



**Scott-Moncrieff**  
business advisers and accountants

**CLYDESDALE COMMUNITY INITIATIVES**

**Consolidated Financial Statements and Trustees' Report**

**for the year ended 31 March 2015**

**Registered Company Number: SC323196**

**Registered Charity Number: SC035206**

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**CLYDESDALE COMMUNITY INITIATIVES**

**REPORT AND FINANCIAL STATEMENTS**

**for the year ended 31 March 2015**

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# **CLYDESDALE COMMUNITY INITIATIVES**

## **TRUSTEES, OFFICES AND ADVISORS**

**for the year ended 31 March 2015**

### **Trustees**

N G P McShannon  
R M Waddell  
R G Hunter  
A M Stein (appointed 27 May 2014)  
R G Paterson  
Y Walkinshaw  
N McDonald  
H R A Neilson  
A O Walker

### **Company Secretary**

L M Greer

### **Registered company number**

SC323196

### **Registered charity number**

SC035206

### **Registered office**

39 North Vennel  
Lanark  
ML11 7PT

### **Auditor**

Scott-Moncrieff  
Exchange Place 3  
Semple Street  
Edinburgh  
EH3 8BL

### **Bankers**

The Royal Bank of Scotland  
88 High Street  
Lanark  
ML11 7ET

### **Solicitors**

Morison and Smith  
20 Hope Street  
Lanark  
ML11 7NG

## **CLYDESDALE COMMUNITY INITIATIVES**

### **REPORT OF THE TRUSTEES**

**for the year ended 31 March 2015**

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2015. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The charity is a company limited by guarantee, incorporated on 8 May 2007 and governed by Memorandum and Articles of Association of the same date. The company is recognised by the HM Revenue and Customs as a Scottish Charity under number SCO35206. In the event of the company being wound up members are required to contribute an amount not exceeding £1 each.

##### **Organisational structure**

The charity trustees have delegated day to day management of the charity to N G P McShannon.

##### **Group structure and relationships**

Clydesdale Community Initiatives is a charitable company, and is the focus for all supporting and subsidiary activities. Its subsidiary entity is CCI Scotland Ltd (formerly CCI Trading Limited).

CCI Scotland Ltd is a company with the principal activity of landscaping, woodworking and horticulture work undertaken for Clydesdale Community Initiatives.

##### **Related parties**

Details of transactions with related parties are set out in note 18 of the financial statements.

##### **Risk management**

The directors have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems are in place to mitigate exposure to the major risks.

##### **Appointment of trustees**

The trustees are appointed in accordance with the Memorandum and Articles of Association. Induction packs are given to the trustees when appointed, and training is provided as and when appropriate.

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives of Charity**

- a) To advance education (particularly among the residents of Clydesdale and environs) in matters associated with the environment.
- b) To preserve, restore and improve the environment within Clydesdale and environs through the provision, maintenance and/or improvement of public open space and other environmental projects (but subject to appropriate safeguards to ensure that the public benefit so arising clearly outweighs any private benefit thereby conferred on private landlords).
- c) To promote, operate and/or support other charitable projects and programmes for the benefit of the community, and particularly those living within Clydesdale and environs.

## **CLYDESDALE COMMUNITY INITIATIVES**

### **REPORT OF THE TRUSTEES**

**for the year ended 31 March 2015**

#### **FINANCIAL REVIEW**

##### **Treasurer's report**

Our grant funding continued to grow with development grants for our capital project, Langloch Farm, and funds for our social inclusion projects being received. Detail of our funders is given in Note 16. Income from Consultancy and Social Care was disappointing, and the increased commercial turnover did not give the contribution anticipated.

##### **Results**

Incoming resources for the year amounted to £1,202,494 (2014: £1,007,200). After deduction of expenditure, the net movement of funds for the year was a surplus of £448,903 (2014: £392,217).

##### **Reserves policy**

Our Development Fund reserve of £35,000 has been maintained in line with the Board's aim to maintain reserves to cover three months' running costs.

#### **ACHIEVEMENTS, PERFORMANCE AND FUTURE DEVELOPMENT**

This has probably been the most challenging year that CCI has faced since its inception in 2002. We have faced many difficulties over the intervening period but this year has thrown up unforeseen financial and management challenges which have meant that the whole organisation has faced high stress levels throughout. The good news is that all areas the organisation have risen to the challenge, faced the difficulties with fortitude and resilience and it is my view that at the end of the year CCI, both in terms of social care and as a trading company is now a leaner and more effective organisation, more than ready for future challenges.

What has helped us through the difficult times remains the clear vision that CCI has to improve the lives of people with support needs by giving them valuable work in their own communities. I believe that we remain a standard bearer for this social inclusion model.

The core social care activities continue to deliver outstanding outcomes for our participants. The numbers of individuals participating in our programmes has increased and this has occurred alongside improvements to our delivery model. This improvement has seen us expand our network of partners, improve our ability to evaluate the impact of our programmes for individuals and better integrate the work of our social care and trading arms of our organisation.

These improvements were highlighted in an external evaluation of the CAVLP partnership which showed that 54% of participants that participated in the survey have moved on to mainstream volunteering or further education and 25% have moved into employment – a stunning success rate considering the challenges that these individuals face.

One of the most successful partnerships established this year has been that between CCI, NHS Lanarkshire Forensic mental health team, some long stay hospitals and CCI's landscape construction company. This has resulted in the construction of high quality, purpose built hospital gardens in Cleland Hospital, Coathill Hospital and ongoing developments in the grounds at Beckford Lodge. These projects highlighted the potential of our social enterprise model to engage with individuals, who are facing the greatest barriers to the world of work, in high quality vocational training within a very supported environment.

At this point I would like to pay particular tribute to the work of Helen Thomson who over the last 8 years has been instrumental in building the delivery model which is now yielding such great successes.

## CLYDESDALE COMMUNITY INITIATIVES

### REPORT OF THE TRUSTEES

for the year ended 31 March 2015

#### ACHIEVEMENTS, PERFORMANCE AND FUTURE DEVELOPMENT (CONTINUED)

A rationalisation of staff has led to a reduction in the FTE staffing resource in both CCI and our Trading Company with CCI reducing for 7.2 to 6.4 and CCI Trading from 10 to 5. These reductions have been due both to people moving on and also to some difficult decisions that the board have been required to make due to the specific financial difficulties that the organisation faced through the year. In particular our ability to compete in the open market which was part of our development model proved to be much more difficult than anticipated, necessitating a retrenchment on the part of CCI Trading.

We were sad to lose the services of Nikki Lambie and Amy Palmer who left due to personal circumstances, however we were delighted to welcome new placement support workers Willie, Gene, Nick and Laura, and Colleen Scott who has put in Sterling work on grant applications.

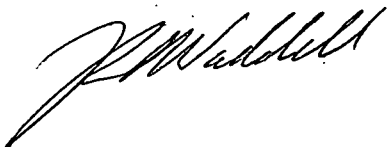
We also had to take the difficult decision to lose the services of Michael Heald who was the unfortunate victim of the difficult trading circumstances that our landscape company faced later in the year, and we thank him and all our leavers for their contributions to the organisation.

We have particularly struggled around the strict procurement protocols operated for public sector contracts where we have found ourselves obliged to compete toe to toe with mainstream construction companies with no allowance made for the additional value that our social enterprise model would deliver to these contracts. On this matter we were delighted to host a visit from the Cabinet Secretary for Finance John Swinney who articulated the challenge for the public sector to actively seek partnership with social enterprises. It was apparent from this meeting that Mr Swinney was not only a great supporter of social enterprise but was well aware of the particular successes of CCI.

Despite the difficult commercial circumstances faced by our construction company there were significant successes, with the company delivering nearly £0.4m of landscaping services representing an increase in turnover of more than 25%. This business included some high profile contracts including an award of 13 contracts for the Scottish Government's 'Grounds for Learning' programme. Managing this phase of development and the change of emphasis in our commercial operations has been a difficult task more than ably accomplished by Dougie Smith our contracts manager. The trading company now look forward to a sustainable future generating income that will support the work of the parent charity.

As ever the board have been bold, efficient and effective in taking the necessary difficult decisions needed while our finances were under severe strain. They never shied away from the difficult decisions required while never losing sight of the underlying ethos which makes CCI such an inspirational organisation to be part of. Overseeing this turbulent year has been our managing director Niall McShannon whose skills and commitment continue to be one of CCI's greatest assets. Each member of the board has particular expertise, however this year, with the commercial challenges that we have faced, we have been particularly fortunate to have the sage advice of Neil McDonald to give us the benefit of his considerable business acumen.

And finally, the Langloch Project has come to fruition and we face the next year in our new home with fabulous facilities, space to grow and a wonderful environment to work in. The move to Langloch is not being seen as the end of the process but the dawning of a new era with all the excitement and opportunities that that will provide.



Ron Waddell  
Chair of the Board

7 October 2015

## CLYDESDALE COMMUNITY INITIATIVES

### REPORT OF THE TRUSTEES

for the year ended 31 March 2015

#### Statement of Trustees' responsibilities

The trustees (who are also directors of Clydesdale Community Initiatives for the purpose of company law) are responsible for preparing the Reports of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity 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 group and parent charitable company and of the incoming resources and application of resources, including the income and expenditure, of the group and parent 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 of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 group and parent charitable company will continue.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and parent charitable company and enable them to ensure that the financial statements comply with the trust deed, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Statement as to disclosure of information to auditor

In so far as the trustees are aware:

- there is no relevant information of which the group and parent charitable company's auditor is unaware; and
- they have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information, and to establish that the group and parent charitable company's auditor is aware of the information.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and the Financial Reporting Standards for Smaller Entities (Revised) (effective 2008).

Approved by the trustees on 7 October 2015 and signed on their behalf:



N G P McShannon  
Trustee

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF**  
**CLYDESDALE COMMUNITY INITIATIVES**  
**for the year ended 31 March 2015**

We have audited the financial statements of Clydesdale Community Initiatives for the year ended 31 March 2015 which comprise the Consolidated and Parent Company Statement of Financial Activities (Incorporating the Income and Expenditure Account), Consolidated and Parent Company Balance Sheets, and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made exclusively to the members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006 and to the charity's trustees, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charitable company'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 members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of trustees' responsibilities set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors, including "APB Ethical Standard – Provisions Available for Small Entities (Revised)", in the circumstances set out in note 21 to the financial statements.

**Scope of the audit of the financial statements**

A description of an audit of financial statements is provided on the Financial Reporting Council's web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2015 and of the group's and parent charitable company's 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF  
CLYDESDALE COMMUNITY INITIATIVES**

**for the year ended 31 March 2015**

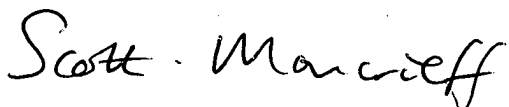
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the parent charitable company has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



**Michael Harkness**  
**Senior Statutory Auditor**  
**For and on behalf of Scott-Moncrieff, Statutory Auditor**  
**Chartered Accountants**  
**Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006**  
**Exchange Place 3**  
**Seample Street**  
**Edinburgh**  
**EH3 8BL**



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**CLYDESDALE COMMUNITY INITIATIVES**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING THE CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)**  
**for the year ended 31 March 2015**

	Notes	Unrestricted funds £	Restricted funds £	2015 Total £	2014 Total £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
Voluntary income		12,150	663,693	675,843	536,294
Investment income	2	110	-	110	243
Incoming resources from charitable activities	4	514,938	-	514,938	463,447
Other incoming resources		11,603	-	11,603	7,216
Total incoming resources		<u>538,801</u>	<u>663,693</u>	<u>1,202,494</u>	<u>1,007,200</u>
<b>RESOURCES EXPENDED</b>					
Costs of generating funds		(5,628)	-	(5,628)	(5,105)
Costs of charitable activities	5	(521,165)	(221,398)	(742,563)	(603,181)
Governance costs	6	(5,400)	-	(5,400)	(6,697)
Total resources expended		<u>(532,193)</u>	<u>(221,398)</u>	<u>(753,591)</u>	<u>(614,983)</u>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>	7	6,608	442,295	448,903	392,217
Gross transfers between funds		-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		6,608	442,295	448,903	392,217
Total funds brought forward	16	53,578	487,621	541,199	148,982
<b>TOTAL FUNDS CARRIED FORWARD</b>	16	<u>60,186</u>	<u>929,916</u>	<u>990,102</u>	<u>541,199</u>

There were no recognised gains or losses other than the results for the year as set out above. All of the activities of the charity are classed as continuing.

The notes on pages 12 to 22 form part of these financial statements

**CLYDESDALE COMMUNITY INITIATIVES**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)**

for the year ended 31 March 2015

	Notes	Unrestricted funds £	Restricted funds £	2015 Total £	2014 Total £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
Voluntary income		12,150	663,693	675,843	536,294
Investment income	2	110	-	110	243
Incoming resources from charitable activities	4	177,228	-	177,228	242,198
Other incoming resources		11,603	-	11,603	7,216
Total incoming resources		<u>201,091</u>	<u>663,693</u>	<u>864,784</u>	<u>785,951</u>
<b>RESOURCES EXPENDED</b>					
Costs of generating funds		(5,628)	-	(5,628)	(5,105)
Charitable activities	5	(140,386)	(221,398)	(361,784)	(347,585)
Governance costs	6	(3,600)	-	(3,600)	(4,887)
Total resources expended		<u>(149,614)</u>	<u>(221,398)</u>	<u>(371,012)</u>	<u>(357,577)</u>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>	7	51,477	442,295	493,772	428,374
Gross transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET MOVEMENT IN FUNDS</b>		51,477	442,295	493,772	428,374
Total funds brought forward	16	89,735	487,621	577,356	148,982
<b>TOTAL FUNDS CARRIED FORWARD</b>	16	<u><u>141,212</u></u>	<u><u>929,916</u></u>	<u><u>1,071,128</u></u>	<u><u>577,356</u></u>

There were no recognised gains or losses other than the results for the year as set out above. All of the activities of the charity are classed as continuing.

The notes on pages 12 to 22 form part of these financial statements

**CLYDESDALE COMMUNITY INITIATIVES**


**CONSOLIDATED BALANCE SHEET**

**as at 31 March 2015**

	Notes	2015 £	2014 £
<b>FIXED ASSETS</b>			
Tangible assets	10	899,055	261,288
<b>CURRENT ASSETS</b>			
Stock		100	100
Debtors: amounts falling due within one year	12	86,717	96,620
Cash at bank and in hand		169,690	266,071
		<u>256,507</u>	<u>362,791</u>
<b>CREDITORS</b>			
Amounts falling due within one year	13	<u>(162,892)</u>	<u>(82,880)</u>
<b>NET CURRENT ASSETS</b>		<u>93,615</u>	<u>279,911</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>992,670</u>	<u>541,199</u>
<b>CREDITORS</b>			
Amounts falling due in over one year	14	<u>(2,568)</u>	-
<b>NET ASSETS</b>		<u><u>990,102</u></u>	<u><u>541,199</u></u>
<b>FUNDS</b>			
Unrestricted funds	16	60,186	53,578
Restricted funds	16	929,916	487,621
<b>TOTAL FUNDS</b>		<u><u>990,102</u></u>	<u><u>541,199</u></u>

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Small Entities (Revised) (effective 2008).

Approved and authorised for issue by the Board of Trustees on 7 October 2015 and signed on its behalf by:



N G P McShannon  
Trustee



R M Waddell  
Trustee

The notes on pages 12 to 22 form part of these financial statements

**CLYDESDALE COMMUNITY INITIATIVES**

**COMPANY BALANCE SHEET**

**as at 31 March 2015**

	Notes	2015 £	2014 £
<b>FIXED ASSETS</b>			
Tangible assets	10	899,055	261,288
Investments	11	<u>1</u>	<u>1</u>
		899,056	261,289
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	12	164,744	103,842
Cash at bank and in hand		<u>154,200</u>	<u>236,328</u>
		318,944	340,170
<b>CREDITORS</b>			
Amounts falling due within one year	13	<u>(144,304)</u>	<u>(24,103)</u>
<b>NET CURRENT ASSETS</b>		<u>174,640</u>	<u>316,067</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,073,696	577,356
<b>CREDITORS</b>			
Amounts falling due in over one year	14	(2,568)	-
<b>NET ASSETS</b>		<u>1,071,128</u>	<u>577,356</u>
<b>FUNDS</b>			
Unrestricted funds	16	141,212	89,735
Restricted funds	16	<u>929,916</u>	<u>487,621</u>
<b>TOTAL FUNDS</b>		<u>1,071,128</u>	<u>577,356</u>

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Small Entities (Revised) (effective 2008).

Approved and authorised for issue by the Board of Trustees on 7 October 2015 and signed on its behalf by:



N G P McShannon  
Trustee



R M Waddell  
Trustee

The notes on pages 12 to 22 form part of these financial statements

**CLYDESDALE COMMUNITY INITIATIVES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2015**

**1. Accounting policies**

**Basis of preparation**

The financial statements are prepared on the historical cost basis of accounting and have been prepared in accordance with the Financial Reporting Standard for Small Entities (effective April 2008), Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005), The Charities and Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

**Going concern**

The trustees are of the opinion that the group and parent charitable company can continue to meet their obligations as they fall due for the foreseeable future. As a consequence the directors have prepared the financial statements on the going concern basis.

**Basis of consolidation**

The group financial statements consolidate the financial statements of Clydesdale Community Initiatives and its wholly owned subsidiary, CCI Scotland Ltd (formerly CCI Trading Limited).

**Incoming resources**

Voluntary income

Donations are included in full in the Statement of Financial Activities when the charitable company is entitled to them and there is reasonable certainty of receipt and the amount is quantifiable.

Grant income

Grant income is included in full in the Statement of Financial Activities when the charitable company is entitled to it and there is reasonable certainty of receipt and the amount is quantifiable.

Incoming resources from charitable activities

Incoming resources from activities for generating funds represents the net value of services, excluding VAT, relating to landscaping, horticulture and woodwork.

Investment income

Investment income is included in the accounts in the year in which it is receivable.

**Other incoming resources**

Other income is included in full in the Statement of Financial Activities when the charitable company is entitled to it and there is reasonable certainty of receipt and the amount is quantifiable.

**Allocation of expenditure**

Resources expended are included in the Statement of Financial Activities on an accruals basis as a liability is incurred.

Expenditure is directly attributed to the relevant category in the Statement of Financial Activities where practical. Support costs are allocated across activities based on time incurred in each area.

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.
- Charitable expenditure comprises direct and support costs incurred by the company in the delivery of its activities and services.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the company and include costs linked to the strategic management of the company.

**CLYDESDALE COMMUNITY INITIATIVES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2015

**1. Accounting policies (continued)**

**Investments**

Investments are stated at cost.

**Fixed assets**

Fixed assets costing £1,000 or more are included in the balance sheet at cost, less accumulated depreciation.

**Depreciation**

Depreciation is provided in the period in which the fixed assets are purchased. The rates of depreciation are calculated so as to write off the cost less residual value of each asset evenly over its expected useful life as follows:

Plant and machinery	25% straight line
Motor vehicles	25% straight line

Freehold land is not depreciated. The buildings are not yet in use. Depreciation will be charged at that point at the rate of 2.5% straight line.

**Stock**

Stock is valued at the lower of cost and estimated net realisable value.

**Funds**

Unrestricted funds include incoming resources receivable or generated for the objects of the charitable company without further specified purpose and are available as general funds. These funds can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds are to be used for specific purposes as laid down by the donor.

**Pensions**

Pension contributions are made to an approved defined contribution pension scheme. These are charged in the year in which they are incurred.

**Taxation**

The charity is exempt from corporation tax on its charitable activities. The subsidiary, CCI Scotland Ltd (formerly CCI Trading Limited) donates all profit to the holding company by gift aid and therefore has no liability to corporation tax.

**Leases and hire purchase transactions**

Assets acquired under hire purchase agreements and finance leases are capitalised in the balance sheet and are depreciated in accordance with the company's normal policy. The outstanding liabilities under such agreements less interest not yet due are included in creditors. Interest on such agreements is charged to the profit and loss account evenly over the term of each agreement.

Rentals under operating leases are charged to the profit and loss account as they fall due.

**2. Investment income**

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank interest received	110	243	110	243

**CLYDESDALE COMMUNITY INITIATIVES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2015

**3. Activities for generating funds**

Clydesdale Community Initiatives has a wholly owned trading subsidiary incorporated in the United Kingdom as described in note 11. Any accounting profits are gift aided to Clydesdale Community Initiatives.

**4. Incoming resources from charitable activities**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Consultancy income	53,144	79,545	47,190	79,545
Social care income	11,990	29,397	11,990	29,397
Management fees	-	-	24,000	52,158
Landscape and horticultural income	417,151	352,446	61,395	79,039
Woodworking income	749	2,059	749	2,059
Employability sessions	11,939	-	11,939	-
Educational sessions	11,804	-	11,804	-
Social prescribing	8,161	-	8,161	-
	<u>514,938</u>	<u>463,447</u>	<u>177,228</u>	<u>242,198</u>

**5. Costs of charitable activities**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trustees' remuneration, etc	38,920	33,808	38,920	33,808
Staff costs	317,053	256,758	144,416	146,846
Landscaping, horticulture and woodworking purchases	203,266	179,641	20,100	34,255
Rent	3,432	3,792	3,432	3,792
Rates and water	1,839	822	1,839	822
Insurance	6,926	6,683	6,358	6,683
Light and heat	4,325	2,690	4,245	2,690
Telephone	2,997	2,047	2,997	2,047
Postage and stationery	7,049	7,671	7,034	7,671
Motor and travel expenses	35,496	27,748	31,454	27,451
Repairs and renewals	28,918	5,661	11,418	5,661
Advertising	280	1,981	280	1,981
Participant expenses	1,797	2,767	1,797	2,767
Sundry expenses	4,313	2,732	2,775	2,731
Development costs	40,517	33,519	40,517	33,519
Bad debts	-	18	-	18
Depreciation	24,944	18,805	24,944	18,805
Equipment hire	657	670	657	670
Training	11,423	15,305	10,203	15,305
Professional and consultancy fees	5,642	-	5,629	-
Loan interest	605	-	605	-
Bank charges and fees	2,164	63	2,164	63
	<u>742,563</u>	<u>603,181</u>	<u>361,784</u>	<u>347,585</u>



**CLYDESDALE COMMUNITY INITIATIVES**  
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**6. Governance costs**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Audit fee	5,400	5,250	3,600	3,500
Consultancy fees	-	1,447	-	1,387
	<u>5,400</u>	<u>6,697</u>	<u>3,600</u>	<u>4,887</u>

**7. Net incoming resources**

Net incoming resources are stated after charging:

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Depreciation – assets under hire purchase	4,845	-	4,845	-
Depreciation – owned assets	20,099	18,805	20,099	18,805
Rent	3,432	3,500	3,432	3,792
Audit fee	5,400	5,250	3,600	3,500
	<u>5,400</u>	<u>5,250</u>	<u>3,600</u>	<u>3,500</u>

**8. Trustees' remuneration**

Net incoming resources are stated after charging:

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trustees' salaries	37,786	35,978	37,786	35,978
Trustees' pension	1,134	1,586	1,134	1,586
	<u>38,920</u>	<u>37,564</u>	<u>38,920</u>	<u>37,564</u>

As authorised by the charity's Articles of Association, the above noted remuneration to N.G P McShannon is for his role in the day to day running of the charity.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2015 (2014: none).

**CLYDESDALE COMMUNITY INITIATIVES**  
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**9. Staff costs**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wages and salaries	326,858	275,796	167,405	173,892
Social security costs	25,468	18,289	12,284	10,281
Pension costs	9,275	1,586	9,275	1,586
	<u>361,601</u>	<u>295,671</u>	<u>188,964</u>	<u>185,759</u>

The average number of employees during the year was:

Full time and part time staff	<u>20</u>	<u>17</u>	<u>13</u>	<u>11</u>
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No employee received emoluments of more than £60,000 (2014: £nil).

**10. Tangible fixed assets**

<b>Group and company</b>	<b>Land and buildings</b>	<b>Plant and machinery</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1 April 2014	220,758	36,618	60,350	317,726
Additions	635,450	-	27,261	662,711
Disposals	-	-	(7,500)	(7,500)
At 31 March 2015	<u>856,208</u>	<u>36,618</u>	<u>80,111</u>	<u>972,937</u>
<b>Depreciation</b>				
At 1 April 2014	-	24,932	31,506	56,438
Charge for year	-	7,760	17,184	24,944
Released on disposal	-	-	(7,500)	(7,500)
At 31 March 2015	<u>-</u>	<u>32,692</u>	<u>41,190</u>	<u>73,882</u>
<b>Net book value</b>				
At 31 March 2015	<u>856,208</u>	<u>3,926</u>	<u>38,921</u>	<u>899,055</u>
At 31 March 2014	<u>220,758</u>	<u>11,686</u>	<u>28,844</u>	<u>261,288</u>

Included within motor vehicles is an asset held under hire purchase contract with a net book value of £18,415 (2014: £nil).

The depreciation charge for the year includes £4,845 (2014: £nil) in respect of this asset.

**CLYDESDALE COMMUNITY INITIATIVES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. Fixed asset investments**

	<b>Unlisted investments £</b>
<b>Market value</b>	
At 1 April 2014 and 31 March 2015	1
	<u>1</u>
<b>Net book value</b>	
At 31 March 2015	1
	<u>1</u>
At 31 March 2014	1
	<u>1</u>

Clydesdale Community Initiatives owns 100% of the ordinary shares of £1 each in CCI Scotland Ltd (formerly CCI Trading Limited), a company registered in Scotland and involved in the landscaping, woodworking and horticulture work to be undertaken for Clydesdale Community Initiatives. The company made a loss of £44,869 for the year (2014: £36,157), of which £nil was gift aided to Clydesdale Community Initiatives (2014: £nil).

A summary of the trading results is shown below:

	<b>2015 £</b>	<b>2014 £</b>
Turnover	391,250	258,788
Cost of sales	(405,911)	(279,301)
	<u>(14,661)</u>	<u>(20,513)</u>
Gross loss	(14,661)	(20,513)
Administrative expenses	(30,208)	(17,225)
Other operating income	-	1,581
	<u>(44,869)</u>	<u>(36,157)</u>
Operating loss	(44,869)	(36,157)
Taxation on loss on ordinary activities	-	-
	<u>(44,869)</u>	<u>(36,157)</u>
Loss for the financial year	<u>(44,869)</u>	<u>(36,157)</u>

The assets and liabilities of the subsidiary were:

	<b>2015 £</b>	<b>2014 £</b>
Current assets	36,878	90,089
Current liabilities	(117,903)	(126,245)
	<u>(81,025)</u>	<u>(36,156)</u>
Total net assets	<u>(81,025)</u>	<u>(36,156)</u>
	<u>(81,025)</u>	<u>(36,156)</u>
Aggregate share capital and reserves	<u>(81,025)</u>	<u>(36,156)</u>

**CLYDESDALE COMMUNITY INITIATIVES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**12. Debtors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	59,197	77,747	38,346	32,132
Amounts due from subsidiary	-	-	93,386	67,468
VAT	14,604	5	20,533	5
Prepayments	3,841	4,237	3,404	4,237
Accrued income	9,075	14,631	9,075	-
	<u>86,717</u>	<u>96,620</u>	<u>164,744</u>	<u>103,842</u>

**13. Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	52,461	37,560	38,795	18,394
Accruals and deferred income	5,754	35,529	4,004	4,258
Other tax and social security	6,231	9,791	3,059	1,451
Bank loans	88,172	-	88,172	-
Hire purchase creditors	10,274	-	10,274	-
	<u>162,892</u>	<u>82,880</u>	<u>144,304</u>	<u>24,103</u>

The company's bank loan is secured by a bond and floating charge over the whole assets of the company. The company's hire purchase creditor is secured over the assets to which it relates.

**14. Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Hire purchase creditors	2,568	-	2,568	-
	<u>2,568</u>	<u>-</u>	<u>2,568</u>	<u>-</u>

The company's hire purchase creditor is secured over the assets to which it relates.

**CLYDESDALE COMMUNITY INITIATIVES**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 March 2015**

**15. Deferred income**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance at 1 April 2014	20,141	1,519	-	1,519
Income received in advance	-	20,141	-	-
Income released in the year	(20,141)	(1,519)	-	(1,519)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2015	-	20,141	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

**16. Movement in funds**

<b>Group</b>	<b>At 1 April 2014</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>At 31 March 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>				
General fund	18,578	538,801	(532,193)	25,186
Development fund	35,000	-	-	35,000
	<hr/>	<hr/>	<hr/>	<hr/>
	53,578	538,801	(532,193)	60,186
<b>Restricted funds</b>				
Rank Foundation	-	35,720	(35,720)	-
Warburtons	-	10,000	(10,000)	-
Clyde and Avon Valley	-	4,400	(4,400)	-
Tesco	-	696	(696)	-
Enterprise Ready Fund	16,753	51,708	(68,461)	-
Enterprise Growth Fund	9,469	-	(9,469)	-
Agnes Hunter Trust	1,625	-	(1,625)	-
Santander	19,774	-	(8,097)	11,677
People and Communities Fund	-	42,414	(42,414)	-
Langloch Farm				
- Big Lottery	200,000	278,950	(20,582)	458,368
- Robertson Trust	200,000	-	(2,833)	197,167
- Clothworkers	-	60,000	(2,833)	57,167
- ERDF	-	179,805	(11,059)	168,746
- Garfield Weston	40,000	-	(3,209)	36,791
	<hr/>	<hr/>	<hr/>	<hr/>
	487,621	663,693	(221,398)	929,916
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total funds</b>	541,199	1,202,494	(753,591)	990,102
	<hr/>	<hr/>	<hr/>	<hr/>

**CLYDESDALE COMMUNITY INITIATIVES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2015.

**16. Movement in funds (continued)**

<b>Company</b>	<b>At 1 April 2014 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>At 31 March 2015 £</b>
<b>Unrestricted funds</b>				
General fund	54,735	201,091	(149,614)	106,212
Development fund	35,000	-	-	35,000
	<u>89,735</u>	<u>201,091</u>	<u>(149,614)</u>	<u>141,212</u>
<b>Restricted funds</b>				
Rank Foundation	-	35,720	(35,720)	-
Warburtons	-	10,000	(10,000)	-
Clyde and Avon Valley	-	4,400	(4,400)	-
Tesco	-	696	(696)	-
Enterprise Ready Fund	16,753	51,708	(68,461)	-
Enterprise Growth Fund	9,469	-	(9,469)	-
Agnes Hunter Trust	1,625	-	(1,625)	-
Santander	19,774	-	(8,097)	11,677
People and Communities Fund	-	42,414	(42,414)	-
Langloch Farm				
- Big Lottery	200,000	278,950	(20,582)	458,368
- Robertson Trust	200,000	-	(2,833)	197,167
- Clothworkers	-	60,000	(2,833)	57,167
- ERDF	-	179,805	(11,059)	168,746
- Garfield Weston	40,000	-	(3,209)	36,791
	<u>487,621</u>	<u>663,693</u>	<u>(221,398)</u>	<u>929,916</u>
<b>Total funds</b>	<u>577,356</u>	<u>864,784</u>	<u>(371,012)</u>	<u>1,071,128</u>

Funding from Rank Foundation, Warburtons, Clyde and Avon Valley, Tesco and Enterprise Ready Fund grant goes towards salaries and expenses in relation to social work.

Enterprise Growth Fund, Agnes Hunter Trust and Santander support has funded the purchase of certain fixed assets. These funds have been spent, and the balance is being released in line with the depreciation of these assets each year.

People and Communities Fund support goes towards training costs.

The Langloch Farm fund relates to funding from Big Lottery, Robertson Trust, Clothworkers, ERDF and Garfield Weston towards the development project. The Big Lottery Fund holds a standard security on the land and buildings at Langloch farm over a four years period of their funding agreement. The balance at the year-end relates to the net book value of the Langloch Farm development at the year-end, plus amounts not yet spent on the development.

**CLYDESDALE COMMUNITY INITIATIVES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2015

**17. Analysis of net assets between funds**

Group	Unrestricted funds £	Restricted funds £	Total £
Tangible fixed assets	31,170	867,885	899,055
Current assets	194,476	62,031	256,507
Current liabilities	(162,892)	-	(162,892)
Long-term liabilities	(2,568)	-	(2,568)
	<u>60,186</u>	<u>929,916</u>	<u>990,102</u>
<b>Company</b>			
Investments	1	-	1
Tangible fixed assets	31,170	867,885	899,055
Current assets	256,913	62,031	318,944
Current liabilities	(144,304)	-	(144,304)
	<u>(2,568)</u>	<u>-</u>	<u>(2,568)</u>
	<u>141,212</u>	<u>929,916</u>	<u>1,071,128</u>

**18. Other financial commitments**

The company's annual commitments for rental payments under non-cancellable operating leases at the balance sheet date were as set out below:

	Group		Company	
	2015 Land and buildings £	2014 Land and buildings £	2015 Land and buildings £	2014 Land and buildings £
Operating leases which expire:				
Within one year	-	3,500	-	3,500
	<u>-</u>	<u>3,500</u>	<u>-</u>	<u>3,500</u>

**19. Related party transactions**

The trustees have taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related Parties" not to disclose intra group transactions.

**20. Ultimate controlling party**

The trustees are of the opinion that there is no ultimate controlling party.

**21. Other professional services provided by the auditor**

In common with many other businesses of our size and nature we use our auditor to assist with the preparation of the financial statements.

**CLYDESDALE COMMUNITY INITIATIVES**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 March 2015**

**22. Capital commitments**

There is an intention to spend a further £1,180,076 on the Langloch development project and general expenditure in relation to it, in line with the funding received.

**23. Post balance sheet event**

On 31 July 2015, the trading subsidiary changed its name from CCI Trading Limited to CCI Scotland Ltd.