

REGISTERED COMPANY NUMBER: SC261084 (Scotland)
REGISTERED CHARITY NUMBER: SC035061

**Report of the Trustees and
Financial Statements for the Year Ended
31 March 2017
for
Connect Community Trust Limited**

Armstrongs
Statutory Auditor
Chartered Accountants
Victoria Chambers
142 West Nile Street
Glasgow

THURSDAY



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Connect Community Trust Limited

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for the Year Ended 31 March 2017**

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Connect Community Trust Limited

Report of the Trustees for the Year Ended 31 March 2017

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2017. The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Trust is led and managed by members of the community. As a community organisation the Trust manages community facilities and develops activities and initiatives within the hub, innerzone, hubSports and the Connie in line with the community need and demand. In addition, to the community facilities within the Easterhouse area of Glasgow, Connect also operates a furniture reuse and recycling operation called ReConnect Glasgow.

The Trust's remit is much wider than just a facility operator and providing access to a range of training, employment, health and other education services and community support.

The Trust is a creative and inspirational organisation that has a vision for community-run and controlled services through the empowerment of local people. The Trust provides a holistic service that doesn't cater for just one section of the community but caters for the diverse range of ages and needs within a community as a whole. Providing a mix of support, social, environmental and education activities that creates a supportive and progressive community and environ.

STRATEGIC REPORT

Achievement and performance

Charitable activities

Over the past year, Connect has continued to develop the services that are offered in line with community need and demand with some excellent community successes but recognises that this year has been a financially difficult year.

Some of the achievements/highlights this year have included:

- The launch of a dedicated Futures Development Programme: focused on the support provided to over 40 volunteers within Connect services and the help needed for progression on to further opportunities and employment.
- The peoples Gateway Project (employment and training support service): 701 people have been supported through Welfare Reform, with many avoiding sanctions by learning the skills needed for jobsearch and accessing training. The PG project has also supported many with debt problems and financial issues.
- Youth Services within Innerzone, the Connie youth clubs have helped 295 young people through the drop-in youth clubs and dedicated educational workshops over the year. Supporting young people to gain qualifications and deal with any issues or barriers that they may be facing. In addition, a new sports and fitness programme was introduced that has increased the physical activity of 186 young people.
- Wellhouse allotments continues to work with people with additional needs and also supported young people with education and adults in physical activity. The allotments has developed the services provided including animal welfare, education on biodiversity and recycling with the community as a whole embracing and supporting the ventures.
- ReConnect Glasgow (future reuse and recycling): operations have supported 15 trainees and volunteers and over 200 families with access to furniture and affordable household items. New partnerships with housing associations across the East End of Glasgow and ensuring that support is provided to the most vulnerable clients and that our charitable aims and objectives are met by not only the supply of furniture but through education and links to support services and personal progression.

In relation to the performance of operations Connect has been successfully helping and supporting local people to make changes in their own lives and the community as a whole however, the Board of Connect recognises that this year has been a financially difficult one and to ensure sustainability a number of actions have had to be initiated to mitigate financial risk. Over the coming months Connect is carrying out a review of all services and activities in relation to financial risk and plans put in place to ensure that any issues are addressed but also so that our continued impact and support to the community continues.

Connect Community Trust Limited

Report of the Trustees for the Year Ended 31 March 2017

STRATEGIC REPORT

Financial review

Financial review

The Group had net outgoing resources of £81,608 (2016: net outgoing resources of £8,748) for the year and has accumulated funds of £620,759 (2016: £702,367) at the balance sheet date. The Charity had net outgoing resources of £76,796 (2016: net outgoing resources of £6,768) for the year and has accumulated funds of £631,155 (2016: £707,951) at the balance sheet date.

Reserves policy

It is the policy of the charity to maintain unrestricted funds at a level to provide sufficient funds to cover 3 months management and administration costs.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is incorporated as a company limited by guarantee without a share capital and is recognised as a Scottish charity. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the board of directors are elected by the company in general meeting, and directors shall retire by rotation.

Appointment of Trustees

Trustees are appointed at the discretion of the board.

Group Structure

Connect Community Trust Limited has a wholly owned subsidiary, Connect-In Enterprises Limited. The activities of this company are consolidated with those of Connect Community Trust Limited.

Related parties

Some of the Trustees of Connect Community Trust are Committee Members of Provanhall Housing Association. Details of transactions between the Trust and this Housing Association is included within Note 18.

Some of the Trustees of Connect Community Trust are Directors of Connect-In Enterprises Ltd a wholly owned subsidiary of Connect Community Trust. Details of transactions between the Trust and Connect-In Enterprises Ltd are also included within Note 18.

Risk management

The trustees have assessed the risks to which the charity is exposed, in particular those related to the operations and finances of the charity and are satisfied that procedures are in place to mitigate these risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC261084 (Scotland)

Registered Charity number

SC035061

Registered office

The Hub
49 Wellhouse Crescent
Glasgow
G33 4LA

Trustees

Mrs G Andrews	Secretary	- resigned 29.3.17	Mrs B McCluskey
L Granger	Vice Chairperson		D McKenna
W Mulligan	Chairperson		Mrs L Copeland
M McCormick	Treasurer		Mrs S Running
Miss J Strang		- appointed 29.3.17	P Goodman

Connect Community Trust Limited

**Report of the Trustees
for the Year Ended 31 March 2017**

REFERENCE AND ADMINISTRATIVE DETAILS

Company Secretary
D McKenna

Auditors
Armstrongs
Statutory Auditor
Chartered Accountants
Victoria Chambers
142 West Nile Street
Glasgow
G1 2RQ

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Connect Community Trust Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

AUDITORS

The auditors, Armstrongs, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 13 September 2017 and signed on the board's behalf by:



D McKenna - Trustee

Report of the Independent Auditors to the Trustees and Members of Connect Community Trust Limited

We have audited the financial statements of Connect Community Trust Limited for the year ended 31 March 2017 on pages six to nineteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

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

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis for the qualified opinion on the financial statements

The financial statements have been prepared on the assumption that Connect Community Trust Limited will continue as a going concern. However, Connect Community Trust Limited has incurred a deficit of £76,796 in the year. The operation of Connect Community Trust Limited is dependent on it receiving continued financial assistance from external sources. Like many social enterprises in Scotland, Connect Community Trust Limited's ability to quantify and confirm the level of future public sector income (derived from grants and service contracts) is limited at present.

These conditions raise doubt as to the ability to continue as a going concern. We have been unable to obtain sufficient evidence to support the opinion of the trustees with respect to going concern.

The financial statements do not contain any adjustment relating to recoverability and classification of any asset carrying amounts or amounts and classification of liabilities that might result should Connect Community Trust Limited be unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Trustees and Members of
Connect Community Trust Limited**

Matters on which we are required to report by exception

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

- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made.



Adam I Armstrong (Senior Statutory Auditor)

for and on behalf of Armstrongs

Statutory Auditor

Chartered Accountants

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Victoria Chambers

142 West Nile Street

Glasgow

G1 2RQ

13 September 2017

Connect Community Trust Limited

**Consolidated Statement of Financial Activities
for the Year Ended 31 March 2017**

		Unrestricted funds £	Restricted funds £	31.3.17 Total funds £	31.3.16 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	83,537	500,054	583,591	581,133
Other trading activities	3	<u>165,888</u>	<u>-</u>	<u>165,888</u>	<u>174,918</u>
Total		249,425	500,054	749,479	756,051
 EXPENDITURE ON					
Charitable activities	4				
Projects and activities costs		57,097	98,558	155,655	115,795
Staff Costs		93,157	383,946	477,103	458,224
Premises costs		52,947	43,783	96,730	88,185
Running costs		46,849	12,347	59,196	54,601
Interest and finance charges		3,195	-	3,195	4,715
Depreciation		<u>37,837</u>	<u>1,371</u>	<u>39,208</u>	<u>43,279</u>
Total		291,082	540,005	831,087	764,799
NET INCOME/(EXPENDITURE)		(41,657)	(39,951)	(81,608)	(8,748)
 RECONCILIATION OF FUNDS					
Total funds brought forward		629,659	72,708	702,367	711,115
TOTAL FUNDS CARRIED FORWARD		<u>588,002</u>	<u>32,757</u>	<u>620,759</u>	<u>702,367</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

Connect Community Trust Limited

**Charity Statement of Financial Activities
for the Year Ended 31 March 2017**

	Notes	Unrestricted funds £	Restricted funds £	31.3.17 Total funds £	31.3.16 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	73,579	500,054	573,633	581,133
Other trading activities	3	<u>145,073</u>	<u>-</u>	<u>145,073</u>	<u>137,647</u>
Total		218,652	500,054	718,706	718,780
 EXPENDITURE ON					
Charitable activities	4				
Projects and activities costs		33,422	98,560	131,982	100,187
Staff Costs		88,650	383,946	472,596	448,304
Premises costs		50,249	43,783	94,032	84,648
Running costs		44,653	12,347	57,000	48,461
Interest and finance charges		1,703	-	1,703	1,659
Depreciation		<u>36,818</u>	<u>1,371</u>	<u>38,189</u>	<u>42,289</u>
Total		255,495	540,007	795,502	725,548
NET INCOME/(EXPENDITURE)		(36,843)	(39,953)	(76,796)	(6,768)
 RECONCILIATION OF FUNDS					
Total funds brought forward		635,243	72,708	707,951	714,719
TOTAL FUNDS CARRIED FORWARD		<u>598,400</u>	<u>32,755</u>	<u>631,155</u>	<u>707,951</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

Connect Community Trust Limited

Consolidated Balance Sheet At 31 March 2017

	Notes	31.3.17 £	31.3.16 £
FIXED ASSETS			
Tangible assets	9	561,844	592,824
Investments	10	-	-
		<u>561,844</u>	<u>592,824</u>
CURRENT ASSETS			
Stocks and work-in-progress	11	35,821	35,620
Debtors	12	39,044	104,603
Cash at bank and in hand		<u>48,570</u>	<u>41,123</u>
		<u>123,435</u>	<u>181,346</u>
CREDITORS			
Amounts falling due within one year	13	(47,390)	(43,412)
		<u>76,045</u>	<u>137,934</u>
NET CURRENT ASSETS			
		<u>637,889</u>	<u>730,758</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS			
Amounts falling due after more than one year	14	(17,130)	(28,391)
		<u>620,759</u>	<u>702,367</u>
NET ASSETS			
FUNDS	17		
Unrestricted funds:			
General fund		34,271	48,317
Designated Fixed Assets Fund		<u>553,732</u>	<u>581,342</u>
		<u>588,003</u>	<u>629,659</u>
Restricted funds:			
People's Gateway Fund		-	38,506
Community Jobs Scotland Fund		2,826	1,909
Youth Leadership Fund		-	32,293
Furniture Re-Use and Recycling		23,191	-
Young Futures Project		<u>6,739</u>	<u>-</u>
		<u>32,756</u>	<u>72,708</u>
TOTAL FUNDS		<u>620,759</u>	<u>702,367</u>

The financial statements were approved by the Board of Trustees on 13 September 2017 and were signed on its behalf by:

W Mulligan

W Mulligan - Trustee

Connect Community Trust Limited

**Charity Balance Sheet
At 31 March 2017**

	Notes	31.3.17 £	31.3.16 £
FIXED ASSETS			
Tangible assets	9	561,843	591,804
Investments	10	<u>1</u>	<u>1</u>
		561,844	591,805
CURRENT ASSETS			
Stocks and work-in-progress	11	35,821	35,620
Debtors	12	36,767	109,999
Cash at bank and in hand		<u>43,649</u>	<u>16,656</u>
		116,237	162,275
CREDITORS			
Amounts falling due within one year	13	<u>(38,517)</u>	<u>(34,096)</u>
NET CURRENT ASSETS		<u>77,720</u>	<u>128,179</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		639,564	719,984
CREDITORS			
Amounts falling due after more than one year	14	<u>(8,409)</u>	<u>(12,033)</u>
NET ASSETS		<u>631,155</u>	<u>707,951</u>
FUNDS	17		
Unrestricted funds:			
General fund		44,667	53,901
Designated Fixed Assets Fund		<u>553,732</u>	<u>581,342</u>
		598,399	635,243
Restricted funds:			
People's Gateway Fund		-	38,506
Community Jobs Scotland Fund		2,826	1,909
Youth Leadership Fund		-	32,293
Furniture Re-Use and Recycling		23,191	-
Young Futures Project		<u>6,739</u>	<u>-</u>
		32,756	72,708
TOTAL FUNDS		<u>631,155</u>	<u>707,951</u>

The financial statements were approved by the Board of Trustees on 13 September 2017 and were signed on its behalf by:

W Mulligan

W Mulligan - Trustee

Connect Community Trust Limited

Notes to the Consolidated Financial Statements for the Year Ended 31 March 2017

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Support costs have been allocated between governance costs and other support costs. Governance costs will include costs related to statutory audit and other direct costs related to public accountability.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- over the lease term
Plant and machinery	- 25% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost

It is the policy of the charity to capitalise items of expenditure over £1,500.

Stocks

Funds expended in bringing certain donated goods to a saleable condition are recognised as a cost of stock on the Balance Sheet until sold.

Taxation

The Charity is exempt from corporation tax on its charitable activities.

Activity based reporting

The Trustees are of the opinion that the charity's activities are interlinked and there is no merit in providing further analysis within the notes to the accounts.

Donated goods

The nature of the donated goods are predominantly high volume and low value items and on that basis these donated goods are not recognised on receipt, rather the value to the charity of the donated goods for resale is recognised as income when sold. Funds expended in bringing certain donated goods to a saleable condition are recognised as a cost of stock on the Balance Sheet until sold. On sale of the donated goods the value of the related stock cost is charged against the related income under the heading 'other trading activities'.

Connect Community Trust Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 31 March 2017**

2. DONATIONS AND LEGACIES

	Group		Charity	
	31.3.17	31.3.16	31.3.17	31.3.16
	£	£	£	£
Donations	26,183	18,782	26,183	18,782
Glasgow City Council	61,460	56,468	61,460	56,468
Scottish Executive	192,294	265,521	192,294	265,521
DTA	9,625	10,000	9,625	10,000
Job Centre - DWP	23,415	7,765	23,415	7,765
Glasgow Housing Association	-	2,905	-	2,905
Yomo	633	620	633	620
SCVO	12,625	-	12,625	-
The Big Lottery	45,730	-	45,730	-
Keep Scotland Beautiful - CCF	98,418	42,775	98,418	42,775
Easterhouse Housing and Regeneration Alliance	12,500	10,000	12,500	10,000
Blairtumloch Housing Association	-	54,724	-	54,724
Wellhouse Housing Association	20,000	5,000	20,000	5,000
Provanhall Housing Association	-	2,500	-	2,500
NHS	-	2,284	-	2,284
Skills Development Scotland	49,535	52,477	49,535	52,477
Learn Direct	17,650	10,629	17,650	10,629
The Gannochy Trust	-	8,500	-	8,500
Glasgow Life	-	13,881	-	13,881
The Robertson Trust	-	15,000	-	15,000
Greenspace	-	1,302	-	1,302
Cycling Scotland	3,565	-	3,565	-
Erasmus Music Project	9,958	-	-	-
	<u>583,591</u>	<u>581,133</u>	<u>573,633</u>	<u>581,133</u>

3. OTHER TRADING ACTIVITIES

	Group		Charity	
	31.3.17	31.3.16	31.3.17	31.3.16
	£	£	£	£
Sales income – Connect-IN	78,358	82,896	-	-
Café income	15,332	18,196	15,332	18,196
Walking club income	2,463	3,752	2,463	3,752
Hall hire, catering	7,872	12,602	7,872	12,602
Innerzone income	2,475	1,805	2,475	1,805
Miscellaneous income	1,723	492	1,723	482
Consultancy income	2,125	100	2,125	100
Hub Sports	15,801	20,845	15,801	20,845
Hub Transport	-	102	-	102
Provanhall	1,892	2,864	1,892	2,864
Salary recharges	-	1,453	47,693	37,255
Music Initiative	180	48	180	48
Rent income	6,225	4,010	7,075	4,860
Re-Connect	29,648	13,048	29,648	13,048
Training/employability	-	12,389	-	12,389
Campus disability income	-	299	-	299
Allotment income	1,794	-	1,794	-
Management fees	-	-	9,000	9,000
Deposit account interest	-	17	-	-
	<u>165,888</u>	<u>174,918</u>	<u>145,073</u>	<u>137,647</u>

Connect Community Trust Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 31 March 2017**

4. CHARITABLE ACTIVITIES COSTS

	Group		Charity	
	31.3.17	31.3.16	31.3.17	31.3.16
	£	£	£	£
Projects and activities costs	155,655	115,795	131,982	100,187
Staff costs	477,103	458,224	472,596	448,304
Premises costs	96,730	88,185	94,032	84,648
Running costs	59,196	54,601	57,000	48,461
Interest and finance charges	3,195	4,715	1,703	1,659
Depreciation	39,208	43,279	38,189	42,289
	<u>831,087</u>	<u>764,799</u>	<u>795,502</u>	<u>725,548</u>

5. SUPPORT COSTS

	Group		Charity	
	31.3.17	31.3.15	31.3.17	31.3.16
	£	£	£	£
Auditors' remuneration	<u>9,135</u>	<u>8,433</u>	<u>9,135</u>	<u>8,433</u>

6. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	Group		Charity	
	31.3.17	31.3.16	31.3.17	31.3.16
	£	£	£	£
Auditors' remuneration	9,135	8,433	9,135	8,433
Depreciation - owned assets	<u>39,208</u>	<u>43,279</u>	<u>38,189</u>	<u>42,289</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2017 nor for the year ended 31 March 2016.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2017 nor for the year ended 31 March 2016.

8. STAFF COSTS

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

Connect Community Trust Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2017**

9. GROUP TANGIBLE FIXED ASSETS

	Long leasehold property £	Plant and machinery etc £	Totals £
COST			
At 1 April 2016	828,293	98,800	927,093
Additions	-	8,228	8,228
At 31 March 2017	828,293	107,028	935,321
DEPRECIATION			
At 1 April 2016	246,952	87,317	334,269
Charge for year	27,610	11,598	39,208
At 31 March 2017	274,562	98,915	373,477
NET BOOK VALUE			
At 31 March 2017	553,731	8,113	561,844
At 31 March 2016	581,341	11,483	592,824

CHARITY TANGIBLE FIXED ASSETS

	Long leasehold property £	Plant and machinery etc £	Totals £
COST			
At 1 April 2016	828,293	95,800	924,093
Additions	-	8,228	8,228
At 31 March 2017	828,293	104,028	932,321
DEPRECIATION			
At 1 April 2016	246,952	85,337	332,289
Charge for year	27,610	10,579	38,189
At 31 March 2017	274,562	95,916	370,478
NET BOOK VALUE			
At 31 March 2017	553,731	8,112	561,843
At 31 March 2016	581,341	10,463	591,804

Connect Community Trust Limited

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2017

10. FIXED ASSET INVESTMENTS

	Group		Charity	
	31.3.17	31.3.16	31.3.17	31.3.16
	£	£	£	£
Connect-IN Enterprises Limited	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Connect-IN Enterprises Limited
Nature of business: Events company

	%
Class of share:	holding
Ordinary	100

	31.3.17	31.3.16
	£	£
Aggregate capital and reserves	(10,395)	(5,583)
(Loss) for the year	<u>(4,812)</u>	<u>(1,980)</u>

11. STOCKS AND WORK-IN-PROGRESS

	Group		Charity	
	31.3.17	31.3.16	31.3.17	31.3.16
	£	£	£	£
Stocks and work-in-progress	<u>35,821</u>	<u>35,620</u>	<u>35,821</u>	<u>35,620</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	31.3.17	31.3.16	31.3.17	31.3.16
	£	£	£	£
Trade debtors	9,049	17,773	2,399	13,319
Other debtors	29,995	86,830	34,368	96,680
	<u>39,044</u>	<u>104,603</u>	<u>36,767</u>	<u>109,999</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	31.3.17	31.3.16	31.3.17	31.3.16
	£	£	£	£
Bank loans and overdrafts (see note 15)	-	5	-	5
Other loans (see note 15)	12,499	13,447	4,626	5,337
Trade creditors	5,853	1,207	4,853	-
Social Security and other taxes	16,599	18,907	16,599	18,907
Accrued expenses	12,439	9,846	12,439	9,847
	<u>47,390</u>	<u>43,412</u>	<u>38,517</u>	<u>34,096</u>

Connect Community Trust Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2017**

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	31.3.17 £	31.3.16 £	31.3.17 £	31.3.16 £
Other loans (see note 15)	<u>17,130</u>	<u>28,391</u>	<u>8,409</u>	<u>12,033</u>

15. LOANS

An analysis of the maturity of loans is given below:

	Group		Charity	
	31.3.17 £	31.3.16 £	31.3.17 £	31.3.16 £
Amounts falling due within one year on demand:				
Bank overdraft	-	5	-	5
Other loans	12,499	13,447	4,626	5,337
	<u>12,499</u>	<u>13,452</u>	<u>4,626</u>	<u>5,342</u>
Amounts falling between one and two years:				
Other loans – 1-2 years	<u>14,058</u>	<u>21,694</u>	<u>5,337</u>	<u>5,337</u>
Amounts falling due between two and five years:				
Other loans – 2-5 years	<u>3,072</u>	<u>6,696</u>	<u>3,072</u>	<u>6,696</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS - GROUP

	Unrestricted funds £	Restricted funds £	31.3.17 Total funds £	31.3.16 Total funds £
Fixed assets	557,732	4,112	561,844	592,824
Investments	-	-	-	-
Current assets	94,791	28,644	123,435	181,346
Current liabilities	(47,390)	-	(47,390)	(43,412)
Long term liabilities	<u>(17,130)</u>	<u>-</u>	<u>(17,130)</u>	<u>(28,391)</u>
	<u>588,003</u>	<u>32,756</u>	<u>620,759</u>	<u>702,367</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CHARITY

	Unrestricted funds £	Restricted funds £	31.3.17 Total funds £	31.3.16 Total funds £
Fixed assets	557,731	4,112	561,843	591,804
Investments	1	-	1	1
Current assets	87,593	28,644	116,237	162,275
Current liabilities	(38,517)	-	(38,517)	(34,096)
Long term liabilities	<u>(8,409)</u>	<u>-</u>	<u>(8,409)</u>	<u>(12,033)</u>
	<u>598,399</u>	<u>32,756</u>	<u>631,155</u>	<u>707,951</u>

Connect Community Trust Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2017**

17. MOVEMENT IN FUNDS – GROUP

	At 31.3.16 £	Net movement in funds £	At 31.3.17 £
Unrestricted funds			
General fund	48,317	(14,046)	34,271
Designated Fixed Assets Fund	581,342	(27,610)	553,732
	<u>629,659</u>	<u>(41,656)</u>	<u>588,003</u>
Restricted funds			
People's Gateway Fund	38,506	(38,506)	-
Community Jobs Scotland Fund	1,909	917	2,826
Youth Leadership Fund	32,293	(32,293)	-
Furniture Re-use and Recycling	-	23,191	23,191
Young Futures Project	-	6,739	6,739
	<u>72,708</u>	<u>(39,952)</u>	<u>32,756</u>
TOTAL FUNDS	<u>702,367</u>	<u>(81,608)</u>	<u>620,759</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	303,633	(317,679)	(14,046)
Designated fixed assets fund	-	(27,610)	(27,610)
	<u>303,633</u>	<u>(345,289)</u>	<u>(41,656)</u>
Restricted funds			
People's Gateway Fund	54,894	(93,400)	(38,506)
Flexible Support Fund	633	(633)	-
Community Jobs Scotland Fund	53,690	(52,773)	917
Youth Leadership Fund	(32,293)	-	(32,293)
Strengthening Communities Program	43,102	(43,102)	-
Furniture Re-Use and Recycling	98,419	(75,228)	23,191
Consortium Youth Provision	50,460	(50,460)	-
Easterhouse Housing & Regeneration Alliance	32,500	(32,500)	-
Skills Development	49,535	(49,535)	-
Young Futures Project	82,529	(75,790)	6,739
Moving Forward Together	45,730	(45,730)	-
Community Support for Stalled Spaces	7,665	(7,665)	-
Bike Club	3,565	(3,565)	-
Community Resilience Fund	9,625	(9,625)	-
	<u>500,054</u>	<u>(540,006)</u>	<u>(39,952)</u>
TOTAL FUNDS	<u>803,687</u>	<u>(885,295)</u>	<u>(81,608)</u>

Connect Community Trust Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2017**

17. MOVEMENT IN FUNDS - CHARITY

	At 1.4.16 £	Net movement in funds £	At 31.3.17 £
Unrestricted funds			
General fund	53,901	(9,234)	44,667
Designated Fixed Assets Fund	581,342	(27,610)	553,732
	<u>635,243</u>	<u>(36,844)</u>	<u>598,399</u>
Restricted funds			
People's Gateway Fund	38,506	(38,506)	-
Community Jobs Scotland Fund	1,909	917	2,826
Youth Leadership Fund	32,293	(32,293)	-
Furniture Re-use and Recycling	-	23,191	23,191
Young Futures Project	-	6,739	6,739
	<u>72,708</u>	<u>(39,952)</u>	<u>32,756</u>
TOTAL FUNDS	<u>707,951</u>	<u>(76,796)</u>	<u>631,155</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	215,317	(224,551)	(9,234)
Wellhouse Gala Day	3,335	(3,335)	-
Designated fixed assets fund	-	(27,610)	(27,610)
	<u>218,652</u>	<u>(255,496)</u>	<u>(36,844)</u>
Restricted funds			
People's Gateway Fund	54,894	(93,400)	(38,506)
Flexible Support Fund	633	(633)	-
Community Jobs Scotland Fund	53,690	(52,773)	917
Youth Leadership Fund	(32,293)	-	(32,293)
Strengthening Communities Program	43,102	(43,102)	-
Furniture Re-Use and Recycling	98,419	(75,228)	23,191
Consortium Youth Provision	50,460	(50,460)	-
Easterhouse Housing & Regeneration Alliance	32,500	(32,500)	-
Skills Development	49,535	(49,535)	-
Young Futures Project	82,529	(75,790)	6,739
Moving Forward Together	45,730	(45,730)	-
Community Support for Stalled Spaces	7,665	(7,665)	-
Bike Club	3,565	(3,565)	-
Catalyst Project Challenge Fund	9,625	(9,625)	-
	<u>500,054</u>	<u>(540,006)</u>	<u>(39,952)</u>
TOTAL FUNDS	<u>718,706</u>	<u>(795,502)</u>	<u>(76,796)</u>

Connect Community Trust Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2017**

18. RELATED PARTY DISCLOSURES

Barbara McCluskey and Cathy Reid, Trustees of Connect Community Trust, are members of the management committee of Provanhall Housing Association. Provanhall Housing Association paid £Nil to Connect Community Trust during the year for office cleaning (2016: £Nil). At the year end Provanhall Housing Association owed Connect Community Trust £Nil (2016: £Nil).

Maureen McCormick also has an interest in Gemap Scotland Limited whom the Trust has had no interactions with.

19. PURPOSES OF GENERAL FUNDS

The General Fund represents the free funds of the charity which the trustees are free to use within the charity's objectives.

20. PURPOSES OF DESIGNATED FIXED ASSETS FUND

The Designated Fixed Assets Fund represents the net book value of the Trust's leasehold property.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

21. PURPOSES OF RESTRICTED FUND

People's Gateway Fund

Represents funding received from the Scottish Government to support individuals and their families living in the North Glasgow area by providing diverse interventions aimed at building strong individuals, families and communities.

Flexible Support Fund

Represents funding received from Jobcentreplus that will help improve employment prospects or future employment outcomes for the long-term unemployed.

Community Jobs Scotland Fund

Represents funding received in relation to the employment of 3 individuals as part of the Community Jobs Scotland Project.

Young Leadership Fund - PCF

Represents funding received in relation to tackling anti-social behaviour by providing youth services, developing youth skills, provide job clubs, mentor schemes and award sessions.

Strengthening Communities Programme

Represents funding received to enable Business review and development to enable the trust to become a more resilient and sustainable community anchor organisation.

Furniture Re-use and Recycling

Represents funding received from Keep Scotland Beautiful regarding ReConnect to support Scotland's strategy for a zero waste Scotland.

Young Futures Fund

Represents funding received in relation to providing a variety of opportunities and activities for young people to improve their prospects for the future.

22. FIRST YEAR ADOPTION

Connect Community Trust Limited has adopted FRS 102 for the year ended 31 March 2017. The Trustees have reviewed the prior year balances and accounting policies and consider that no adjustment to the comparative amounts is necessary.

Connect Community Trust Limited

Detailed Statement of Consolidated Financial Activities for the Year Ended 31 March 2017

	Group		Charity	
	31.03.17	31.03.16	31.3.17	31.3.16
	£	£	£	£
INCOME AND ENDOWMENTS				
Donations and legacies				
Donations	26,183	18,782	26,183	18,782
Glasgow City Council	61,460	56,468	61,460	56,468
Scottish Executive	192,294	265,521	192,294	265,521
DTA	9,625	10,000	9,625	10,000
Job Centre - DWP	23,415	7,765	23,415	7,765
Glasgow Housing Association	-	2,905	-	2,905
Yomo	633	620	633	620
SCVO	12,625	-	12,625	-
The Big Lottery	45,730	-	45,730	-
Youth Scotland	-	-	-	-
Keep Scotland Beautiful - CCF	98,418	42,775	98,418	42,775
Easterhouse Housing and Regeneration Alliance	12,500	10,000	12,500	10,000
Blairtummoch Housing Association	-	54,724	-	54,724
Wellhouse Housing Association	20,000	5,000	20,000	5,000
Provanhall Housing Association	-	2,500	-	2,500
NHS	-	2,284	-	2,284
Skills Development Scotland	49,535	52,477	49,535	52,477
Learn Direct	17,650	10,629	17,650	10,629
The Gannochy Trust	-	8,500	-	8,500
Glasgow Life	-	13,881	-	13,881
The Robertson Trust	-	15,000	-	15,000
Greenspace	-	1,302	-	1,302
Cycling Scotland	3,565	-	3,565	-
Erasmus Music Project	9,958	-	-	-
	<u>583,591</u>	<u>581,133</u>	<u>573,633</u>	<u>581,133</u>
Other trading activities				
Sales income – Connect-IN	78,358	82,896	-	-
Cafe income	15,332	18,196	15,332	18,196
Walking club income	2,463	3,752	2,463	3,752
Hall hire, catering	7,872	12,602	7,872	12,602
Innerzone income	2,475	1,805	2,475	1,805
Miscellaneous income	1,723	492	1,723	482
Consultancy income	2,125	100	2,125	100
Hub Sports	15,801	20,845	15,801	20,845
Hub Transport	-	102	-	102
Provanhall	1,892	2,864	1,892	2,864
Salary recharges	-	1,453	47,693	37,255
Music Initiative	180	48	180	48
Rent income	6,225	4,010	7,075	4,860
Re-Connect	29,648	13,048	29,648	13,048
Training/employability	-	12,389	-	12,389
Campus disability income	-	299	-	299
Allotment Income	1,794	-	1,794	-
Management fees	-	-	9,000	9,000
Deposit account interest	-	17	-	-
	<u>165,888</u>	<u>174,918</u>	<u>145,073</u>	<u>137,647</u>
Total incoming resources	749,479	756,051	718,706	718,780

Connect Community Trust Limited

**Detailed Statement of Consolidated Financial Activities
for the Year Ended 31 March 2017**

	Group		Charity	
	31.3.17	31.3.16	31.3.17	31.3.16
EXPENDITURE	£	£	£	£
Charitable activities				
Direct costs – Solo Artists	17,882	4,266	-	-
Direct costs - Bands	5,129	3,966	-	-
Direct costs - Events	295	5,653	-	-
Direct costs – Workshops/Other training	-	30	-	-
Wages & social security	472,596	457,736	472,596	448,304
Staff expenses	4,507	-	-	-
Equipment	1,738	3,931	1,738	3,931
Telephone	10,589	9,880	10,589	9,880
Postage and stationery	7,940	9,745	7,693	9,730
Advertising	8,211	9,982	6,296	4,506
Music project	362	2,544	362	2,544
Communities Facilities Consortium	1,902	1,039	1,902	1,039
Innerzone	36,968	26,507	36,968	26,507
Provanhall	-	147	-	147
Close cleaners	8,420		8,420	-
Youth activities	3,495	6,765	3,495	6,765
Cafe expenses	16,342	16,114	16,342	16,114
Eco-garden expenses	3,292	456	3,292	456
Gala Day expenses	5,144	7,805	5,144	7,805
Walking club expenses	1,574	3,047	1,574	3,047
Hub sports activities	516	123	516	123
Hub transport costs	18,136	10,287	18,136	8,057
Training & volunteer expenses	6,392	10,056	6,392	10,056
Bike club expenses	-	108	-	108
Job Club	23,343	16,375	23,343	16,375
Legal and professional	4,065	2,831	4,065	2,831
Payroll costs	1,870	1,581	1,870	1,581
Bad debts	6,063	-	5,696	-
Staff training	3,698	2,224	3,698	2,224
Subscriptions	3,786	990	3,786	769
General expenses	1,107	1,680	1,073	1,301
Staff uniforms	3,415	791	3,415	791
Rent payable	56,669	43,621	56,669	43,621
Rates and insurance	17,241	14,583	15,496	12,773
Heat and light	14,366	16,847	14,366	16,847
Repairs and maintenance	11,059	13,340	10,106	11,612
Cleaning	1,037	2,815	1,037	2,815
Re-Connect operations	400	508	400	508
Long leasehold – Depreciation	27,610	27,610	27,610	27,610
Plant and machinery- Depreciation	4,093	7,660	4,093	7,660
Computer equipment - Depreciation	7,505	8,009	6,486	7,019
Bank charges	834	451	701	451
Loan	2,361	4,263	1,002	1,208
	<u>821,952</u>	<u>756,366</u>	<u>786,367</u>	<u>717,115</u>
Support costs				
Governance costs				
Auditors' remuneration	<u>9,135</u>	<u>8,433</u>	<u>9,135</u>	<u>8,433</u>
Total resources expended	<u>831,087</u>	<u>764,799</u>	<u>795,502</u>	<u>725,548</u>
Net expenditure	<u>(81,608)</u>	<u>(8,748)</u>	<u>(76,796)</u>	<u>(6,768)</u>