

Hope Hub SCIO
Financial Statements
For the year ended
31 December 2017

I.A. STEWART & CO
Chartered Accountants
The Mechanics Workshop
New Lanark
ML11 9DB

Hope Hub SCIO

Financial Statements

Year ended 31 December 2017

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Hope Hub SCIO

Trustees' Annual Report

Year ended 31 December 2017

The trustees present their report and the financial statements of the charity for the year ended 31 December 2017.

Reference and administrative details

Registered charity name	Hope Hub SCIO
Charity registration number	SC046076
Principal office	183A Carlisle Road Blackwood South Lanarkshire ML11 9AT

The trustees

Peter Simpson	
Rev Ian Watson	
David Kitt	(Appointed 17 January 2017)
John Scott	(Appointed 17 January 2017)
John Milner	(Appointed 17 January 2017)
Alan Crooks	(Appointed 17 January 2017)
Douglas Hutchens	(Retired 17 January 2017)
Crawford Whiteford	(Retired 30 April 2017)
Brian Fleming	(Retired 17 January 2017)
Jean Gracie	(Retired 17 January 2017)
Marie Thomson	(Retired 17 January 2017)

Key management personnel

Chairman	Rev Ian Watson
Secretary	Peter Simpson
Treasurer	John Scott

Bankers	Royal Bank of Scotland 8 Abbeygreen Lesmahagow ML11 0DB
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Solicitors	Davidson & Shirley 11 Hope Street Lanark ML11 7ND
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Accountants	I.A.Stewart & Co Chartered Accountants The Mechanics Workshop New Lanark ML11 9DB
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Hope Hub SCIO

Trustees' Annual Report *(continued)*

Year ended 31 December 2017

Structure, governance and management

Governing document

The charity is a Scottish Charitable Incorporated Organisation. It has adopted the SCVO model SCIO constitution as its governing document.

Trustee recruitment and appointment

At each AGM all charity trustees elected/appointed under clauses 57, 58, 59 and 60 of the Constitution shall retire from office but can then be eligible for re-election unless they advise otherwise. Attending members may elect any attending member in compliance with these clauses.

Objectives and activities

Charitable purposes

The organisation's purposes are to advance religion and to build and manage a Christian Church with Community facilities and actively encourage statutory and third sector organisations and members of the community to use these facilities.

Objectives and activities to achieve objectives

- Advancement of citizenship or community development - to provide access to essential services to support the vulnerable, elderly, children, youth and families experiencing inequalities or discrimination.
- Relief of poverty - develop projects such as CAP (Christians against poverty). The Community Hub building now hosts the Clydesdale Food Bank with volunteers supporting families and individuals experiencing severe hardship.
- Advancement of religion - provision of new open space for public worship of local Hope Church (Blackwood and Kirkmuirhill) and access to meeting rooms for Church group activities.
- Provision or organisation of activities/facilities, with the object of improving life conditions for the wider community - a Breakfast Club is already established with prospects for a Mother and Toddlers Group in the future.

Youth and elderly meetings are to be developed as is liaison with statutory and third sector organisations to provide services and support groups to meet the community needs.

Achievements and performance

Finding and developing a property

In September 2016 the charity became the owner of the former care home at 183A Carlisle Road Blackwood.

Planning permission and a building warrant were obtained for change of use and building work commenced on 24th September 2017.

Extensive work was carried out by both members of Hope Hub and contractors and the sanctuary was in use by Hope Church by Sunday 10th December. New entrance and rear entrances were fitted and double glazing has been renewed. The building was finished off to a high standard with new toilet facilities and meeting rooms. Work continued into January 2018 to complete phase one.

A new car park was created in September 2017 and the main driveway trees were professionally felled to allow better access.

Hope Hub SCIO

Trustees' Annual Report *(continued)*

Year ended 31 December 2017

During the past year the Trustees have given many hours of their own time to ensure the smooth completion of phase 1 of the project. They have been onsite any time that construction has taken place and have liaised with local council authorities to ensure smooth running of the building process. In addition it is estimated that they have donated material aid in excess of £4,250 to the project.

The Charity updates its website on a regular basis with fundraising news and how we are journeying on.

Using our property

The premises are now being used by various groups:

Hope Church for worship, bible study, church activities and committee meetings
Velocity Dance School
Come Paint with Us
Alcoholics Anonymous
Blackwood and Kirkmuirhill playparks group
First Responders
Breakfast Club
Lanark Carers children with Autism
School in-service day club.
Ladies Cameo

We look forward to continuing our relationship with these groups and to growing use by the community.

Financial review

Total income for the year amounted to £107,029 (2016 period: £448,555). Expenditure for the year amounted to £25,188 (2016 period: £5,402). The surplus of £81,841 (2016: £443,153) was added to the balance of funds brought forward with the result that the year end funds balance stands at £524,994 (2016: £443,153).

£141,037 (2016: £383,129) has been paid for fixed assets in the year and transferred into the Fixed Asset designated fund in order to separate funds tied up in fixed assets from those available for the running of the charity. The Fixed Asset fund stands at £521,934 (2016: £382,978) at the year-end.

In 2016, £35,000 received from donations and fundraising activity was transferred into a Building Development fund to set aside funds for the redevelopment of the building. £5,215 of this was spent on fixed assets during 2016, with the brought forward balance of £29,425 being spent during 2017. £2,500 has been designated for phase II of the development.

Reserves policy

As mentioned above funds have been transferred to designated funds to help identify the remaining funds available for the general running of the charity. At 31 December 2017, the Fixed Asset fund holds £521,934 (2016: £382,978), the Building Development fund holds £2,500 (2016: £29,425) leaving £560 (2016: £30,750) in the General fund to meet the ongoing running costs of the charity.

The trustees anticipate building reserves to cover a certain period of normal running costs in the future, but will concentrate on finding sufficient funds to meet the redevelopment costs at present.

Hope Hub SCIO

Trustees' Annual Report *(continued)*

Year ended 31 December 2017

Plans for future periods

Planning has taken place for In-service day clubs in February and May 2018.

Trustees authorised a Facilities Management Group chaired by a Trustee and a sub-committee formed by members of Hope Hub and chaired by the Hope Hub Chairman. This facilitates open governance and transparent decision making.

Fundraising is taking place to raise funds for phase 2 which will be for a community café, soft play area, crèche and further meeting rooms.

Trustees will continue to meet with people and organisations wishing to use the premises.

Statement of responsibilities of the trustees

The trustees are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and regulations 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 company and of the incoming resources and application of resources of the company for that period. In preparing these financial statements, the trustees are required to:

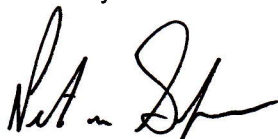
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume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

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

Independent examiner

David Clarkson, a member of the Institute of Chartered Accountants of Scotland, I.A. Stewart & Co. Limited has been re-appointed as independent examiner for the ensuing year.

The trustees' annual report was approved on 15 February 2018 and signed on behalf of the board of trustees by:



Peter Simpson
Secretary

Hope Hub SCIO

Independent Examiner's Report to the Trustees of Hope Hub SCIO

Year ended 31 December 2017

I report on the financial statements for the year ended 31 December 2017, which comprise the statement of financial activities, statement of financial position and the related notes.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for my work, for this report, or for the opinions I have formed.

Basis of independent examiner's report

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

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

- to keep accounting records in accordance with section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
- to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations

have not been met, or

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



David Clarkson
Member of the Institute of Chartered Accountants of Scotland
Independent examiner

I.A.Stewart & Co. Limited
Chartered Accountants
The Mechanics Workshop
New Lanark
ML11 9DB

15 February 2018

Hope Hub SCIO

Statement of Financial Activities

31 December 2017

		2017	2016
	Note	Unrestricted funds £	Total funds £
Income and endowments			
Donations and legacies	4	91,222	91,222
Charitable activities	5	12,660	12,660
Other trading activities	6	3,140	3,140
Investment income	7	7	7
Total income		<u>107,029</u>	<u>107,029</u>
Expenditure			
Expenditure on raising funds:			
Costs of other trading activities	8	150	150
Expenditure on charitable activities	9,10	25,038	25,038
Total expenditure		<u>25,188</u>	<u>25,188</u>
Net income and net movement in funds		<u>81,841</u>	<u>81,841</u>
Reconciliation of funds			
Total funds brought forward		443,153	443,153
Total funds carried forward		<u>524,994</u>	<u>524,994</u>

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

All income and expenditure derive from continuing activities.

The notes on pages 8 to 14 form part of these financial statements.

Hope Hub SCIO

Statement of Financial Position

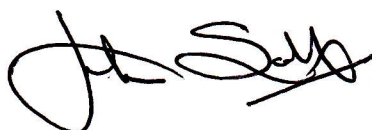
31 December 2017

		Year to 31 Dec 17 £	£	Period from 26 Oct 15 to 31 Dec 16 £
Fixed assets				
Tangible fixed assets	14		521,934	382,978
Current assets				
Debtors	15	2,655		—
Cash at bank and in hand		4,865		61,975
		<u>7,520</u>		<u>61,975</u>
Creditors: amounts falling due within one year	16	<u>4,460</u>		<u>1,800</u>
Net current assets			<u>3,060</u>	<u>60,175</u>
Total assets less current liabilities			<u>524,994</u>	<u>443,153</u>
Net assets			<u>524,994</u>	<u>443,153</u>
Funds of the charity				
Unrestricted funds			<u>524,994</u>	<u>443,153</u>
Total charity funds	17		<u>524,994</u>	<u>443,153</u>

These financial statements were approved by the board of trustees and authorised for issue on 15 February 2018, and are signed on behalf of the board by:



Peter Simpson
Secretary



John Scott
Treasurer

The notes on pages 8 to 14 form part of these financial statements.

Hope Hub SCIO

Notes to the Financial Statements

Year ended 31 December 2017

1. General information

The charity is registered charity in Scotland and is unincorporated. The address of the principal office is 183A Carlisle Road, Blackwood, South Lanarkshire, ML11 9AT.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended).

3. Accounting policies

Basis of preparation

The charity meets the definition of a public benefit entity in terms of FRS102.

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 26 Oct 15. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 20.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The trustees are of the opinion that there are no matters of significant judgements, estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year.

Taxation

The SCIO is recognised as a charity for the purposes of applicable taxation legislation and is therefore not subject to taxation on its charitable activities. The charity is not registered for VAT.

Hope Hub SCIO

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the purposes of the charity.

Designated funds are unrestricted funds earmarked by the trustees for specific purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

Income

All income is included in the statement of financial activities when the charity is entitled to the income, any performance related conditions attached have been met or are fully within the control of the charity, the income is considered probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Donations and legacy income is received by way of donations, legacies, grants and gifts and is included in full in the Statement of Financial Activities when receivable. Where legacies have been notified to the charity but the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed if material. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity, being the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market.
- Investment income is included when receivable.
- Income from charitable trading activity is accounted for when earned.

Expenditure

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

- Costs of raising funds comprise the costs associated with attracting donations, grants and legacies and the costs of trading for fundraising purposes.
- 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.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Hope Hub SCIO

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	3% reducing balance
Fixtures and fittings	-	20% reducing balance
Equipment	-	25 - 40% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Financial instruments

The charity 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.

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Donations				
Hope Church donations	50,000	50,000	380,000	380,000
Member donations	12,384	12,384	54,219	54,219
Gift aid	1,388	1,388	12,200	12,200
General Donations	23,250	23,250	—	—
Grants				
Government grants	4,200	4,200	—	—
	<u>91,222</u>	<u>91,222</u>	<u>446,419</u>	<u>446,419</u>

5. Charitable activities

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Income from charitable activities	<u>12,660</u>	<u>12,660</u>	<u>—</u>	<u>—</u>

Hope Hub SCIO

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

6. Other trading activities

	Unrestricted Funds	Total Funds 2017	Unrestricted Funds	Total Funds 2016
	£	£	£	£
Income from fundraising	2,080	2,080	2,039	2,039
Other income from use of premises	1,060	1,060	80	80
	<u>3,140</u>	<u>3,140</u>	<u>2,119</u>	<u>2,119</u>

7. Investment income

	Unrestricted Funds	Total Funds 2017	Unrestricted Funds	Total Funds 2016
	£	£	£	£
Bank interest receivable	7	7	7	7
Other interest receivable	—	—	10	10
	<u>7</u>	<u>7</u>	<u>17</u>	<u>17</u>

8. Costs of other trading activities

	Unrestricted Funds	Total Funds 2017	Unrestricted Funds	Total Funds 2016
	£	£	£	£
Advertising	150	150	—	—
	<u>150</u>	<u>150</u>	<u>—</u>	<u>—</u>

9. Expenditure on charitable activities by fund type

	Unrestricted Funds	Total Funds 2017	Unrestricted Funds	Total Funds 2016
	£	£	£	£
Hope Hub activities	23,358	23,358	3,002	3,002
Support costs	1,680	1,680	2,400	2,400
	<u>25,038</u>	<u>25,038</u>	<u>5,402</u>	<u>5,402</u>

Hope Hub SCIO

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

10. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2017 £	Total fund 2016 £
Hope Hub activities	23,358	–	23,358	3,002
Governance costs	–	1,680	1,680	2,400
	<u>23,358</u>	<u>1,680</u>	<u>25,038</u>	<u>5,402</u>
Costs are analysed as follows:				
			2017 £	2016 £
Water rates			3,306	–
Light and heat			3,463	851
Repairs and maintenance			5,628	360
Insurance			2,591	1,211
Cleaning			546	–
Consultancy			4,703	–
Telephone			764	142
Computer			180	232
Depreciation			2,081	151
Subscriptions			60	55
Sundry			36	–
Independent examiners fee			1,680	2,400
			<u>25,038</u>	<u>5,402</u>

11. Employees

The average head count of employees during the year was Nil (2016: Nil).

No employee received employee benefits of more than £60,000 during the year (2016: Nil).

12. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees in the year.

No trustee expenses have been incurred in the year.

13. Contributions made by volunteers

Hope Hub SCIO benefits greatly from the involvement and enthusiastic support of its volunteers who give their time and talents willingly for the benefit of the charity. In accordance with accounting standards, the economic contribution of general volunteers is not measured in the accounts.

Hope Hub SCIO

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

14. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 Jan 2017	382,093	—	1,036	383,129
Additions	129,118	9,030	2,889	141,037
At 31 Dec 2017	511,211	9,030	3,925	524,166
Depreciation				
At 1 Jan 2017	73	—	78	151
Charge for the year	738	325	1,018	2,081
At 31 Dec 2017	811	325	1,096	2,232
Carrying amount				
At 31 Dec 2017	510,400	8,705	2,829	521,934
At 31 Dec 2016	382,020	—	958	382,978

Capital commitments

	2017 £	2016 £
Contracted for but not provided for in the financial statements	3,000	—

15. Debtors

	2017 £	2016 £
Prepayments and accrued income	2,655	—

16. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	2,266	—
Accruals	2,194	1,800
	4,460	1,800

Hope Hub SCIO

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

17. Analysis of charitable funds

Unrestricted funds

	At 1 Jan 2017	Income	Expenditure	Transfers	At 31 Dec 2017
	£	£	£	£	£
General funds	30,750	104,529	(23,107)	(111,612)	560
Fixed Asset fund	382,978	–	(2,081)	141,037	521,934
Building Development fund	29,425	2,500	–	(29,425)	2,500
	<u>443,153</u>	<u>107,029</u>	<u>(25,188)</u>	<u>–</u>	<u>524,994</u>

Fixed assets costs have been transferred to the designated Fixed Asset fund. Depreciation is charged to this fund. The balance on the fund allows the charity to identify funds tied up in fixed assets.

The Building Development fund is for funds set aside for the redevelopment of the property. £29,425 was transferred to the Fixed Assets fund in the period.

18. Analysis of net assets between funds

	Unrestricted Funds	Total Funds
	£	2017 £
Tangible fixed assets	521,934	521,934
Current assets	7,520	7,520
Creditors less than 1 year	(4,460)	(4,460)
Net assets	<u>524,994</u>	<u>524,994</u>

19. Related parties

The members of Hope Church (Kirkmuirhill & Blackwood) (the Church) formed Hope Hub SCIO to run the church based community centre. The Church donated £50,000 to Hope Hub SCIO in the year (2016: £390,000). In addition the Church has paid £11,000 for the use of the premises in the year.

The trustees have donated a total of £1,850 in cash to the charity (2016: £11,000) included in member donations.

20. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The charity transitioned to FRS 102 on 26 Oct 2015.

No transitional adjustments were required in the retained funds or income or expenditure for the period.