

Dumfries & Galloway Third Sector Interface
Annual Report and Financial Statements
for the year ended 31st March 2017

Dumfries & Galloway Third Sector Interface

Charity information

Trustees

S Irving (Chair)
I Boddy (Vice Chair & Secretary)
R S J Wishart (Treasurer)
D Bleasdale
M Gowan
G Hunter
H Keron
C Leadbeater
G Mann
P Mitchell
J Wilson

Scottish Charity Number

SC043832

Principal Office

16 Queensberry Street
Dumfries
DG1 1EX

Bankers

Unity Trust Bank
9 Brindley Place
Birmingham
B1 2HB

Auditors

Carson & Trotter
Chartered Accountants
123 Irish Street
Dumfries
DG1 2PE

Dumfries & Galloway Third Sector Interface

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Dumfries & Galloway Third Sector Interface

Trustees Report **for the year ended 31st March 2017**

The Trustees have the pleasure of presenting their report and the financial statements of the charity for the year ended 31st March 2017.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities (FRS102).

Objectives and Activities

The charitable purposes of the charity are:

- The general advancement of community development throughout the communities of Dumfries and Galloway.
- The promotion, support and development of the third sector and the effectiveness and efficiency of third sector organisations.
- The promotion, support and development of volunteering and volunteer involving organisations.
- In its role as Dumfries and Galloway's Third Sector Interface, the representation of the third sector on matters relating to public policy as such affects the interests of the third sector.
- The advancement of education and research within the third sector.

Main Activities

The organisation's main activities are focussed upon the roles set for it by the Scottish Government. They include:

- Advocacy of the role of the third sector, including:

Contribution through shared leadership with other partners to community planning;

Support for effective community planning by building links between third sector bodies and the Community Planning Partnership;

Promotion of opportunities for the third sector to contribute to public service reform and the planning, design and delivery of services;

Acting as the conduit for the third sector to contribute to Health and Social Care Integration;

Promotion of third sector solutions, including social enterprise and recognition of the role and impact of the social economy in Dumfries and Galloway.

- Engagement and communication with the third sector by means of local gatherings, geographic and thematic forums.
- Supporting volunteer involving organisations to develop and promote volunteering opportunities and to recruit volunteers.
- Supporting volunteers to find placements and to achieve personal growth through volunteering.
- Promotion and administration of the Saltire Awards.
- Celebration of the contribution volunteers make to the wellbeing and prosperity of the people and communities of Dumfries and Galloway.
- Support and guidance for third sector groups and organisations by means of one to one support, training, events and communication across a range of matters including inter alia:

Governance, constitutional and legal matters;

Legal and fiduciary duties of Trustees and Committee Members;

Accessing funding opportunities;

Planning and development;

The setting up of new groups and organisations.

- Support for the development of new social enterprise and the growth of existing social enterprises.

In addition the organisation delivers projects or pilot schemes designed to test change. During 2016/17 these have included:

- The promotion and brokering of Time Banks (now wound up due to insufficient funding).
- With Social work, providing a link worker to support individuals to access social care services from third sector providers (now wound up due to insufficient funding).
- Incubation of new social enterprise and partnerships.

Aims

The organisation has a business plan for the period 2015/18 which is published on our website.

Our Vision is of a strong and sustainable third sector that can make a lasting contribution to the wellbeing and prosperity of the people and communities of Dumfries and Galloway.

Dumfries & Galloway Third Sector Interface

Trustees Report **for the year ended 31st March 2017**

Our Mission is to work together with the third sector in Dumfries and Galloway to be its voice; and to become a centre of excellence for the promotion of the sector and the provision of support and services to the sector.

Ours Aims are:

- To build our organisation so that we are recognised as the leader in the field of supporting and building the capacity of the third sector in Dumfries and Galloway. Through regular and consistent communication of key messages this means building awareness of the role of a Third Sector Interface, what we are and what we do.
- To be an organisation that is highly respected, regarded and trusted as an effective strategic partner with both the public and private sectors; and to become the first point of contact for the third sector and other organisations, both locally and nationally, on issues which affect our sector. This means working to build a reputation for excellence in everything that we do.

The Business Plan includes an annual operational work plan that details the short-term objectives, the achievement of which contributes to our Vision, Mission and Aims. Outcomes are set against each objective and success is measured by a suite of Key Performance Indicators which are in large part of common to all of Scotland's 32 Third Sector Interfaces.

There are robust processes in place for monitoring and reporting on performance. The results of the organisation's Key Performance Indicators are reported and scrutinised by the Audit and Risk Committee who report their findings and make recommendations to the Board.

Achievements and Performance

Our task since April 2013 continues to be to build a credible, robust and sustainable Third Sector Interface and to ensure that our resources, including the ongoing financial support of the Scottish Government and Dumfries and Galloway Council, are focused upon bringing about real and demonstrable change and improvement in our strategic thinking and operational activity.

Reporting to stakeholders

The Annual Report and Financial Statements are part of this document and only one part of our commitment to openly and transparently report on our performance.

Periodically we produce a Stakeholder Report which will set out how we have performed against our operational work plans. The Stakeholder Report is now included in our Empower magazine, which can be downloaded from our website.

Financial Review

There was a deficit for the year of £37,695 compared to a deficit in the previous year of £7,279. Closing reserves are £208,009 made up of £155,502 unrestricted and £52,507 restricted reserves.

The Board acknowledges the support of the Scottish Government, Dumfries and Galloway Council and NHS Dumfries and Galloway as the organisation's principal funding stakeholders.

The organisation is dependent upon core funding from the Scottish Government and Dumfries and Galloway Council. Funding has been secured from both parties for the financial year 2017/18, with a view to securing funding for a three-year horizon following work done in piloting a commission based approach to community engagement and a Scottish government led evaluation of the work of Third Sector Interfaces and Voluntary Action Scotland. The outcome of this evaluation is anticipated over the coming twelve months.

In common with many other third sector organisations. our funding from Dumfries. and Galloway Council was reduced by a further 20% for 2017/18. A prudent fiscal management approach has been adopted by the Board to balance its income and expenditure.

A priority for both Board and Management is to seek a three-year commitment beyond 31st March 2017 by both the Scottish Government and Dumfries and Galloway Council. Such a commitment is essential if the organisation is to effectively plan its activities.

The Integrated Joint Board for Health and Social Care Integration has recognised the role and value of the Third Sector Interface by continuing the funding of our Integration work to March 2018.

Dumfries & Galloway Third Sector Interface

Trustees Report for the year ended 31st March 2017

The evolving role of the Interface as a strategic partner both at a community planning and Health and Social Care Integration level creates a level of tension between expectations around the role of Third Sector Interface's across Scotland and our resources and capacity to deliver. It is a source of pressure that will become greater if there be any further cuts in funding.

Reserves Policy

The Board of Trustees regularly reviews the level of reserves held by the Charity. The General Fund should be sufficient to cover outstanding liabilities in the event of the Charity ceasing to operate, to ensure that the Charity's core activities can continue during a period of unforeseen difficulty and to provide an appropriate period of time to secure additional or new funding when existing funding is withdrawn or is no longer available. To achieve this purpose the Board aims to have unrestricted funds not invested in tangible fixed assets equivalent to around three months normal expenditure.

Plans for the Future

As the organisation has grown, staff have adapted well to their new roles. The knowledge and skills base within the staff team has significantly improved, and continues to improve with investment in training and personal development with a number of staff fulfilling a qualification in Community Involvement. Processes are in place to measure and recognise performance.

Our business plan commits the board, management and staff to continuous improvement and to a competency framework that is designed to inform job roles and ensure that our culture is embedded with reflective practice.

The competency framework also requires management to recognise and develop talent appropriately and to act on gaps in knowledge and skills.

In setting the budget for 2017/18, provision has been made for changes to be made to the organisational structure, including total staff numbers. The board is satisfied that the principal elements of the current structure remain sound and are fit for purposes. These are:

- Limiting the number of managers, comprising a chief executive and operations manager(s).
- Officer roles based on a mix of function and geographic area.
- Flexible and mobile working, including the development of outreach with innovative and cost-effective approaches to information and communications technology (ICT).

The Board recognises that greater awareness of the role of the interface has led to increased workload and expectations from our public-sector partners. Pressure points include:

- Limits on administrative support with resultant impact on officers' workload.
- The demand for effective participation in partnerships.
- Capacity to develop trading income from the provision of services to the sector and public-sector partners.

The appointment of two people sharing the role of operations management is key to addressing many of the pressure points that have been identified and to the continuous improvement of our effectiveness.

The Chief Executive Officer position is currently vacant. The recruitment process is ongoing. In the interim a robust governance process has been put in place with the Operations Managers reporting directly to the Chair.

In the year ahead steps will continue to be taken to:

- Recruit and maintain talented staff dedicated to providing the highest levels of guidance and support. Using technologies to enable smarter working, developing innovative and sector leading solutions to the continued challenge and pressure of delivering more with less, while at the same time maintaining a focussed and strategic view of the sector, continuing to support and meet the needs of our members and the sector

- Continue to develop volunteer opportunities within the organisation.
- Continue to increase our income generation. We have further grown our "other" income from about £50k to about £75k in 2016/17. In 2017/18 we will continue to explore opportunities to bring additional funding into the sector as a whole.

The Board continues to support the incubation of new social enterprise and has a designated fund to enable it to invest in start-ups.

Dumfries & Galloway Third Sector Interface

Trustees Report for the year ended 31st March 2017

Structure, Governance and Management

Dumfries and Galloway Third Sector Interface is a Scottish Charitable Incorporated Organisation (SCIO), registered No SC043832; and is a membership organisation with a governing document. The address of the principal office is 16 Queensberry Street, Dumfries, DG1 1EX.

An Audit and Risk Committee, chaired by the Treasurer and comprising three further trustees. meets at least four times per year to scrutinise the organisation's financial affairs, performance and to consider exposure to major risks (see below). The Committee then reports its findings to the Board.

Recruitment and appointment

The Board of Trustees comprises seven people elected by the Members. The elected members of the Board may, in addition, appoint up to five additional members to fill skill gaps. At each Annual General Meeting, a minimum of two elected trustees must retire, but may be eligible for re-election.

Appointed trustees serve for a period of one year, but may be re-appointed.

The Board of Trustees meets at least six times per annum to conduct business, and up to a further three times per annum to discuss strategy and to engage in board development and training.

Risk management

The Board of Trustees has assessed the major risks to which the charity is exposed, in particular those related to operations and finance, and continues to evaluate the systems in place to mitigate exposure to major risks. A risk management policy and related risk register are in place. The risk register is reviewed as a standing agenda item at board meetings.

Salaries are reviewed annually and are set to reflect performance in accordance with levels for equivalent posts in similar organisations.

Reference and Administrative Details

Charity number: SC043832
Principal Office: 16 Queensberry Street, Dumfries, DG1 1EX
Auditors: Carson & Trotter, CA, 123 Irish Street, Dumfries

Trustees

The Trustees at 31st March 2017, all of whom served throughout the year unless otherwise stated were:

S Irving (Chair)
I Boddy (Vice Chair & Secretary)
R S J Wishart (Treasurer)
C Brett Resigned 16th September 2016
M Gowan
G Hunter
H Keron Appointed 16th September 2016
G Mann Appointed 16th September 2016
D Bleasdale
C Leadbeater Appointed 16th September 2016
P Mitchell Appointed 16th September 2016
J Wilson

Chief Executive David Coulter Resigned July 2017

The staff team is headed by the Chief Executive Officer (David Coulter, resigned July 2017 post currently vacant) with the role of Operations Manager shared between Graham Bartlett and Claire Brown.

Dumfries & Galloway Third Sector Interface

Trustees Report **for the year ended 31st March 2017**

Statement of trustees' responsibilities

The trustees 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).

The law applicable to charities in Scotland 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 charity and of the incoming resources and application of resources for that period.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

And finally, it has been a privilege to serve a second year as Chair of our Third Sector Interface during an exciting and evolving period for both the third sector and the interface.

I would also like to thank all our stakeholders for their continued support and look forward to an exciting and innovative time in the third sector in the year ahead.

This report was approved by the trustees on and signed on their behalf.

S Irving
Trustee and Chair of the Board of Trustees

Dumfries & Galloway Third Sector Interface

Independent auditors' report to the trustees of Dumfries & Galloway Third Sector Interface

We have audited the financial statements of Dumfries & Galloway Third Sector Interface for the year ended 31st March 2017 which comprise the Statement of Financial Activities, the balance sheet, cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Charities Trustees as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's 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 charity and the charity's 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 Trustees' Responsibilities Statement (set out on pages 1 - 5) the trustees 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 auditors under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

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 Practice 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 charity'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 Trustees' Annual Report 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st March 2017, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to Smaller Entities); and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Dumfries & Galloway Third Sector Interface

Independent auditors' report to the trustees of Dumfries & Galloway Third Sector Interface continued

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' Annual Report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the 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.

**Carson & Trotter
Statutory Auditor**

**123 Irish Street
Dumfries
DG1 2PE**

(Carson & Trotter Chartered Accountants is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006)

Dumfries & Galloway Third Sector Interface

Statement of Financial Activities
for the year ended 31st March 2017

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2017 £ | Total Funds 2016 £ |
|--|-------|----------------------------|--------------------------|--------------------------|--------------------------|
| Income from: | | | | | |
| Donations and legacies | 2 | 468,406 | 127,590 | 595,996 | 575,353 |
| Other trading activities | 3 | 30,214 | - | 30,214 | 48,423 |
| Investment income | 4 | 237 | - | 237 | 561 |
| Charitable activities | 5 | 3,803 | 3,092 | 6,895 | 8,301 |
| Other income | 6 | 620 | - | 620 | - |
| Total | | <u>503,280</u> | <u>130,682</u> | <u>633,962</u> | <u>632,638</u> |
| Expenditure on: | | | | | |
| Charitable activities | 7 | (561,609) | (110,048) | (671,657) | (639,917) |
| Total | | <u>(561,609)</u> | <u>(110,048)</u> | <u>(671,657)</u> | <u>(639,917)</u> |
| Net income/expenditure for the year | | <u>(58,329)</u> | <u>20,634</u> | <u>(37,695)</u> | <u>(7,279)</u> |
| Transfers between funds | | 33,866 | (33,866) | - | - |
| Net movement in funds | | <u>(24,463)</u> | <u>(13,232)</u> | <u>(37,695)</u> | <u>(7,279)</u> |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | <u>179,965</u> | <u>65,739</u> | <u>245,704</u> | <u>252,983</u> |
| Total funds carried forward | | <u>155,502</u> | <u>52,507</u> | <u>208,009</u> | <u>245,704</u> |

All of the above amounts relate to continuing activities

The notes on pages 11 to 20 form an integral part of these financial statements.

Dumfries & Galloway Third Sector Interface

Balance Sheet
as at 31st March 2017

| | Notes | 2017 | | 2016 | |
|---|-------|-----------------|----------------|-----------------|----------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 12 | | 4,905 | | 8,111 |
| Investments | 13 | | 20,000 | | - |
| | | | <u>24,905</u> | | <u>8,111</u> |
| Current assets | | | | | |
| Debtors | 14 | 17,539 | | 17,879 | |
| Investments | 15 | 1,000 | | 1,000 | |
| Cash at bank and in hand | | 180,505 | | 234,908 | |
| | | <u>199,044</u> | | <u>253,787</u> | |
| Creditors: amounts falling due within one year | 16 | <u>(15,940)</u> | | <u>(16,194)</u> | |
| Net current assets | | | 183,104 | | 237,593 |
| Net assets | | | <u>208,009</u> | | <u>245,704</u> |
| The funds of the charity: | | | | | |
| Restricted funds | 18 | | 52,507 | | 65,739 |
| Unrestricted funds | | | | | |
| Unrestricted income funds | 18 | | 155,502 | | 179,965 |
| Total charity funds | | | <u>208,009</u> | | <u>245,704</u> |

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and have been approved and authorised for issue by the Board on and signed on their behalf by:

R S J Wishart
Trustee

The notes on pages 11 to 20 form an integral part of these financial statements.

Dumfries & Galloway Third Sector Interface

Cash flow statement
for the year ended 31st March 2017

| | Notes | 2017 £ | 2016 £ |
|---|-------|----------------|----------------|
| Cash flow from operating activities: | | | |
| Net cash outflow from operating activities | 22 | (4,640) | (16,079) |
| Cash flow from investing activities | | | |
| Payments to acquire tangible fixed assets | | - | (1,076) |
| Interest received | | 237 | 561 |
| Purchase of investments | | (50,000) | (500) |
| Net cash flow from investing activities | | (49,763) | (1,015) |
| Net increase(decrease) in cash and cash equivalents | | (54,403) | (17,094) |
| Cash and cash equivalents at beginning of reporting period | | 234,908 | 252,002 |
| Cash and cash equivalents at end of reporting period | | <u>180,505</u> | <u>234,908</u> |
| Cash and cash equivalents consists of: | | | |
| Cash at bank and in hand | | <u>180,505</u> | <u>234,908</u> |

Dumfries & Galloway Third Sector Interface

Notes to the financial statements **for the year ended 31st March 2017**

1. Summary of significant accounting policies

1.1. General information and basis of preparation

Dumfries and Galloway Third Sector Interface is a Scottish Charitable Incorporated Organisation (SCIO). The address of the principal office is given in the trustees report.

The charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with 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 (FRS102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The charity adopted SORP (FRS102) in the current year and consideration was given as to whether any transitional adjustments were required. No restatement was needed.

1.2. Income recognition

All income is included in the statement of financial activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amount and settlement date. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is recognised when received.

Dumfries & Galloway Third Sector Interface

Notes to the financial statements for the year ended 31st March 2017

1.3. Expenditure recognition

Liabilities are recognised as soon as there is legal or constructive obligation committing the charity to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

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

Grants payable are payments made to third parties in the furtherance of the charitable objectives. Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SOFA once the recipient of the grant has provided the specific service or output.

Grants payable without performance conditions are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about with the timing of the grant or the amount payable.

1.4. Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

1.5. Fund accounting

Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the directors for particular purposes.

Restricted funds are subject to restrictions on their expenditure imposed by the donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out at note 18.

1.6. Tangible fixed assets and depreciation

Individual fixed assets costing £1000 or more are initially recorded at cost.

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over the expected useful economic life as follows:

| | |
|-----------------------|-----------------------------|
| Computer equipment | 3 years straight line basis |
| Fixtures and fittings | 25% reducing balance basis |

1.7. Operating leases

Rentals payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term.

Dumfries & Galloway Third Sector Interface

Notes to the financial statements for the year ended 31st March 2017

1.8. Investments

Fixed asset investments are stated at market value at 5th April 2017, in accordance with the provisions of the SORP. Any gain or loss on the revaluation is taken to the Statement of Financial Activities.

Current asset investments are at the lower of cost and net realisable value.

1.9. Pension costs

The charity operates a defined contribution pension scheme for employees. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

2. Donations and legacies

| | Unrestricted Funds £ | Restricted Funds £ | Total funds 2017 £ | Total funds 2016 £ |
|---|----------------------------|--------------------------|--------------------------|--------------------------|
| Grants and sponsorship | | | | |
| Scottish Government | 376,000 | - | 376,000 | 376,000 |
| Dumfries & Galloway Council | 92,406 | - | 92,406 | 97,270 |
| Dumfries & Galloway Council - Social Work | - | 24,250 | 24,250 | 16,500 |
| NHS Dumfries & Galloway - Integrated Care | - | 75,000 | 75,000 | 75,000 |
| NHS Dumfries & Galloway - Time Banking | - | - | - | 10,000 |
| Metrik Community Fund | - | - | - | 183 |
| Sponsorship | - | - | - | 400 |
| BESN | - | 12,000 | 12,000 | - |
| Santander | - | 3,000 | 3,000 | - |
| Community Jobs Scotland | - | 13,340 | 13,340 | - |
| | 468,406 | 127,590 | 595,996 | 575,353 |

Of the income from grants and sponsorship in 2016, £473,270 was unrestricted, £102,083 was restricted.

3. Other trading activities

| | Unrestricted Funds 2017 £ | Restricted Funds 2017 £ | Total Funds 2017 £ | Total Funds 2016 £ |
|--|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Stewartry Integration Consultation | - | - | - | 19,275 |
| Other income | 950 | - | 950 | 1,938 |
| Services Provided to other organisations | 29,264 | - | 29,264 | 27,210 |
| | 30,214 | - | 30,214 | 48,423 |

Of the income from other trading activities in 2016, £47,485 was unrestricted, £938 was restricted.

Dumfries & Galloway Third Sector Interface

Notes to the financial statements
for the year ended 31st March 2017

| 4. Investment income | Unrestricted Funds £ | Restricted Funds £ | Total funds 2017 £ | Total funds 2016 £ |
|-----------------------------|-------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Interest on cash deposits | <u>237</u> | <u>-</u> | <u>237</u> | <u>561</u> |

Of the investment income receivable in 2016, £561 was unrestricted.

| 5. Income from charitable activities | Unrestricted Funds 2017 £ | Restricted Funds 2017 £ | Total Funds 2017 £ | Total Funds 2016 £ |
|---|--|--|---------------------------------------|---------------------------------------|
| Other events | 2,518 | - | 2,518 | 4,951 |
| Connect | 1,285 | - | 1,285 | 3,350 |
| Volunteer awards | - | 3,092 | 3,092 | - |
| | <u>3,803</u> | <u>3,092</u> | <u>6,895</u> | <u>8,301</u> |

Of the income from charitable activities in 2016, £8,301 was unrestricted.

| 6. Other income | Unrestricted Funds 2017 £ | Restricted Funds 2017 £ | Total Funds 2017 £ | Total Funds 2016 £ |
|------------------------|--|--|---------------------------------------|---------------------------------------|
| Insurance claim | <u>620</u> | <u>-</u> | <u>620</u> | <u>-</u> |

Dumfries & Galloway Third Sector Interface

Notes to the financial statements
for the year ended 31st March 2017

7. Expenditure

| | Charitable Activities | Total Funds 2017 | Total Funds 2016 |
|--|--------------------------|------------------------|------------------------|
| | £ | £ | £ |
| Direct costs | | | |
| Grants payable - institutions | - | - | 183 |
| Connect costs | 8,435 | 8,435 | 12,427 |
| Social Innovation | 2,287 | 2,287 | 15,747 |
| Event costs | 5,292 | 5,292 | 7,412 |
| Volunteer awards | 1,958 | 1,958 | - |
| Stewartry consultation | - | - | 6,425 |
| Wages and salaries | 433,588 | 433,588 | 396,743 |
| Employer's NI contributions | 31,757 | 31,757 | 28,413 |
| Staff pensions | 17,211 | 17,211 | 17,275 |
| Training delivery | 10,378 | 10,378 | 2,658 |
| | <u>510,906</u> | <u>510,906</u> | <u>487,283</u> |
| Support & governance costs | | | |
| Staff training & welfare | 8,471 | 8,471 | 12,145 |
| Rent & premises costs | 44,456 | 44,456 | 49,003 |
| Insurance | 2,369 | 2,369 | 2,461 |
| Postage and telephone | 15,951 | 15,951 | 14,791 |
| Computer software and maintenance costs | 9,360 | 9,360 | 12,105 |
| Office supplies | 2,982 | 2,982 | 5,234 |
| Subscriptions | 4,351 | 4,351 | 8,927 |
| Travel and subsistence | 18,167 | 18,167 | 16,981 |
| Volunteer expenses | 269 | 269 | - |
| Recruitment costs | 883 | 883 | 1,657 |
| Advertising | 7,618 | 7,618 | 9,163 |
| Repairs and maintenance | 1,413 | 1,413 | - |
| Board costs | 2,262 | 2,262 | 1,090 |
| Audit fees | 2,680 | 2,680 | 3,720 |
| Auditors' remuneration - non audit work | 500 | 500 | 900 |
| Legal and professional fees | 5,403 | 5,403 | 9,536 |
| Bad debts | - | - | 90 |
| Bank charges | 410 | 410 | 408 |
| Depreciation of fixtures and fittings | 1,467 | 1,467 | 1,929 |
| Depreciation of office equipment | 1,739 | 1,739 | 2,494 |
| Impairment of fixed asset unlisted investments | 30,000 | 30,000 | - |
| | <u>160,751</u> | <u>160,751</u> | <u>152,634</u> |
| | <u>671,657</u> | <u>671,657</u> | <u>639,917</u> |

Of the expenditure in 2017, £561,609 was unrestricted, £110,048 restricted, in 2016 £493,005 was unrestricted, £146,912 was restricted.

Dumfries & Galloway Third Sector Interface

Notes to the financial statements
for the year ended 31st March 2017

| | | |
|--|-------------------|-------------------|
| 8. Net (expenditure)/income for the year | 2017 | 2016 |
| | £ | £ |
| This is stated after charging: | | |
| Depreciation and other amounts written off tangible assets | 3,206 | 4,423 |
| Auditors' remuneration | 2,680 | 3,720 |
| Auditors' remuneration - non audit work | 500 | 900 |
| | <u> </u> | <u> </u> |

9. Staff costs and emoluments

Number of employees

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows:

| | | |
|-----------------------|----------------------|----------------------|
| | 2017 | 2016 |
| | Number | Number |
| Charitable activities | <u> </u> 21 | <u> </u> 20 |

Total staff costs were as follows

| | | |
|-----------------------|-------------------|-------------------|
| | 2017 | 2016 |
| | £ | £ |
| Wages and salaries | 433,588 | 396,743 |
| Social security costs | 31,757 | 28,413 |
| Other pension costs | 17,211 | 17,275 |
| | <u> </u> | <u> </u> |
| | <u>482,556</u> | <u>442,431</u> |

No employee received remuneration of more than £60,000 during the year (2016 - none).

10. Trustee remuneration and expenses

No trustees received any remuneration during the year.

Travelling expenses totalling £1,337 (2016 £1,057) were paid to four (2016 - three) of the trustees during the year to reimburse them for expenses incurred in the course of their duties.

11. Auditor's remuneration

The auditor's remuneration amounts to an audit fee of £2,680 (2016 £3,720) and other accounting services of £500 (2016 £900).

Dumfries & Galloway Third Sector Interface

Notes to the financial statements
for the year ended 31st March 2017

12. Tangible fixed assets

| | Fixtures and fittings | Computer equipment | Total |
|------------------------|----------------------------------|-------------------------------|---------------|
| | £ | £ | £ |
| Cost | | | |
| At 1st April 2016 | 10,685 | 7,482 | 18,167 |
| At 31st March 2017 | <u>10,685</u> | <u>7,482</u> | <u>18,167</u> |
| Depreciation | | | |
| At 1st April 2016 | 4,813 | 5,243 | 10,056 |
| Charge for the year | 1,467 | 1,739 | 3,206 |
| At 31st March 2017 | <u>6,280</u> | <u>6,982</u> | <u>13,262</u> |
| Net book values | | | |
| At 31st March 2017 | <u>4,405</u> | <u>500</u> | <u>4,905</u> |
| At 31st March 2016 | <u>5,872</u> | <u>2,239</u> | <u>8,111</u> |

13. Fixed asset investments

| | Programme related investments | Total |
|------------------------|--|---------------|
| | £ | £ |
| Additions | 50,000 | 50,000 |
| Impairment | (30,000) | (30,000) |
| At 31st March 2017 | <u>20,000</u> | <u>20,000</u> |
| Carrying amount | | |
| At 31st March 2017 | <u>20,000</u> | <u>20,000</u> |
| At 31st March 2016 | <u>-</u> | <u>-</u> |

14. Debtors: all receivable within one year

| | 2017 | 2016 |
|--------------------------------|---------------|---------------|
| | £ | £ |
| Trade debtors | 7,665 | 5,970 |
| Prepayments and accrued income | 9,874 | 11,909 |
| | <u>17,539</u> | <u>17,879</u> |

Dumfries & Galloway Third Sector Interface

Notes to the financial statements
for the year ended 31st March 2017

| | | |
|---|---------------|---------------|
| 15. Current asset investments | 2017 | 2016 |
| | £ | £ |
| Other unlisted investments | 1,000 | 1,000 |
| | <u>1,000</u> | <u>1,000</u> |
| 16. Creditors: amounts falling due within one year | 2017 | 2016 |
| | £ | £ |
| Trade creditors | 1,935 | 1,298 |
| Other taxes and social security costs | 8,188 | 7,921 |
| Accruals and deferred income | 5,817 | 6,975 |
| | <u>15,940</u> | <u>16,194</u> |

17. Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

| | Land and buildings | |
|--|---------------------------|---------------|
| | 2017 | 2016 |
| | £ | £ |
| Not later than one year | 22,067 | 30,400 |
| Later than one and not later than five years | 6,800 | 28,867 |
| | <u>28,867</u> | <u>59,267</u> |

Dumfries & Galloway Third Sector Interface

Notes to the financial statements
for the year ended 31st March 2017

18. Analysis of funds

| | Balance at 1st April 2016 £ | Income £ | Expenditure £ | Transfers £ | Balance at 31st March 2017 £ |
|---------------------------|--|---------------------|--------------------------|------------------------|---|
| Designated Funds | | | | | |
| Social Enterprise Fund | 55,000 | - | 50,000 | - | 5,000 |
| Unrestricted Funds | | | | | |
| General Fund | 124,965 | 503,280 | 511,609 | 33,866 | 150,502 |
| Restricted Funds | | | | | |
| Integrated Care Fund | 25,907 | 75,000 | 47,563 | (21,090) | 32,254 |
| Time Banking | 18,481 | - | 21,956 | 3,475 | - |
| Innovation | 16,755 | - | 3,797 | (2,167) | 10,791 |
| Social Work | 4,343 | 24,250 | 23,518 | - | 5,075 |
| Sponsor a volunteer | 253 | - | - | - | 253 |
| Stewartry Integration | - | - | 456 | 456 | - |
| Santander | - | 3,000 | - | - | 3,000 |
| BESN | - | 12,000 | 10,800 | (1,200) | - |
| Community Jobs Scotland | - | 13,340 | - | (13,340) | - |
| Volunteer Awards | - | 3,092 | 1,958 | - | 1,134 |
| | <u>65,739</u> | <u>130,682</u> | <u>110,048</u> | <u>(33,866)</u> | <u>52,507</u> |
| | <u>245,704</u> | <u>633,962</u> | <u>671,657</u> | <u>-</u> | <u>208,009</u> |

Purposes of Funds

Social Enterprise Fund - Funding to support work on developing Social Enterprise.

Integrated Care Fund - Funding to support the role of the interface in respect of Health and Social Care.

Time Banking - Promotion and coordination of Time Banking in Nithsdale and Stewartry.

Innovation - To support the development of a climate within Dumfries and Galloway in which social enterprises can flourish, in particular in the context of Health and Social Care Integration.

Social Work - Funding to provide liaison between Adult Social Work services and the third sector.

Sponsor a volunteer - Donations provided by local businesses to widen access to training for volunteers.

Santander - Community grant to produce materials in accessible format.

BESN - Big Energy Savings Network - to train the trainer for better fuel efficiency.

Community Jobs Scotland - Creation of work opportunities for young unemployed people within third sector organisations throughout Scotland.

Volunteer Awards - Event designed to recognise and celebrate volunteering in the community.

Dumfries & Galloway Third Sector Interface

Notes to the financial statements for the year ended 31st March 2017

19. Analysis of net assets between funds

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds £ |
|-------------------------|----------------------------|--------------------------|---------------------|
| Tangible assets | 4,905 | - | 4,905 |
| Fixed asset investments | 20,000 | - | 20,000 |
| Current assets | 146,168 | 52,876 | 199,044 |
| Current liabilities | (15,571) | (369) | (15,940) |
| Total funds | <u>155,502</u> | <u>52,507</u> | <u>208,009</u> |

20. Controlling entity

The charity is controlled by the trustees.

21. Related party transactions

During the year DGCAS (of which S Irving is Chief Executive) provided services to Dumfries and Galloway Third Sector Interface totalling £1,584. The balance outstanding at the year end was nil.

During the year Dumfries and Galloway Third Sector Interface was charged £560 for room rental by Turning Point Scotland (of which D Bleasdale was Operations Manager). The balance outstanding at the year end was £20.

During the year Dumfries and Galloway Third Sector Interface incurred refreshment costs from Pleuchie's Howff (family of D Coulter) totalling £133. The balance outstanding at the year end was nil.

Also during the year Dumfries and Galloway Third Sector Interface was charged £4,470 by Care Training Consortium (of which P Mitchell is Chief Executive). The balance outstanding at the year end was nil.

22. Reconciliation of net income/(expenditure) to net cash flow from operating activities

| | 2017 £ | 2016 £ |
|--|----------------|-----------------|
| Net income/(expenditure) for the year | (37,695) | (7,279) |
| Interest received | (237) | (561) |
| Depreciation of tangible assets | 3,206 | 4,423 |
| Impairment of investments | 30,000 | - |
| Increase/(decrease) in creditors | (254) | (5,111) |
| (Increase)/decrease in debtors | 340 | (7,551) |
| Net cash flow from/(to) operating activities | <u>(4,640)</u> | <u>(16,079)</u> |