Investments

	2018 £	2017 £
Investment in subsidiary undertaking	1	1

The company own 100% of Centre 81 (Garelochhead) Limited, a company incorporated in Scotland (SC398579). The company did not trade during the year and has assets of £1 (2017: £1).

12. Tangible Fixed Assets

	Buildings £	Activity Equipment	Office Equipment £	Fixtures & Fittings £	Total £
Cost					
At 1 January 2018	1,321,655	41,496	23,413	39,798	1,426,362
Additions	-	-	-	-	-
At 31 December 2018	1,321,655	41,496	23,413	39,798	1,426,362
Depreciation					
At 1 January 2018	-	38,537	23,098	38,634	100,269
Charge for year	-	2,959	149	1,164	4,272
At 31 December 2018	-	41,496	23,247	39,798	104,541
Net Book Value					
At 31 December 2018	1,321,655	-	166	-	1,321,821
At 31 December 2017	1,321,655	2,959	315	1,164	1,326,093

The Big Lottery Fund have standard security over their funding of buildings amounting to £719,332.

13. Stock

	2018 £	2017 £
Café Stock	60	60
	60	60

14. Debtors

	2018 £	2017 £
Intercompany account	10,167	21,807
Other debtors	1,537	2,616
	11,704	24,423

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018

15. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	563	1,426
Other creditors	3,886	3,435
	<u>4,449</u>	<u>4,861</u>

16. Analysis of charitable funds

Analysis of Fund movements 2017	Balance b/fwd £	Income £	Expenditure £	Transfers £	Fund c/fwd £
Designated funds					
Tangible fixed assets	612,968	460	(6,667)	-	606,761
Total designated funds	612,968	460	(6,667)	-	606,761
General funds	62,500	65,781	(63,113)	-	65,168
Total unrestricted funds	675,468	66,241	(69,780)	-	671,929
Restricted funds					
Alcohol Drugs Partnership	-	10,000	(10,000)	-	-
Alcohol Drugs Partnership					
Club 16+	2,052	220	(2,272)	-	-
Argyll & Bute Housing Assoc	-	921	(921)	-	-
Argyll & Bute Third Sector	1,056	2,346	(2,036)	-	1,367
Big Lottery	2,215	-	(703)	-	1,512
Cashback for Communities	1,961	-	(1,620)	-	341
Celebrate	30	-	(30)	-	-
CJS	2,287	13,379	(14,743)	-	923
Covenant Fund	9,021	-	(8,334)	-	687
Helensburgh's got Talent	1,262	-	(600)	-	662
Lottery fund	719,332	-	-	-	719,332
NHS Get connected	557	-	-	-	557
NHS Health and Wellbeing	480	-	(480)	-	-
NHS Health & Well Being	-	1,809	(1,809)	-	-
Rotary Helensburgh					
Garelochside	-	400	-	-	400
Robertson Trust	-	15,000	(2,786)	-	12,214
Young Start	10,680	24,891	(24,468)	-	11,103
Total restricted funds	750,933	68,966	(70,801)	-	749,098
Total funds	<u>1,426,401</u>	<u>135,207</u>	<u>(140,581)</u>	<u>-</u>	<u>1,421,027</u>

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018

16. Analysis of charitable funds (continued)

Analysis of Fund movements 2018	Balance b/fwd £	Income £	Expenditure £	Transfers £	Fund c/fwd £
Designated funds					
Tangible fixed assets	606,761	-	(4,272)	-	602,489
Total designated funds	606,761	-	(4,272)	-	602,489
General funds	65,168	68,662	(70,719)	-	63,111
Total unrestricted funds	671,929	68,662	(74,991)	-	665,600
Restricted funds					
Alcohol Drugs Partnership	-	10,000	(10,000)	-	-
Argyll & Bute Council - NEET	-	500	(260)	-	240
Argyll & Bute Housing Assoc	-	984	(984)	-	-
Argyll & Bute Third Sector	1,367	2,500	(3,085)	-	782
Big Lottery	1,512	-	(1,512)	-	-
Cashback for Communities	341	-	(341)	-	-
CJS	923	12,160	(11,658)	-	1,395
Covenant Fund	687	-	-	-	687
Helensburgh's got Talent	662	-	(499)	-	163
Lottery fund	719,332	-	-	-	719,332
NHS Get connected	557	-	(446)	-	111
NHS Health and Wellbeing	-	680	(359)	-	521
Robertson Trust	12,214	15,000	(13,498)	-	13,716
Rotary Helensburgh					
Garelochside	400	-	(400)	-	-
Young Start	11,103	-	(11,103)	-	-
Total restricted funds	749,098	42,024	(54,175)	-	736,947
Total funds	1,421,027	110,686	(129,166)	-	1,402,547

16. Analysis of charitable funds

The unrestricted funds are available to be spent for any of the purposes of the charity.

The Directors have created the following designated funds:

Tangible Fixed Assets: represents the value of the charity's unrestricted funds which are tied up in unrestricted fixed assets.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018

16. Analysis of charitable funds (continued)

The restricted funds are for use as follows:

<u>Argyll & Bute: Alcohol and Drugs Partnership</u>	Funding from NHS Highland for a drugs and alcohol youth worker
<u>Argyll & Bute: Alcohol and Drugs Partnership Club 16+</u>	Funding towards activities
<u>Argyll & Bute Housing Association</u>	Funding towards Easter Programme
<u>Argyll & Bute Third Sector</u>	Funding towards youth programme
<u>Big Lottery</u>	For roof repairs and heating works
<u>Cashback for Communities</u>	Funding towards salaries
<u>Celebrate</u>	Funding towards a football project with a Commonwealth theme
<u>CJS</u>	Funding towards salaries
<u>Covenant Fund</u>	Funding for Youth Workers
<u>Helensburgh's Got Talent</u>	This was for the Helensburgh's Got Talent show, ticket sales and booking costs
<u>Lottery fund</u>	This fund relates to the purchase and refurbishment of the Outdoor Centre premises. The balance remaining at the year-end is tied up in fixed assets – buildings, due to the on-going restrictions placed upon the original funding
<u>NHS Get Connected</u>	Funding towards providing resources for young people
<u>NHS Health and Wellbeing</u>	Funding towards gas and electricity costs for the Café N Play projects
<u>NHS Health and Wellbeing</u>	Funding towards yoga classes and instructor costs
<u>Rotary Helensburgh Garelochside</u>	Funding towards the purchase of an iPad for Route 81
<u>Robertson Trust</u>	Funding towards salary costs of the Youth Work Manager
<u>Young Start</u>	Big Lottery funded grant aimed at helping 200 young people in the Garelochhead area participate in indoor activities

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018

17. Analysis of Net Assets between Funds

2017

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2017 £
Fixed assets	-	606,761	719,332	1,326,093
Investments	1	-	-	1
Stock	60	-	-	60
Debtors	24,423	-	-	24,423
Bank & Cash	45,545	-	29,766	75,311
Creditors due <1 year	(4,861)	-	-	(4,861)
	<u>65,168</u>	<u>606,761</u>	<u>749,098</u>	<u>1,421,027</u>

2018

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2018 £
Fixed assets	-	602,489	719,332	1,321,821
Investments	1	-	-	1
Stock	60	-	-	60
Debtors	11,704	-	-	11,704
Bank & Cash	55,795	-	17,615	73,410
Creditors due <1 year	(4,449)	-	-	(4,449)
	<u>63,112</u>	<u>602,489</u>	<u>736,947</u>	<u>1,402,547</u>

PROJECT 81 YOUTH AND COMMUNITY ENTERPRISE LTD
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018

18. Government Grants

Income from government grants comprises the following:

- Alcohol and Drugs Partnership and Alcohol and Drugs Partnership Club 16+ was funded by NHS Highland. The Alcohol and Drugs Partnership project received £10,000 (2017: £10,000) during the year. No funds were received for the Alcohol and Drugs Partnership Club 16+ project in the year (2017: £220).
- Argyll & Bute – NEET project received £500 during the year.
- Argyll & Bute Third Sector provided £2,500 (2017: £2,346) to support a youth program.
- Argyll & Bute Housing Association provided income of £984 (2017: £921) towards the funding of activities. This was fully spent in the year.
- There were no funds received from Big Lottery during the year. In 2016, £10,144 of restricted income was received for roof repairs and heating works which have been fully spent.
- NHS Health and Wellbeing provided funds of £680 (2017: £1,809) towards fitness instructor costs and running yoga classes.
- There were no funds received for the Young Start project (2017: £24,891 was received) from the Big Lottery Fund to encourage indoor activities. The funds were fully spent during the year.

19. Lease commitments

Annual lease commitments of the charity at 31st December 2018 were as follows:

	2018	2017
	£	£
Due < 1 year	-	228
Due between 2 to 5 years	-	-
	<u>-</u>	<u>228</u>

20. Control

The charity is controlled by its Directors.

21. Legal Status

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