

Rowland's (Selkirk)
Report and Financial Statements
for the period ended 31 July 2011

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	Appointed 7 June 2010
	James McIntyre	Vice-chairman	Appointed 4 November 2010
	David Bethune	Treasurer	Appointed 7 June 2010
	James Smith	Secretary	Appointed 7 June 2010
	Susan Robb		Appointed 7 June 2010
	David Wilson		Appointed 4 November 2010
	Vivien Hutchinson		Appointed 4 November 2010
	Eileen Easton		Appointed 4 November 2010
	Lisa Milford		Appointed 4 November 2010
	Stacey Grieve		Appointed 4 November 2010
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 period ended 31 July 2011

The Directors present their report and the financial statements of the charity for the accounting period 7 June 2010 to 31 July 2011.

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 period and since the period 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 17.

Appointment of Directors

New Directors are appointed at the discretion of the Board and 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 Board of Directors are responsible for the administration and financial affairs of the charity. The Board of Directors are appointed by the charitable company's members. At each Annual General Meeting, all of the Directors shall retire from office but shall then be eligible for re-election.

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 period ended 31 July 2011

ACHIEVEMENTS AND PERFORMANCE

Organisationally, a major change took place on 1 November 2010, when Selkirk Dry Bar Association (SDBA), the former unincorporated charity, was wound up, and all assets transferred to the newly formed charitable company, Rowland's (Selkirk). The outgoing Management Committee of SDBA were all co-opted as Directors of Rowland's (Selkirk), so continuity was maintained through the process.

The Board of Directors met monthly from November 2010. A new Youth Committee was formed, which met regularly, with representatives attending and reporting to the Board.

Rowland's operates as a drop-in Youth Centre ("dry bar") for the young people of Selkirk and surroundings. Rowland's was open every Monday and Friday evening throughout the period, except for a few holidays. Most evenings, between 20 and 50 young people used the centre, socialising and playing games, supervised by volunteer adults. Regular evenings were supplemented by a number of other social and educational events. A significant new development was the provision of a 4 week summer programme, involving a wide range of activities, partly funded by YouthChex. Rowland's staff and Directors also took the lead in organising a series of regular Youth Summits, bringing together a range of partners involved with young people, in response to concerns about anti-social behavior raised by local residents.

The team of around 25 volunteers, ably organised and trained by Project Facilitator, Avril Nairn continued to run Rowland's throughout the year. A number of staffing changes took place during the period, with Julie Smith being appointed to cover Jenni Saunders' absence. Julie was then appointed to a new post of Specialist Development Worker. The Board, in partnership with Youth Borders, have secured grants which will allow a full complement of 3 part time staff to continue to develop Rowland's youth provision into 2012 and beyond.

We continue to acknowledge the generosity of local businessman, Mr. R. P. 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.

The flat (22d West Port) 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 future improvements are being considered. The photovoltaic array continues to prove a success, generating 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 period ended 31 July 2011

FINANCIAL REVIEW

Per the Statement of Financial Activities on page 7, the charity reported net incoming resources (i.e. surplus) for the period of £181,164. At 31 July 2011, the charity held total funds of £181,164 of which £144,450 was "tied up" in fixed assets. The charity's total income of £211,008 included, as required by the accounting regulations, £179,659 representing the transfer at fair value of the Net Assets of the former unincorporated organisation on 1 November 2010. Excluding this amount, the charity would have reported a surplus for the period of £1,505.

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. Unrestricted Funds per the General Fund (page 7) amounted to £4,044 which was considered acceptable to the Directors.

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.

Rowland's (Selkirk)

**Directors' Annual Report
for the period ended 31 July 2011**

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 20 October 2011 and signed on their behalf by

A handwritten signature in black ink, appearing to read 'J Smith', with a stylized flourish at the end.

**James Smith
Director/ Secretary**

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 period ended 31 July 2011 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

38 Cadogan Street
Glasgow
G2 7HF

20 October 2011

Rowland's (Selkirk)

**Statement of Financial Activities
(incorporating Income and Expenditure Account)**

for the period ended 31 July 2011

		Unrestricted			Period ended
		General	Designated	Restricted	31/07/11
		funds	funds	funds	Total
	Notes	£	£	£	£
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	2,398	-	23,170	25,568
Activities for generating funds	3	597	-	-	597
Investment income	4	83	-	-	83
Incoming resources from charitable activities	5	5,101	-	-	5,101
Other incoming resources	6	6,023	148,366	25,270	179,659
Total incoming resources		<u>14,202</u>	<u>148,366</u>	<u>48,440</u>	<u>211,008</u>
Resources expended					
Charitable activities	7	(7,132)	(3,916)	(17,380)	(28,428)
Governance costs	8	(1,416)	-	-	(1,416)
Total resources expended		<u>(8,548)</u>	<u>(3,916)</u>	<u>(17,380)</u>	<u>(29,844)</u>
Net incoming resources before transfers		5,654	144,450	31,060	181,164
Gross transfers between funds		(1,610)	-	1,610	-
Net movement in funds		<u>4,044</u>	<u>144,450</u>	<u>32,670</u>	<u>181,164</u>
Total funds carried forward		<u><u>4,044</u></u>	<u><u>144,450</u></u>	<u><u>32,670</u></u>	<u><u>181,164</u></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 2011**

	Notes	31/07/11	
		£	£
Fixed assets			
Tangible assets	12		143,738
Current assets			
Debtors	13	1,753	
Cash at bank and in hand		40,848	
		<u>42,601</u>	
Creditors: amounts falling due within one year	14	<u>(5,175)</u>	
Net current assets			<u>37,426</u>
Net assets			<u><u>181,164</u></u>
Funds			
Unrestricted funds			
General funds	16		4,044
Designated funds	17		144,450
Restricted funds	18		<u>32,670</u>
			<u><u>181,164</u></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 period ended 31 July 2011**

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

(a) that for the period 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 period ended 31 July 2011 and

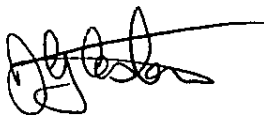
(c) that we acknowledge our responsibilities for:

(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 period and of its incoming resources and application of resources, including the income and expenditure, for the period 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 20 October 2011 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 period ended 31 July 2011

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost as modified by the use of fair value on the transfer of assets from the former Unincorporated organisation, 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

Assets acquired on the transfer of the unincorporated charity at 1 November 2010 (per Note 12 on page 15) are stated at fair value, noting that the charity's flatted property at 22d West Port represents the Directors' estimate of its market value. Subsequent additions will be stated at cost.

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 period ended 31 July 2011**

2. Voluntary income

**Period
ended
31/07/11
£**

Donations	921
Donations by Gift Aid	1,175
Income Tax on Gift Aid	320
Scottish Borders Council	5,967
Youth Chex	1,000
BBC Children in Need	6,133
Robertson Trust	10,000
Membership subscriptions	52
	<u>25,568</u>

3. Activities for generating funds

**Period
ended
31/07/11**

£

Fundraising	597
	<u>597</u>

4. Investment income

**Period
ended
31/07/11**

£

Interest received	83
	<u>83</u>

Rowland's (Selkirk)

**Notes to the Financial Statements
for the period ended 31 July 2011**

5. Incoming resources from charitable activities

**Period
ended
31/07/11**

£

Rental income	2,925
Use of premises	798
Dry Bar income	1,050
Juke box income	140
Feed-in Tariffs	188
	<u>5,101</u>

6. Other incoming resources

**Period
ended
31/07/11**

£

From Unincorporated charity (Note 19)	<u>179,659</u>
	<u>179,659</u>

Rowland's (Selkirk)

**Notes to the Financial Statements
for the period ended 31 July 2011**

7. Costs of charitable activities

	Period ended 31/07/11 £
Wages and salaries	14,113
Employer's NI contributions	587
Dry Bar stock	1,123
Admin	594
Activities	3,027
Games & equipment	225
Juke Box/Music Licence	649
Insurance	1,601
Heat & light & Water	313
Cleaning	1,156
Telephone	648
General expenses	391
Repairs and maintenance	1,062
Affiliation fees	85
Depreciation on freehold property	2,156
Depreciation on fixtures & fittings	37
Depreciation on computer equipment	661
	<u>28,428</u>

8. Governance costs

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

Rowland's (Selkirk)

**Notes to the Financial Statements
for the period ended 31 July 2011**

9. Net incoming resources for the period

**Period
ended
31/07/11
£**

Net incoming resources is stated after charging:
Depreciation and other amounts written off tangible assets
Independent Examiner's remuneration

2,854
1,416

10. Employees

Number of employees

**Period
ended
31/07/11
Number**

The average monthly numbers of employees
during the period were:

2

Employment costs

**Period
ended
31/07/11
£**

Wages and salaries
Social security costs

14,113
587

14,700

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 period ended 31 July 2011**

12. Tangible fixed assets	Building 24 -26 West Port £	Building 22d West Port £	Fixtures & Fittings £	Computer Equipment £	Total £
Valuation					
Additions from Unincorporated charity at fair value	98,000	45,750	197	2,645	146,592
At 31 July 2011	<u>98,000</u>	<u>45,750</u>	<u>197</u>	<u>2,645</u>	<u>146,592</u>
Depreciation					
Charge for the period	1,470	686	37	661	2,854
At 31 July 2011	<u>1,470</u>	<u>686</u>	<u>37</u>	<u>661</u>	<u>2,854</u>
Net book value					
At 31 July 2011	<u>96,530</u>	<u>45,064</u>	<u>160</u>	<u>1,984</u>	<u>143,738</u>

13. Debtors	31/07/11
	£
Other debtors	429
Prepayments and accrued income	<u>1,324</u>
	<u>1,753</u>

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

Rowland's (Selkirk)

**Notes to the Financial Statements
for the period ended 31 July 2011**

15. Analysis of net assets between funds

	Unrestricted			Total
	General	Designated	Restricted	funds
	funds	funds	funds	funds
	£	£	£	£
Fund balances at 31 July 2011 as represented by:				
Tangible fixed assets	-	143,738	-	143,738
Current assets	6,714	712	35,175	42,601
Current liabilities	(2,670)	-	(2,505)	(5,175)
	<u>4,044</u>	<u>144,450</u>	<u>32,670</u>	<u>181,164</u>

16. Unrestricted General Funds	1 Nov '10	Incoming	Outgoing	Transfers	31 Jul '11
	£	£	£	£	£
General Fund	-	14,202	(8,548)	(1,610)	4,044
	<u>-</u>	<u>14,202</u>	<u>(8,548)</u>	<u>(1,610)</u>	<u>4,044</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.

Rowland's (Selkirk)

Notes to the Financial Statements for the period ended 31 July 2011

17. Unrestricted Designated Funds	1 Nov '10 £	Incoming £	Outgoing £	31 Jul '11 £
Designated Assets Fund	-	146,592	(2,854)	143,738
Designated Property Fund	-	1,774	(1,062)	712
	<u>-</u>	<u>148,366</u>	<u>(3,916)</u>	<u>144,450</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.

18. Restricted funds	1 Nov '10 £	Incoming £	Outgoing £	Transfers £	31 Jul '11 £
Staff Costs Fund	-	47,370	(14,700)	-	32,670
Summer Activities	-	1,070	(2,680)	1,610	-
	<u>-</u>	<u>48,440</u>	<u>(17,380)</u>	<u>1,610</u>	<u>32,670</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.

Summer Activities

This fund comprises grant from Youth Chex and other income received towards the cost of the Summer Activities Programme.

Rowland's (Selkirk)

Notes to the Financial Statements for the period ended 31 July 2011

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.