

C. Howie

Rowland's (Selkirk)
Report and Financial Statements
for the year ended 31 July 2012

Charity number: SC025811
Company number: SC379827



Rowland's (Selkirk)

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Rowland's (Selkirk)

Legal and Administrative Information

Charity name	Rowland's (Selkirk)		
Charity registration number	SC025811		
Company registration number	SC379827		
Directors	Graham Easton	Chairman	
	James McIntyre	Vice-chairman	
	David Bethune	Treasurer	
	James Smith		Resigned 10 November 2011
	Susan Robb		Resigned 10 November 2011
	David Wilson		
	Vivien Hutchinson		
	Eileen Easton		
	Lisa Milford		
	Stacey Grieve		
	Rob Elliot		Appointed 10 November 2011
	Jenna Agate		Appointed 10 November 2011
Principal office and Registered office	24-26 West Port Selkirk Scottish Borders TD7 4DG		
Website address	www.rowlands-selkirk.org.uk		
Independent examiner	Alan Cunningham, C.A. Alexander Sloan Chartered Accountants 38 Cadogan Street Glasgow G2 7HF		
Bankers	Bank of Scotland Market Place Selkirk TD7 4BX		

Rowland's (Selkirk)

Directors' Annual Report for the year ended 31 July 2012

The Directors present their report and the financial statements of the charity for the year ended 31 July 2012.

Directors

The Directors of the charitable company are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Directors.

The Directors serving during the year and since the year end are detailed on page 1.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Until 31 October 2010, Rowland's (Selkirk) was an unincorporated organisation and a recognised Scottish Charity (No. SC025811). The unincorporated organisation was known as Selkirk Dry Bar Association.

Rowland's (Selkirk) was incorporated on 7 June 2010 (No. SC379827) as a company limited by guarantee and governed by its Memorandum and Articles of Association. On the company obtaining recognition as a charity by the Office of the Scottish Charity Regulator (including permission to use the same charity number as the unincorporated organisation), the Net Assets of the former unincorporated organisation were transferred on 1 November 2010 to Rowland's (Selkirk) ("the charity"). The transfer of Net Assets is further outlined in Note 19 on page 18.

Appointment of Directors

The Board of Directors are appointed by the charitable company's members. At each Annual General Meeting, all of the Directors retire from office but are eligible for re-election. New Directors take part in an induction programme which aims to familiarise them with the charity's values, aims and objectives together with its day-to-day operations, in addition to clarifying their statutory responsibilities as Directors of a company limited by guarantee and as Trustees of a charity. There is no fixed term for directorship.

Organisational structure

The Directors serve on a voluntary basis and are responsible for the charity's overall direction, its administration and financial affairs.

OBJECTIVES AND ACTIVITIES

The objects of the charitable company are:

(1) to advance the education of young people aged between 12 and 25 years of age, who live or work in Selkirk and surrounding settlements, by developing their physical, mental and spiritual capacities so that they may grow to full maturity as individuals and members of society, without distinction as to race, ethnicity, gender, sexual orientation, ability, faith, political or religious beliefs.

(2) to improve the conditions of life for young people in Selkirk and surrounding settlements by the provision of a leisure and recreational facility for the purpose of youth work.

Rowland's (Selkirk)
Directors' Annual Report
for the year ended 31 July 2012

ACHIEVEMENTS AND PERFORMANCE

2011-12 represents the first full year of operation of Rowland's as a limited company with charitable status. The Board of Directors met regularly throughout the year, making strategic and operational decisions to ensure Rowland's continued and developed its charitable activities for the benefit of the young people of Selkirk and surrounding area.

Rowland's continued as a drop-in Youth Centre ("dry bar") for the young people of Selkirk, open almost every Monday and Friday evening throughout the year, with typically between 20 and 50 young people using the centre, supervised by a team of volunteer adults and staff. Regular evenings were supplemented by a number of other social and educational events, including Artz, various fundraising events, homework club and participation in the Selkirk regeneration initiative. One new development has been street work, engaging with young people who do not currently use the centre.

Building on the success of the previous year's successful 4 week summer programme, a new programme of indoor and outdoor summer events was planned and delivered successfully. Unfortunately, we were unsuccessful in gaining significant grant funding, so the programme was funded from the General Fund.

In partnership with Youth Borders, we have secured grants which allow us to employ 3 part time staff. They provide professional support, training and leadership to the team of around 20 adult volunteers. In addition, we have employed a trainee youth worker on a temporary basis, covering maternity leave. We have also taken on our cleaner as a part-time employee.

We continue to acknowledge the generosity of local businessman, Mr. RP Adam, and an increasing number of other local supporters who give regularly through Gift Aid. Local company Spark Energy continues to support Rowland's by covering all energy costs. Staffing costs are supported by grants awarded by the Robertson Trust, BBC Children in Need and Scottish Borders Council.

The charity's flat (22d West Port, Selkirk) has been occupied throughout the period by a reliable tenant, and continues to be a financial asset to the charity. Minor repairs have been completed on the buildings as required, and an Awards for All grant will allow the large front windows to be replaced, and storage and craft areas go be developed. The photovoltaic array continues to generate a small income through Feed-in Tariffs (FiTs).

In addition to use as a drop-in youth centre, Rowland's has regularly been used by a range of community organisations, whose donations cover running costs.

The Directors view the forthcoming year with confidence that it can continue to develop Rowland's as an effective and sustainable youth provision.

Rowland's (Selkirk)

Directors' Annual Report for the year ended 31 July 2012

FINANCIAL REVIEW

Per the Statement of Financial Activities on page 7, the charity reported net incoming resources (i.e. a surplus) for the year of £4,015. At 31 July 2012, the charity held total funds of £185,179 of which £144,884 was "tied up" in fixed assets.

Reserves policy

It is the policy of the charity to maintain Unrestricted Funds (funds not committed or invested in fixed assets) at a level which equates to approximately three months of unrestricted expenditure. This allows sufficient funds for the charity to finance and maintain its ongoing work. At 31 July 2012, Unrestricted Funds per the General Fund (page 7) were deficient by £1,210 which the Directors are addressing during the current financial year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' 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 Directors to prepare financial statements for each financial period 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 Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

The Directors 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.

Rowland's (Selkirk)

**Directors' Annual Report
for the year ended 31 July 2012**

Independent Examiner

The Directors recommend that Alan Cunningham, C.A., a Partner in Alexander Sloan, Chartered Accountants, remains in office as Independent Examiner until further notice.

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

This report was approved by the Directors on 8 November 2012 and signed on their behalf by

A handwritten signature in black ink, appearing to read 'David Bethune', written in a cursive style.

**David Bethune
Director**

Rowland's (Selkirk)

Independent Examiner's Report to the Directors on the Unaudited Financial Statements of Rowland's (Selkirk).

I report on the financial statements of Rowland's (Selkirk) for the year ended 31 July 2012 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

Respective responsibilities of Directors and examiner

The charity's Directors (who are also Directors of the company for the purpose of company law) are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 ("2005 Act") and the Charities Accounts (Scotland) Regulations 2006 ("2006 Accounts Regulations"). The charity's Directors consider that the audit requirement of Regulation 10(1) (a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the financial statements as required under Section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of Independent Examiner's report

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the Directors 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 financial statements.

Independent Examiner's statement

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

1. which gives me reasonable cause to believe that in any material respect the requirements:

to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act, Regulation 4 of the 2006 Accounts Regulations; and

to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Alan Cunningham, C.A.
Partner

Alexander Sloan
Chartered Accountants

8 November 2012

38 Cadogan Street
Glasgow
G2 7HF

Rowland's (Selkirk)
Statement of Financial Activities
(incorporating Income and Expenditure Account)
for the year ended 31 July 2012

					Year ended	Period ended
		Unrestricted				
		General	Designated	Restricted	31/07/12	31/07/11
		funds	funds	funds	Total	Total
Notes		£	£	£	£	£
Incoming resources						
Incoming resources from generated funds						
Voluntary income	2	4,183	-	44,628	48,811	25,568
Activities for generating funds	3	713	-	-	713	597
Investment income	4	141	-	-	141	83
Incoming resources from charitable activities						
	5	6,514	-	-	6,514	5,101
Other incoming resources						
	6	-	-	-	-	179,659
Total incoming resources		<u>11,551</u>	<u>-</u>	<u>44,628</u>	<u>56,179</u>	<u>211,008</u>
Resources expended						
Charitable activities	7	(14,981)	(2,854)	(32,505)	(50,340)	(28,428)
Governance costs	8	(1,824)	-	-	(1,824)	(1,416)
Total resources expended		<u>(16,805)</u>	<u>(2,854)</u>	<u>(32,505)</u>	<u>(52,164)</u>	<u>(29,844)</u>
Net incoming/(outgoing) resources		(5,254)	(2,854)	12,123	4,015	181,164
Reconciliation of funds						
Total funds brought forward		4,044	144,450	32,670	181,164	-
Total funds carried forward		<u>(1,210)</u>	<u>141,596</u>	<u>44,793</u>	<u>185,179</u>	<u>181,164</u>

The notes on pages 10 to 18 form an integral part of these financial statements.

Rowland's (Selkirk)

**Balance Sheet
as at 31 July 2012**

		Year ended 31/07/12		Period ended 31/07/11	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		140,884		143,738
Current assets					
Debtors	13	986		1,753	
Cash at bank and in hand		50,544		40,848	
		<u>51,530</u>		<u>42,601</u>	
Creditors: amounts falling due within one year	14	<u>(7,235)</u>		<u>(5,175)</u>	
Net current assets			44,295		37,426
Net assets			<u>185,179</u>		<u>181,164</u>
Funds					
Unrestricted funds					
General funds	17		(1,210)		4,044
Designated funds	16		141,596		144,450
Restricted funds	18		44,793		32,670
			<u>185,179</u>		<u>181,164</u>

The Directors' statements required by Sections 475 (2) and (3) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 10 to 18 form an integral part of these financial statements.

Rowland's (Selkirk)

Balance Sheet (continued)

**Directors' statements required by Sections 475 (2) and (3)
for the year ended 31 July 2012**

In approving these financial statements as Directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 477 of the Companies Act 2006 ;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 476 requesting that an audit be conducted for the year ended 31 July 2012 and

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 386, and


(2) 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 year and of its incoming resources and application of resources, including the income and expenditure, for the year then ended in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board on 8 November 2012 and signed on its behalf by



Graham Easton
Director/ Chairman



David Bethune
Director/ Treasurer

Registered number: SC379827

The notes on pages 10 to 18 form an integral part of these financial statements.

Rowland's (Selkirk)

Notes to the Financial Statements for the year ended 31 July 2012

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost as and where appropriate modified to include the revaluation of certain fixed assets and in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) issued in March 2005, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

1.2. Incoming resources

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies that the grant or donation must only be used in future accounting periods, or when the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from investments is included in the period in which it is receivable.

Income from charitable activities including Dry Bar sales and other similar income is recognised as earned (as the related goods and services are provided).

1.3. Resources expended

Expenditure is recognised on an accruals basis when a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

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

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Buildings, fixtures and fittings and equipment over £1,000 are capitalised and depreciated at the following rates in order to write off each asset over its estimated useful life.

Buildings	-	Straight line over 50 years
Fixtures and Fittings	-	25% straight line
Computer Equipment	-	33% straight line

Rowland's (Selkirk)

Notes to the Financial Statements for the year ended 31 July 2012

1.5. Pensions

The pension costs charged in the financial statements represent the contribution payable by the charity during the year.

2. Voluntary income

	Year ended 31/07/12 £	Period ended 31/07/11 £
Donations	2,177	921
Donations by Gift Aid	1,500	1,175
Income Tax on Gift Aid	376	320
Scottish Borders Council CYPPP	11,926	5,967
Youth Chex	-	1,000
BBC Children in Need	2,944	6,133
Robertson Trust	20,000	10,000
Awards for All	9,759	-
Membership subscriptions	129	52
	<u>48,811</u>	<u>25,568</u>

3. Activities for generating funds

	Year ended 31/07/12 £	Period ended 31/07/11 £
Fundraising	713	597
	<u>713</u>	<u>597</u>

4. Investment income

	Year ended 31/07/12 £	Period ended 31/07/11 £
Interest received	141	83
	<u>141</u>	<u>83</u>

Rowland's (Selkirk)

**Notes to the Financial Statements
for the year ended 31 July 2012**

5. Incoming resources from charitable activities

	Year ended 31/07/12	Period ended 31/07/11
	£	£
Rental income	3,900	2,925
Use of premises	871	798
Dry Bar income	1,507	1,050
Juke box income	236	140
Feed-in Tariffs	-	188
	<u>6,514</u>	<u>5,101</u>

6. Other incoming resources

	Year ended 31/07/12	Period ended 31/07/11
	£	£
From Unincorporated charity (Note 19)	-	179,659
	<u>-</u>	<u>179,659</u>

Rowland's (Selkirk)

**Notes to the Financial Statements
for the year ended 31 July 2012**

7. Costs of charitable activities

	Year ended 31/07/12 £	Period ended 31/07/11 £
Wages and salaries	30,564	14,113
Employer's NI contributions	1,394	587
Payroll Costs	548	289
Dry Bar purchases	1,639	1,123
Admin	431	304
Activities	5,836	3,027
Games & equipment	302	225
Juke Box/Music Licence	977	649
Insurance	2,411	1,601
Heat & light & Water	651	313
Cleaning	282	1,156
Telephone	631	648
General expenses	602	392
Repairs and maintenance	1,163	1,062
Affiliation fees	55	85
Depreciation on freehold property	2,156	2,156
Depreciation on fixtures & fittings	37	37
Depreciation on computer equipment	661	661
	<u>50,340</u>	<u>28,428</u>

8. Governance costs

	Year ended 31/07/12 £	Period ended 31/07/11 £
Independent examination	1,824	1,416
	<u>1,824</u>	<u>1,416</u>

Rowland's (Selkirk)

**Notes to the Financial Statements
for the year ended 31 July 2012**

9. Net incoming resources for the year

	Year ended 31/07/12 £	Period ended 31/07/11 £
Net incoming resources is stated after charging:		
Depreciation and other amounts written off tangible assets	2,854	2,854
Independent Examiner's remuneration	<u>1,824</u>	<u>1,416</u>

10. Employees

Number of employees

	Year ended 31/07/12	Period ended 31/07/11
The average monthly numbers of employees during the year were:		
	<u>4</u>	<u>2</u>

Employment costs

	Year ended 31/07/12 £	Period ended 31/07/11 £
Wages and salaries	30,564	14,113
Social security costs	1,394	587
Other pension costs	548	289
	<u>32,506</u>	<u>14,989</u>

There were no employees who received remuneration of over £60,000 in the period.

11. Directors' emoluments

No Director nor any persons connected to them received emoluments or reimbursement of any expenses during the period.

Rowland's (Selkirk)

**Notes to the Financial Statements
for the year ended 31 July 2012**

12. Tangible fixed assets	Building 24 -26 West Port £	Building 22d West Port £	Fixtures & Fittings £	Computer Equipment £	Total £
Cost					
At 1 August 2011	98,000	45,750	197	2,645	146,592
At 31 July 2012	98,000	45,750	197	2,645	146,592
Depreciation					
At 1 August 2011	1,470	686	37	661	2,854
Charge for the year	1,470	686	37	661	2,854
At 31 July 2012	2,940	1,372	74	1,322	5,708
Net book values					
At 31 July 2012	95,060	44,378	123	1,323	140,884
At 31 July 2011	96,530	45,064	160	1,984	143,738

13. Debtors	Year ended 31/07/12 £	Period ended 31/07/11 £
Other debtors	705	429
Prepayments and accrued income	281	1,324
	<u>986</u>	<u>1,753</u>

14. Creditors: amounts falling due within one year	Year ended 31/07/12 £	Period ended 31/07/11 £
Other taxes and social security costs	-	620
Accruals and deferred income	7,235	4,555
	<u>7,235</u>	<u>5,175</u>

Rowland's (Selkirk)

**Notes to the Financial Statements
for the year ended 31 July 2012**

15. Analysis of net assets between funds

	Unrestricted			
	General	Designated	Restricted	Total
	funds	funds	funds	funds
	£	£	£	£
Fund balances at 31 July 2012 as represented by:				
Tangible fixed assets	-	140,884	-	140,884
Current assets	6,025	712	44,793	51,530
Current liabilities	(7,235)	-	-	(7,235)
	<u>(1,210)</u>	<u>141,596</u>	<u>44,793</u>	<u>185,179</u>

16. Unrestricted Designated Funds

	1 Aug '11	Outgoing	31 Jul '12
	£	£	£
Designated Assets Fund	143,738	(2,854)	140,884
Designated Property Fund	712	-	712
	<u>144,450</u>	<u>(2,854)</u>	<u>141,596</u>

Purposes of Designated Funds

Designated Assets Fund

The Designated Assets Fund represents the net book value of the charity's fixed assets.

Designated Property Fund

The Designated Property Fund represents funds set aside to finance building repairs and development.

Rowland's (Selkirk)

**Notes to the Financial Statements
for the year ended 31 July 2012**

17. Unrestricted General Funds	1 Aug '11	Incoming	Outgoing	31 Jul '12
	£	£	£	£
General Fund	4,044	11,551	(16,805)	(1,210)
	<u>4,044</u>	<u>11,551</u>	<u>(16,805)</u>	<u>(1,210)</u>

Purposes of General Funds

General Fund

The General Fund encompasses all income and expenditure relating to the primary focus activities of the charity, other than those for which funding is restricted.

18. Restricted funds	1 Aug '11	Incoming	Outgoing	31 Jul '12
	£	£	£	£
Staff Costs Fund	32,670	34,869	(32,505)	35,034
Building Development Fund	-	9,759	-	9,759
	<u>32,670</u>	<u>44,628</u>	<u>(32,505)</u>	<u>44,793</u>

Purposes of restricted funds

Staff Costs Fund

This fund comprises grants received from the Scottish Borders Council, BBC Children In Need and the Robertson Trust towards the charity's staff costs.

Building Development Fund

This fund represents a grant from Awards for All to finance replacement of windows and the building of storage facilities.

Rowland's (Selkirk)

**Notes to the Financial Statements
for the year ended 31 July 2012**

19. Net Assets Transferred

The undernoted assets were transferred from the Unincorporated charity on 1 November 2010 at fair value.

	Unrestricted			Total
	General	Designated	Restricted	Funds
	Funds	Funds	Funds	Funds
	£	£	£	£
<i>Fixed Assets</i>	-	146,592	-	146,592
<i>Current Assets</i>	-	-	-	-
Debtors	1,016	-	-	1,016
Cash at Bank and in Hand	6,757	1,774	31,237	39,768
<i>Current Liabilities</i>	-	-	-	-
Amounts falling due within one year	(1,750)	-	(5,967)	(7,717)
	<u>6,023</u>	<u>148,366</u>	<u>25,270</u>	<u>179,659</u>

The above amounts are included as Income within Note 6 on page 12.

20. Comparative Figures

The comparative figures relate to the charity's first accounting period 7 June 2010 to 31 July 2011.