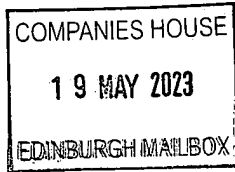


Registered number: SC222083
Charity number: SC032050



THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

ArmstrongWatson[®]
Accountants, Business & Financial Advisers

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)

TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022

Trustees

A G Smith (resigned 31/1/2022)
M N Watson
J F Crallan
R Middleton
E J P Harnett
H A Keron (resigned 25/10/2021)
P N Fryer
T Threadgall
L Smith (appointed 31/1/2022, resigned 14/11/2022)

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2022

Company registered number	SC222083
Charity registered number	SC032050
Registered office	CatStrand High Street New Galloway Castle Douglas DG7 3RN
Independent auditor	Armstrong Watson Audit Limited Chartered Accountants & Statutory Auditors 51 Rae Street Dumfries Dumfries and Galloway DG1 1JD
Bankers	Bank of Scotland plc 192 King Street Castle Douglas DG7 1DB
Solicitors	Williamson & Henry LLP 3 St Cuthbert Street Kirkcudbright DG6 4DJ

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the audited financial statements of the company for the period 1 September 2021 to 31 August 2022. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the group and the company qualify as small under section 383 of the Companies Act 2006, the Group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The objects of the Company are embodied in paragraph 3.1 of the Memorandum:

3.1.1 To advance the education of the public by the provision of premises and facilities wherein there can be collected, preserved, exhibited and interpreted historic and artistic materials and associated information about the same and in particular material that relates to the general area of the Glenkens or its inhabitants or is connected therewith.

3.1.2 To promote, maintain, improve and advance education particularly by promoting and encouraging the study, practice, knowledge and appreciation of the arts and for these purposes to organize, promote, manage and conduct exhibition, concerts, conferences, dramas, lectures and workshops in the Glenkens or elsewhere.

3.1.3 To promote the benefit of the inhabitants and in particular the young, elderly and disabled of the Glenkens and its environs without distinction of sex, sexuality, political, religious or other opinions by associating the local statutory authorities, voluntary organisations and inhabitants in a common effort to advance education and to provide facilities, or assist in the provision of facilities, in the interest of social welfare for recreation and other leisure time occupations so that their condition of life may be improved.

3.1.4 To advance the education of those who are rurally isolated by utilising Information Technology to provide distance learning and also to facilitate visiting lectures.

Significant powers are given to the Company in furtherance of the stated objects.

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Achievements and performance

a. Chairman's Introduction

As I write this in January 2023, September 2021 to August 2022 seems like a long time ago. However, I will attempt to cast my mind back!

In common with so many venues, the emerging from the covid pandemic in the last quarter of 2021 was challenging. However, we adapted to the 'new normal' and also implemented our plans from our 2019 strategic review by appointing Helen Keron to the new role of Executive Manager in November 2021. With generous funding from South of Scotland Enterprise and the Glenkens & District Trust, Helen has successfully managed her dual role – the senior managerial role in GCAT and assisting the communities to deliver the ambitions articulated in the Community Action Plan.

Thanks to our funding from Creative Scotland, our Arts programme has gone from strength to strength under the leadership of our Arts, Culture and Heritage Manager, Peter Renwick. Peter has programmed high quality music, dance and theatre – something for everyone, as it should be. Ticket sales are improving to 2019 levels and beyond, and as an update, in September 2022, we secured a 15th year of Creative Scotland funding to see us through to October 2023.

The café has stayed open through thick and thin, delivering consistently high-quality food in a really welcoming environment. The Friday late-opening evenings through the summer in particular were a real success. Our thanks go to our dedicated catering team, Helen Kirkpatrick and Eileen Edgar, as well as all of our waiting and Front of House staff.

The shop also continues to perform well, thanks in no small part to Sue Lindsay. We are especially proud of our promotion of local artists both for re-sale and at our regular exhibitions.

A particular highlight of this year was celebrating the bicentenary of the Ken Bridge. Driven by John Crallan's vision and hard work, it was a fantastic programme of events. When the lights went on for the first time under the bridge, the evening literally shone. It was great to partner with Drax, the Galloway Glens Scheme and the Loch Ken Trust on this project, along with many others.

CatStrand Young Creatives had a great year since Cat Campbell was appointed as Project Coordinator in January 2022. The programme is much invigorated, with many new activities complementing the more established ones. Thanks as ever to The Holywood Trust for their support of this important programme.

GCT has had another good year, with Jon Betts taking on more responsibility as he heads towards the Manager role in January 2023 after Glen Murray's planned retirement, and Sue McMinn joining the team. GCT is known regionally as a 'gold standard' Community Transport Operation. It is a core member of the Dumfries and Galloway Public-Social-Private (PSP) Partnership and is much appreciated by all who use it, whether for regular services, excursions or Patient Transport.

After the excellent work starting the project by Brian Jones, Chis Jowsey and Fiona Limbrey, CiC has had a very busy start to their new phase after Lisa Ridley and Jo Jackson started in May 2022 for the final year of the current project. They have provided a huge range of community activities and support, with a real focus on reaching all parts of the Glenkens and district and those people who would really benefit from the activities. Thanks to the the National Lottery Community Fund for their core funding of this project, plus the People's Postcode Trust and the Blackcraig Wind Farm Community fund, administered by the Glenkens & District Trust and Foundation Scotland, who have supported the activity programmes. We took over the co-ordination of the September 2022 Glenkens Food Month, after the great work of New Galloway Community Enterprises over the last three years, and were happy to help with such a popular cross-Glenkens event.

Some of our most important and visible assets are of course the CatStrand and Smiddy buildings. Brian Edgar continues to do a great job of maintaining and operating them, and everyone who comes to visit is always impressed by them and the welcome they get. It's easy to think its normal to have these kind of facilities on our doorstep, but it really isn't and we should be very proud of them.

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Achievements and performance (continued)

a. Chairman's Introduction (continued)

Underpinning all of our work is Business Support. Andrea Smith joined us in July 2022 to support Gill Warnock, which valuable extra resource is now allowing us to improve and finesse our processes. With 23 people on the payroll, GCAT is now a mature and quite sizeable organisation, which presents its own challenges as well as opportunities.

Helen continues to work on key themes of the Glenkens and District Community Action Plan, such as a Connected Community and an Asset Rich Community. This has led to some direct project delivery in 2022/23 – more on this in the next section (Projects - Financial Review). She is also working on other underlying themes of Housing, Land Use and Net Zero, with great support from external expertise. Although longer term and more nebulous than some CAP projects, these are of critical importance to creating a connected, resilient and carbon neutral Glenkens where people will want to live, to work, to bring up their families, and to grow old. Helen is well supported in this work by the voluntary Community Action Plan Steering Group, who provide assurance about progress on the CAP priorities. My thanks go to all members of the Steering Group for their time and wise advice on this important new role for GCAT.

We have also very much appreciated the support of other local charitable organisations across the Glenkens and district in partnering with us on projects large and small. I know that Helen in particular has enjoyed the opportunities that she has had to work with and support Glenkens organisations in her CAP role. GCAT has a clear vision that its role in leading on delivery of the CAP will be achieved both through direct delivery and also by supporting or simply encouraging other organisations to deliver, as only by a distributed ownership and delivery of the CAP will its priorities be properly realised for the community.

Although we have had an excellent year of delivery, it has been more challenging in terms of overhead cost recovery. Although all our projects cover their own costs and contribute what they can, it remains a continuing challenge to find the funds for core salaries and overheads. Fundraising and earned income are key strategic priorities for the year ahead.

On which note, almost everything we do is only possible due to support from external funders. We therefore thank Creative Scotland, The Holywood Trust, the Big Lottery Fund, the Blackcraig Wind Farm Community Fund through the Glenkens & District Trust and Foundation Scotland, the Galloway Glens Scheme, South of Scotland Enterprise, Dumfries and Galloway Council and many other contributors. We also continue to be grateful to the many private individuals and family trusts who are so generous in their support of us.

I would also like to thank all the many people who make GCAT the success it is today. The staff, who all give much more than they need to, the key deliverers and artists who allow us to operate at such high quality levels, the people who attend so many of our events and are so appreciative, and in particular, our volunteers. Whether you steward for us, work on the front desk, sort out our garden, drive for us, give your time on one of our sub-committees, fundraise for us or support us in any other way, it is all very much appreciated and we couldn't do it without you.

Finally, I wish to pay tribute to the Board who continue to provide their invaluable time and experience in support of GCAT. Thank you all. We sadly said farewell to Chairman Alan Smith after almost nine years at the last AGM and I would like to thank Alan again for his contribution and friendship over the many years he has been involved with GCAT and his ongoing support.

Lindsey Smith resigned from the Board in November 2022 due to pressure of work, and John Crallan and Emma Harnett will be stepping down at this AGM. Emma has been on the Board for many years, and her steady hand and wise guidance has been much appreciated. John has also been on the Board for a long time, and without him, many of our cornerstone projects would not have been possible – in particular, the refurbishment after the 2015 flood and the renovation of the Smiddy building in 2020. Thank you all!

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Achievements and performance (continued)

b. Projects - Financial Review

Overview

As expected, recovering from the effects of Covid on our activities has resulted in a difficult year for organisational finances and we have used reserves to cover a consolidated group shortfall of £131,505. Of this, it should be noted that £69,539 is depreciation of the CatStrand building and other assets and £20,988 is a loss on disposal of the wood pellet boiler. The reduction in 'cash' reserves over the year is therefore £40,978.

We've made use of the designated funds through the year as planned and the Trustees have decided to release any remaining balances back into General Funds. This reflects the reduction of unknown Covid costs expected in the coming year and so the reclamation of usual processes to manage the budgets.

Arts Events and Programming

The overall income was £22,322 for the year's activities. We received grants of £97,396 comprising mainly Creative Scotland funding with contributions also from Galloway Glens Landscape Partnership and Museums & Galleries Scotland.

Youth Arts

The Youth Arts project continues to be funded by the Holywood Trust and the funding model does not feature earned income.

Venue Hire

There were 18 venue hires in the year (7 in 20/21) as we reverted towards pre-Covid levels of hirings. Total income was £4,624 for the year (£2,978 for 20/21).

Catering & Bar

The café and bar generated £77,003 income for the year (£45,096 in 20/21 for 34 weeks opening) with the Friday evening openings proving a popular addition to the regular opening times.

Retail Shop

Shop turnover this year was £31,214 for the year (£20,267 in 20/21 for 34 weeks opening).

Core Costs

The Job Retention Scheme finished tapering in the year and we received one final minor payment.

We incurred irrecoverable VAT of £1,415 due to partial exemption.

Building costs doubled in the year as we returned to a normal level of activities.

Capital Expenditure

The main capital costs this year were as follows:

£9,400 for Watson Bird project signage (grant funded)

£6,460 to upgrade air-conditioning (funded by donation)

£5,710 on IT equipment (funded by grants and designated funds)

Friends

The Friends scheme generated income of £2,745 (£2,800 in 20/21).

General Donations

We raised £41,580 in general donations (£8,533 in 20/21). This included £20,000 from the Batchworth Trust and a donation which allowed us to upgrade the bar facilities in the café.

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Achievements and performance (continued)

b. Projects - Financial Review (continued)

Glenkens Gazette

Advertising income and sponsorship totalled £13,557 (£11,078 in 2021). There was additional grant support of £3,214 from Galloway Glens Landscape Partnership to help fund extra print and delivery costs to reach outlying areas and extra project co-ordinator costs for extended issues. Natural Power continues to sponsor the Gazette at £120 per issue.

Galloway Community Transport (SCIO)

GCT has separate accounts which are consolidated into these group accounts due to the strong operational links between the two entities and the influence of common control due to the same Trustees on both Boards.

Financial Review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The Trustees maintain the charity's reserves at a level which is at least equivalent to three months operational expenditure, plus any longer-term contractual obligations. The amount of reserves required to fulfil this policy is reviewed on a 6-monthly basis at the Audit & Finance meetings. It is currently set at £150k, based on just over ¼ of FY operational expenditure in 2021/22. We have no material longer-term contractual obligations.

The Trustees have deemed this to be a prudent amount that can be spent either to cover a finite and short-term drop in income, to cover agreed budget shortfalls or to cover redundancies if the organisation requires to be wound up. The redundancy liability at 31 August 2022 was around £15k.

If the cash reserves in the bank fall below the Reserves level at any point, the A&F Committee will convene in a timely manner to address the issue.

2021/22 Position

Audited Annual Accounts to 31st August 2022 - Consolidated Unrestricted General Funds - £294,004.

The Unrestricted General Funds incorporate both unrestricted and designated funds to facilitate GCAT's reserves policy and funds to be used for costs not covered by secured funding in the financial year 01/09/2022 – 31/08/2023. The Trustees are satisfied with our 2021/22 reserves position.

Structure, governance and management

a. Constitution

The Glenkens Community and Arts Trust Limited is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

The management of the Group and the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association. Under those Articles, the Trustees are appointed by the Members at the AGM or by the Trustees at any other time to serve a period of 3 years.

The existing Trustees retire by rotation, and this year John Crallan and Emma Harnett have indicated that they will be retiring. The membership of the organisation is open to all, by Member nomination and election at our AGM. In February 2023, we are hoping to appoint 5 further Trustees based on a skills audit of the current Board, bringing our total number to 9. All new Board members will undergo a full induction process.

c. Organisational structure and decision-making policies

GCAT staff are organised by project under the Executive Manager. Each project has a Team Leader, who reports to the Executive Manager, and associated team members who may be GCAT staff, freelancers or volunteers. We are moving to a model where each project also has a sub-committee for support. The sub-committees have written terms of reference and all have at least one Board member on them, as well as interested members of the Glenkens communities. They provide strategic and operational support to the Team Leader, as well as line of sight from the Board directly into projects.

Operational decisions are taken by the project teams, with recourse to the Executive Manager where appropriate.

The Executive Manager reports to the Chair of the Board, and refers all strategic decisions to the Board through them at the 2-monthly Board meetings.

The Executive Manager also takes advice from the Community Action Plan Steering Group, which meets quarterly. They provide direction and assurance on delivery of the Community Action Plan priorities through GCAT.

d. Pay policy for senior staff

The pay of the Executive Manager and the Team Leaders is reviewed annually and normally increased in accordance with average earnings. Their salaries are benchmarked by Trustees against pay levels in similar organisations operating in similar contexts.

e. Financial risk management

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

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Plans for future periods

As we look forward to the 2022/23 accounting year and beyond, we are looking forward to consolidating the new organisational structure based around the role of Executive Manager. The creation of this role has allowed the Board to concentrate on strategic direction rather than operational involvement, and has led to the formalisation of many of our policies and procedures. This work will continue through 2023 as GCAT matures into the solid organisation that it now is. There will be a focus on updating the 2019-2024 Strategic Review in the light of the post-Covid, post-CAP delivery context that we find ourselves in now.

Project delivery is mostly looking very assured, with Creative Scotland funding secured for the Arts programme to September 2023 and Holywood Trust funding secured for CatStrand Young Creatives to March 2024. Galloway Community Transport continues its self-sustaining business model, boosted this year by a multi-year award towards core costs from the Blackcraig Wind Farm Community Fund, administered through the Glenkens and District Trust and Foundation Scotland. Glen Murray left GCT at the end of December 2022 with the project in excellent shape, with stable finances and a brand new eMinibus coming soon. Thank you Glen for all your very hard work over the years, it is very much appreciated.

The Blackcraig Wind Farm Community Fund is also underpinning the role of Executive Manager to September 2023, matched by Galloway Glens Scheme funding. The Glenkens Gazette continues to cover most of its own costs, again supported in growth by the Blackcraig fund and the Galloway Glens. Connecting in Communities Big Lottery funding finally expires in May 2023, but we are working up what the continuation of this project should look like and submitting associated grant applications.

In addition, the ongoing relationship between GCAT and the Glenkens and District Community Action Plan remains an important focus for the organisation. There will be some very concrete projects delivered by GCAT in pursuit of the CAP priorities in 2022/23; namely the creation of the Glenkens Community Spaces Network, the launch of the Glenkens Hub and the commissioning of a Feasibility Study into how to improve the energy efficiency and therefore sustainability of many of the Glenkens & district Town and Village Halls.

The Glenkens Community Spaces Network began in November 2022, with Becca Nelson as the Facilitator. Becca will support the voluntary committees of the Village Halls and Town Halls in their excellent work and she also has some time each week to move their priorities forward.

The Glenkens Hub will be a new website and suite of social media channels that will bring together local news, information about housing, jobs and volunteering opportunities plus an Events Calendar, to bring our communities closer together. We appointed a new freelance Digital Editor, Gail Challis, in January 2023 to support Sarah Ade in this work, and it will be a really good addition to Glenkens-wide connectivity.

Both of these projects were identified as priorities in the Glenkens & District Community Action Plan and both are funded by the Blackcraig Wind Farm Community Fund and the Galloway Glens Scheme. Together with other CAP projects already ongoing like Propagate's Glenkens Food Hub and LING's Glenkens Youth Group, they demonstrate measurable progress against the clear priorities articulated by the Glenkens communities back in 2019/2020.

In addition, we will continue to work at a local and regional level on the more strategic aims of the Community Action Plan – Housing, Energy Efficiency and Land Use. Although the outputs of these are often less tangible, getting them right is of critical importance for the Glenkens to achieve its ambitions. We will host a Land Use community event and a Housing Forum in Winter 2023, as part of our role in amplifying and supporting community voices on these subjects.

Our prudent approach to planning sees us well positioned to continue delivery on an assured basis. Although we have made a loss this year, we do not over-commit to projects without a defined funding route. We will be working hard on our fundraising strategy and earned income in 2022/23, to try and insulate ourselves from the increasing fragility of the grant funding landscape. We commit to meeting the evolving needs of our communities as very best we can, by leveraging in investment to the area based on our track record of delivery, by working in partnership for the good of the whole Glenkens and by remaining flexible and responsive to our communities.

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the company and of their incoming resources and application of resources, including their income and expenditure, 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 (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the 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 (as amended). They are also responsible for safeguarding the assets of the Group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

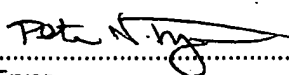
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Auditor

The auditor, Armstrong Watson Audit Limited, has indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:


.....
P N Fryer
Chairman
Date: 20 February 2023.

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED

Opinion

We have audited the financial statements of The Glenkens Community and Arts Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2022 which comprise the Consolidated statement of financial activities, the Consolidated statement of financial position, the Company statement of financial position, the Consolidated statement of cash flows, the Company Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 August 2022 and of the Group'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 requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the parent charitable company has not kept proper accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group through discussions with trustees and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group, such as the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental, health and safety legislation, as well as compliance with government bodies for the provision of apprenticeships.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- reviewing the key areas of the financial statements most susceptible to fraud whilst tailoring our audit plans.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates, such as depreciation and fund allocations were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED (CONTINUED)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to 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's and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Armstrong Watson Audit Limited

Armstrong Watson Audit Limited
Chartered Accountants & Statutory Auditors
Dumfries

Date: 12 April 2023.

Armstrong Watson Audit Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	2	42,789	259,925	302,714	428,085
Charitable activities	3	228,404	30,290	258,694	171,956
Other trading activities	4	31,214	-	31,214	22,034
Investments	5	28	-	28	22
Other income	6	3,117	-	3,117	33,630
Total income		305,552	290,215	595,767	655,727
Expenditure on:					
Raising funds	7	39,948	-	39,948	35,515
Charitable activities	8	362,474	324,850	687,324	479,731
Total expenditure		402,422	324,850	727,272	515,246
Net movement in funds		(96,870)	(34,635)	(131,505)	140,481
Reconciliation of funds:					
Total funds brought forward		390,874	1,421,164	1,812,038	1,671,557
Net movement in funds		(96,870)	(34,635)	(131,505)	140,481
Total funds carried forward		294,004	1,386,529	1,680,533	1,812,038

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

The notes on pages 23 to 43 form part of these financial statements.

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)

**COMPANY STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Donations and capital grants	42,699	254,389	297,088	411,674
Charitable activities	101,411	23,111	124,522	67,728
Other trading activities	31,214	-	31,214	29,535
Investments	28	-	28	22
Other income	3,117	-	3,117	33,630
Total income	178,469	277,500	455,969	542,589
Expenditure on:				
Raising funds	39,948	-	39,948	35,515
Charitable activities	237,484	315,483	552,967	394,658
Total expenditure:	277,432	315,483	592,915	430,173
Net Income	(98,963)	(37,983)	(136,946)	112,416
Transfers	-	-	-	-
	(98,963)	(37,983)	(136,946)	112,416
Net movement in funds				
Reconciliation of funds:				
Total funds brought forward	342,524	1,410,569	1,753,093	1,640,677
Net movement in funds	(98,963)	(37,983)	(136,946)	112,416
Total funds carried forward	243,561	1,372,586	1,616,147	1,753,093

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: SC222083

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	1,415,672	1,478,172
		<u>1,415,672</u>	<u>1,478,172</u>
Current assets			
Stocks	13	14,076	10,641
Debtors	14	54,511	34,848
Cash at bank and in hand		269,550	333,624
		<u>338,137</u>	<u>379,113</u>
Creditors: amounts falling due within one year	15	(73,276)	(45,247)
Net current assets		<u>264,861</u>	<u>333,866</u>
Total assets less current liabilities		<u>1,680,533</u>	<u>1,812,038</u>
Total net assets		<u><u>1,680,533</u></u>	<u><u>1,812,038</u></u>
Charity funds			
Restricted funds	16	1,386,529	1,421,164
Unrestricted funds	16	294,004	390,874
Total funds		<u><u>1,680,533</u></u>	<u><u>1,812,038</u></u>

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED

**(A company limited by guarantee)
REGISTERED NUMBER: SC222083**

**CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022**

The company was entitled to exemption from audit under section 477 of the Companies Act 2006.

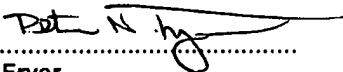
The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


.....
P N Fryer

Chairman

Date: 20 February 2023

The notes on pages 23 to 43 form part of these financial statements.

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: SC222083

COMPANY BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	1,404,494	1,461,460
		<u>1,404,494</u>	<u>1,461,460</u>
Current assets			
Stocks	13	14,076	10,641
Debtors	14	48,681	29,039
Cash at bank and in hand		217,983	293,525
		<u>280,740</u>	<u>333,205</u>
Creditors: amounts falling due within one year	15	(69,087)	(41,572)
Net current assets		<u>211,653</u>	<u>291,633</u>
Total assets less current liabilities		<u>1,616,147</u>	<u>1,753,093</u>
Total net assets		<u><u>1,616,147</u></u>	<u><u>1,753,093</u></u>
Charity funds			
Restricted funds	16	1,389,326	1,409,819
Unrestricted funds			
Designated funds	16	174,996	254,166
General funds	16	51,825	89,108
		<u>226,821</u>	<u>343,274</u>
Total unrestricted funds	16	<u>226,821</u>	<u>343,274</u>
Total funds		<u><u>1,616,147</u></u>	<u><u>1,753,093</u></u>

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED

**(A company limited by guarantee)
REGISTERED NUMBER: SC222083**

**COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022**

The company's net movement in funds for the year was £(136,946) (2021 - £112,416).

The company was entitled to exemption from audit under section 477 of the Companies Act 2006.

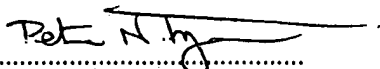
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P N Fryer

Chairman

Date: 20 February 2023

The notes on pages 23 to 43 form part of these financial statements.

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities	(36,075)	237,578
Cash flows from investing activities		
Bank interest received	28	22
Purchase of tangible fixed assets	(28,027)	(123,874)
Net cash used in investing activities	(27,999)	(123,852)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(64,074)	113,726
Cash and cash equivalents at the beginning of the year	333,624	219,898
Cash and cash equivalents at the end of the year	<u>269,550</u>	<u>333,624</u>

The notes on pages 23 to 43 form part of these financial statements

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities	(47,593)	211,373
Cash flows from investing activities		
Bank interest received	28	22
Purchase of tangible fixed assets	(27,977)	(101,595)
Net cash used in investing activities	(27,949)	(101,573)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(75,542)	109,800
Cash and cash equivalents at the beginning of the year	293,525	183,725
Cash and cash equivalents at the end of the year	<u>217,983</u>	<u>293,525</u>

The notes on pages 23 to 43 form part of these financial statements

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Glenkens Community and Arts Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

1.2 Going concern

The Trustees have reviewed the 12 months from February 2023 to January 2024 in their annual Going Concern assessment. Covid uncertainty is reducing and ticket sales are increasing, which are all very positive. The cost of living crisis and the increasing fragility of the funding landscape are cause for concern, but they are confident that through prudent planning, they have sufficient resources available to meet their needs for a period beyond 12 months from the point of signing.

1.3 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

1.5 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1.

In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £250 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2%
Plant and machinery	-	25%
Motor vehicles	-	25%
Furniture, fittings and equipment-		25%

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Debtors

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

1.10 Cash at bank and in hand

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

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

1.12 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

2. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Grants			
Galloway Community Transport	-	5,381	5,381
Other grants	11,518	240,405	251,923
Total Grants	<u>11,518</u>	<u>245,786</u>	<u>257,304</u>
Donations	31,271	14,139	45,410
	<u>42,789</u>	<u>259,925</u>	<u>302,714</u>
	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Grants			
The Smiddy	-	10,395	10,395
Galloway Community Transport	-	16,333	16,333
Other grants	89,018	299,736	388,754
Total Grants	<u>89,018</u>	<u>326,464</u>	<u>415,482</u>
Donations	11,818	785	12,603
	<u>100,836</u>	<u>327,249</u>	<u>428,085</u>

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

3. Income from charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Community earned income	101,411	789	102,200
Galloway Community Transport	126,993	7,179	134,172
Events & Exhibitions	-	22,322	22,322
Total 2022	228,404	30,290	258,694

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Community earned income	60,394	783	61,177
Galloway Community Transport	100,451	3,777	104,228
Events & Exhibitions	-	6,551	6,551
Total 2021	160,845	11,111	171,956

4. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £
Retail operations	31,214	31,214

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Retail operations	20,268	1,766	22,034

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

5. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £
Bank interest receivable	28	28
	<u>28</u>	<u>28</u>
	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Bank interest receivable	22	22
	<u>22</u>	<u>22</u>

6. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £
Job Retention Scheme income	200	200
Other incoming resources	2,917	2,917
	<u>3,117</u>	<u>3,117</u>
	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Job Retention Scheme income	29,096	29,096
Other incoming resources	4,534	4,534
	<u>33,630</u>	<u>33,630</u>

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

7. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2022 £	Total funds 2022 £
Retail operations costs	39,948	39,948

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Retail operations costs	22,347	13,168	35,515

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Expenditure on community earned income	279,076	315,483	594,559
Galloway Community Transport	83,398	9,367	92,765
	<u>362,474</u>	<u>324,850</u>	<u>687,324</u>
	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total 2021 £</i>
Expenditure on community earned income	219,242	231,627	450,869
Galloway Community Transport	21,252	7,610	28,862
	<u>240,494</u>	<u>239,237</u>	<u>479,731</u>

9. Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor for the audit of the company's annual accounts	9,775	4,050
Fees payable to the company's auditor in respect of:		
All non-audit services not included above	<u>2,000</u>	<u>1,983</u>

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

10. Staff costs

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	285,905	242,980	251,813	186,768
Social security costs	14,392	7,202	14,392	7,202
Contribution to defined contribution pension schemes	3,935	2,685	3,935	2,685
	<u>304,232</u>	<u>252,867</u>	<u>270,140</u>	<u>196,655</u>

Included in the above table is £34,092 (2021 - £17,131) of wages paid under the PAYE scheme of The Glenkens Community & Arts Trust that have been recharged to Galloway Community Transport SCIO.

The average number of persons employed by the company during the year was as follows:

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Administration & support	20	18	20	18

The average headcount expressed as full-time equivalents was:

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Administration & support	14	11	14	11

No employee received remuneration amounting to more than £60,000 in either year.

The Charity considers six members of paid staff to be key management personnel and the total remuneration for these staff members amounts to £168,742 (2021 - £114,216 for five staff members).

Self employed drivers

	Group 2022 £	Group 2021 £
Self employed driver costs	45,981	39,081
	<u>45,981</u>	<u>39,081</u>

There were no self employed driver costs for the Company in the current or previous year.

THE GLENKENS COMMUNITY AND ARTS TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

12. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 September 2021	1,580,241	5,952	153,711	151,979	1,891,883
Additions	-	-	50	27,977	28,027
Disposals	(24,980)	-	-	-	(24,980)
At 31 August 2022	1,555,261	5,952	153,761	179,956	1,894,930
Depreciation					
At 1 September 2021	183,486	1,485	113,496	115,244	413,711
Charge for the year	31,594	1,490	13,417	23,038	69,539
On disposals	(3,992)	-	-	-	(3,992)
At 31 August 2022	211,088	2,975	126,913	138,282	479,258
Net book value					
At 31 August 2022	1,344,173	2,977	26,848	41,674	1,415,672
At 31 August 2021	1,396,755	4,467	40,215	36,735	1,478,172

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12. Tangible fixed assets (continued)

Company

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 September 2021	1,580,241	137,384	151,979	1,869,604
Additions	-	-	27,977	27,977
Disposals	(24,980)	-	-	(24,980)
At 31 August 2022	<u>1,555,261</u>	<u>137,384</u>	<u>179,956</u>	<u>1,872,601</u>
Depreciation				
At 1 September 2021	183,486	109,414	115,244	408,144
Charge for the year	31,594	9,323	23,038	63,955
On disposals	(3,992)	-	-	(3,992)
At 31 August 2022	<u>211,088</u>	<u>118,737</u>	<u>138,282</u>	<u>468,107</u>
Net book value				
At 31 August 2022	<u>1,344,173</u>	<u>18,647</u>	<u>41,674</u>	<u>1,404,494</u>
At 31 August 2021	<u>1,396,755</u>	<u>27,970</u>	<u>36,735</u>	<u>1,461,460</u>

13. Stocks

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Finished goods and goods for resale	<u>14,076</u>	<u>10,641</u>	<u>14,076</u>	<u>10,641</u>

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14. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due within one year				
Trade debtors	19,081	11,295	9,704	3,542
Other debtors	4,962	4,211	10,142	7,835
Prepayments and accrued income	30,468	19,342	28,835	17,662
	54,511	34,848	48,681	29,039

15. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	15,484	18,581	13,358	17,983
Other taxation and social security	12,536	2,377	12,536	2,377
Other creditors	3,863	2,679	3,863	2,679
Accruals and deferred income	41,393	21,610	39,330	18,533
	73,276	45,247	69,087	41,572

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Deferred income at 1 September 2021	6,068	5,000	3,991	5,000
Resources deferred during the year	4,488	6,068	4,488	3,991
Amounts released from previous periods	(6,068)	(5,000)	(3,991)	(5,000)
	4,488	6,068	4,488	3,991

Deferred income includes grants received that specifically cover time periods which occur post year end.

Also included is:

- Gazette advertising income which has been received before the year end but the Gazette issue has been published in the next financial year.
- Ticket income received for events that do not take place until the next financial year.

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16. Statement of funds

Statement of funds - current year

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2022 £
Unrestricted funds					
Designated funds					
Revaluation Reserve	149,785	-	(3,483)	-	146,302
Capital Maintenance	23,000	-	(640)	(1,832)	20,528
Venue Recovery (in the event of a Winter 2021/22 lockdown)	19,000	-	-	(19,000)	-
Arts Resilience	11,000	-	-	(11,000)	-
IT upgrades (organisational resilience)	9,000	-	(834)	-	8,166
Additional FOH person through 21/22 due to cafe COVID operational procedures	10,000	-	(10,000)	-	-
Ventilation upgrades (COVID response)	8,000	-	-	(8,000)	-
Galloway Community Transport	13,000	-	(13,000)	-	-
	<u>242,785</u>	<u>-</u>	<u>(27,957)</u>	<u>(39,832)</u>	<u>174,996</u>
General funds					
General Funds	103,499	178,469	(269,975)	39,832	51,825
General Funds - GCT	44,590	127,083	(104,490)	-	67,183
	<u>148,089</u>	<u>305,552</u>	<u>(374,465)</u>	<u>39,832</u>	<u>119,008</u>
Total Unrestricted funds	<u>390,874</u>	<u>305,552</u>	<u>(402,422)</u>	<u>-</u>	<u>294,004</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

16. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2022 £
Restricted funds					
Capital Asset Fund	846,523	-	(53,403)	17,801	810,921
Capital Asset Fund - Smiddy	348,239	-	(13,992)	54,838	389,085
Dalry Bird Town & Watson Trail	23,540	5,102	(7,848)	(9,401)	11,393
Hollywood Trust	23,580	-	(10,050)	-	13,530
Events & Exhibitions	9,129	159,480	(117,625)	-	50,984
Digital Development	1,940	-	-	(1,940)	-
Connecting in Communities	76,484	59,538	(58,800)	-	77,222
Flood Wall	1,546	-	(838)	-	708
Mens Shed	54,838	-	-	(54,838)	-
Anon Covid Donation	5,000	-	(5,000)	-	-
GCT Projects	3,686	1,839	(1,839)	-	3,686
GCT - Patient Transport	7,659	10,876	(7,528)	-	11,007
Salaries	19,000	25,000	(40,833)	-	3,167
CAP (Comms & GAN)	-	15,880	(1,054)	-	14,826
Anonymous donation	-	12,500	(6,040)	(6,460)	-
	<u>1,421,164</u>	<u>290,215</u>	<u>(324,850)</u>	<u>-</u>	<u>1,386,529</u>
Total of funds	<u><u>1,812,038</u></u>	<u><u>595,767</u></u>	<u><u>(727,272)</u></u>	<u><u>-</u></u>	<u><u>1,680,533</u></u>

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16. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 August 2021 £</i>
Unrestricted funds					
Designated funds					
Revaluation Reserve	174,166	-	-	(24,381)	149,785
Capital Maintenance	15,000	-	-	8,000	23,000
Venue Recovery (in the event of a Winter 2021/22 lockdown)	29,500	-	-	(10,500)	19,000
Community Resilience Fund	7,500	-	-	(7,500)	-
Arts Resilience	7,500	-	-	3,500	11,000
IT upgrades (organisational resilience)	-	-	-	9,000	9,000
Additional FOH person through 21/22 due to cafe COVID operational procedures	-	-	-	10,000	10,000
Ventilation upgrades (COVID response)	-	-	-	8,000	8,000
Galloway Community Transport	-	-	-	13,000	13,000
	<hr/> 233,666 <hr/>	<hr/> - <hr/>	<hr/> - <hr/>	<hr/> 9,119 <hr/>	<hr/> 242,785 <hr/>
General funds					
General Funds	69,890	215,105	(185,377)	3,881	103,499
General Funds - GCT	12,279	100,496	(77,464)	9,279	44,590
	<hr/> 82,169 <hr/>	<hr/> 315,601 <hr/>	<hr/> (262,841) <hr/>	<hr/> 13,160 <hr/>	<hr/> 148,089 <hr/>
Total Unrestricted funds	<hr/> 315,835 <hr/>	<hr/> 315,601 <hr/>	<hr/> (262,841) <hr/>	<hr/> 22,279 <hr/>	<hr/> 390,874 <hr/>

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16. Statement of funds (continued)

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 August 2021 £</i>
Restricted funds					
Capital Asset Fund	896,916	-	(50,393)	-	846,523
Dalry Bird Town	15,615	35	(271)	-	15,379
Watson Trail	-	8,566	(405)	-	8,161
Hollywood Trust	17,760	38,899	(33,079)	-	23,580
Events & Exhibitions	4,520	103,290	(98,681)	-	9,129
Digital Development	1,940	-	-	-	1,940
Connecting in Communities	9,165	127,846	(60,527)	-	76,484
Flood Wall	2,384	-	(838)	-	1,546
Mens Shed	43,707	11,337	(206)	-	54,838
Capital Asset - Smiddy	337,624	11,010	(395)	-	348,239
Anon Covid Donation	5,000	-	-	-	5,000
GCT Projects	11,555	14,410	-	(22,279)	3,686
GCT - Patient Transport	9,536	5,733	(7,610)	-	7,659
Salaries	-	19,000	-	-	19,000
	<u>1,355,722</u>	<u>340,126</u>	<u>(252,405)</u>	<u>(22,279)</u>	<u>1,421,164</u>
 Total of funds	 <u><u>1,671,557</u></u>	 <u><u>655,727</u></u>	 <u><u>(515,246)</u></u>	 <u><u>-</u></u>	 <u><u>1,812,038</u></u>

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17. Funds information

The Designated Revaluation Reserve fund represents the difference on the revaluation of the freehold and buildings against the original cost and does not represent cash held by the charity.

The Capital Asset Fund represents all funds received that have been spent on capital items in previous years.

The Dalry Bird Town fund consists of the balance on a fundraising campaign (Feathers).

The Watson Trail fund consisted of grants received to create a walking / driving trail around the Glenkens. It is now fully spent in the year to August 2022.

The Holywood Trust grant was received to support the events programme for young people.

The Creative Scotland Arts Programme has been established to provide a year-long programme of arts activity in the CatStrand and funding has been included in the Events & Exhibitions fund.

Creative Scotland provided a grant for the Digital Development fund towards business development in the area of online trading and promotion. This fund is now fully spent in the year to August 2022.

Connecting in Communities project is supported by the National Lottery Community Fund, People's Postcode Trust Wellbeing Fund, Foundation Scotland (the Blackcraig Community Windfarm Community Benefit Fund via the Glenkens & District Trust), Galloway Glens Landscape Partnership Scheme, Inspiring Scotland (Rural Communities Idea into Action Fund) and Third Sector Dumfries & Galloway (Community Based Adult Learning Fund).

Flood Wall - the work on this was completed and this fund has been depreciated over two years to zero.

The Men's Shed fund represents grants spent on capital items. As the Men's Shed is based at the Smiddy this fund has been transferred to become part of the Capital Asset - Smiddy fund.

The Smiddy - Galloway Glens Landscape Partnership Scheme and D&G LEADER have supported the complete renovation of the Smiddy in Balmaclellan. The building was handed over in September 2019.

An anonymous donation towards Covid recovery was received with thanks and spent fully on the new staffing requirements needed to operate safely.

The GCT Projects fund is in relation to the charity's subsidiary, Galloway Community Transport SCIO and are restricted funds for restricted projects they are undertaking.

The Salaries fund was established with funding from Foundation Scotland (the Blackcraig Community Windfarm Community Benefit Fund via the Glenkens & District Trust) to contribute towards the cost of employing a senior manager.

CAP (Comms & GAN) represents funding for Community Action Plan delivery from Foundation Scotland (the Blackcraig Community Windfarm Community Benefit Fund via the Glenkens & District Trust) and covers the Communications Hub and the Glenkens Asset Network projects – now known as the Glenkens Hub and the Glenkens Community Spaces Network.

Transfers between funds

The Trustees deemed it appropriate to release some previously designated funds back to general funds now that the cost position due to COVID is less uncertain.

The transfers between funds not specifically noted above represents fixed assets that have been purchased using these funds fulfilling the restriction. The cost of these assets have been transferred to a capital asset fund where the depreciation will be allocated so as to reduce this fund over the respective assets useful lives.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Summary of funds

Summary of funds - current year

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2022 £
Designated funds	242,785	-	(27,957)	(39,832)	174,996
General funds	148,089	305,552	(374,465)	39,832	119,008
Restricted funds	1,421,164	290,215	(324,850)	-	1,386,529
	<u>1,812,038</u>	<u>595,767</u>	<u>(727,272)</u>	<u>-</u>	<u>1,680,533</u>

Summary of funds - prior year

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2021 £
Designated funds	233,666	-	-	9,119	242,785
General funds	82,169	315,601	(262,841)	13,160	148,089
Restricted funds	1,355,722	340,126	(252,405)	(22,279)	1,421,164
	<u>1,671,557</u>	<u>655,727</u>	<u>(515,246)</u>	<u>-</u>	<u>1,812,038</u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	214,958	1,200,714	1,415,672
Current assets	143,646	194,491	338,137
Creditors due within one year	(64,600)	(8,676)	(73,276)
Total	<u>294,004</u>	<u>1,386,529</u>	<u>1,680,533</u>

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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	233,454	1,244,718	1,478,172
Current assets	171,849	207,264	379,113
Creditors due within one year	(14,429)	(30,818)	(45,247)
Total	390,874	1,421,164	1,812,038

20. Reconciliation of net movement in funds to net cash flow from operating activities

	<i>Group 2022 £</i>	<i>Group 2021 £</i>	<i>Company 2022 £</i>	<i>Company 2021 £</i>
Net income/expenditure for the year (as per Statement of Financial Activities)	(131,505)	140,481	(136,946)	112,416
Adjustments for:				
Depreciation charges	69,539	67,788	63,955	62,221
Bank interest received	(28)	(22)	(28)	(22)
Loss on the sale of fixed assets	20,988	-	20,988	-
Decrease/(increase) in stocks	(3,435)	1,189	(3,435)	1,189
Decrease/(increase) in debtors	(19,663)	24,386	(19,642)	34,971
Increase in creditors	28,029	3,756	27,515	598
Net cash provided by/(used in) operating activities	(36,075)	237,578	(47,593)	211,373

21. Analysis of cash and cash equivalents

	<i>Group 2022 £</i>	<i>Group 2021 £</i>	<i>Company 2022 £</i>	<i>Company 2021 £</i>
Cash in hand	269,550	333,624	217,983	293,525
Total cash and cash equivalents	269,550	333,624	217,983	293,525

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22. Analysis of changes in net debt

	At 1 September 2021	Cash flows	At 31 August 2022
	£	£	£
Cash at bank and in hand	333,624	(64,074)	269,550
	<u>333,624</u>	<u>(64,074)</u>	<u>269,550</u>

23. Pension commitments

At the period end date £985 (2021 - £518) was owed by the Group under their defined contribution pension scheme. This figure is included within other creditors.

24. Related party transactions

Under the direction of Financial Reporting Standard 102 the charity is required to disclose all material transactions undertaken with parties related to the charity. Transactions are deemed to be material when their disclosure might reasonably be expected to influence decisions made by the users of the financial statements.

The charity had an operational arrangement with Galloway Community Transport SCIO to provide staff, self employed drivers and management services. During the year the charity charged £87,573 (2021 - £63,712) to the SCIO and at the year end date was owed £8,021 (2021 - £3,639), this balance was eliminated on consolidation in the Group accounts.

During the year the Trust paid £nil to J F Crallan, Trustee in respect of professional services (2021 - £870).

There were no other material transactions with parties related to the group.