

Company registration number SC668011 (Scotland)

Charity registration number SC051232 (Scotland)

KNOCKNAGAEI LIMITED
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDING 31 JULY 2023

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COMPANY INFORMATION

Directors/Trustees	M de la Torre (Chair) S Rowan (Secretary) S Craig R MacVicar A Simmons G MacDonald
Company number	SC668011 (Scotland)
Charity number	SCO51232 (Scotland)
Registered office	33 Glenburn Drive, Inverness, Scotland, IV2 4NE
Organisation type	Private company limited by guarantee without share capital established 20 July 2020 Scottish registered charity from 1 September 2021
Accounting period	These accounts cover the period from 1 st August 2022 to 31 st July 2023.
Bankers	Clydesdale Bank/Virgin Money 15 Academy Street, Inverness, IV1 1JN
Independent Examiner	Sandra Ross FCCA

DIRECTORS' /TRUSTEES' REPORT

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 July 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

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 applicable in the UK and Republic of Ireland (FRS 102).

Background information

In 2012, two fields at Knocknagael Farm, part of the Scottish Government bull stud farm on Essich Road, south of Inverness, were identified as surplus to the farm. A planning application for 200 new houses was lodged in 2013. This proposal was met with strong local opposition rooted in the loss of other Inverness farms to housing development in recent years and growing awareness of environmental challenges and the need for local food growing. Following representations from a number of sources including the Campaign Save the Knocknagael Fields, under the Inner Moray Firth Local Development Plan process, the appointed Reporter rejected proposals to change the land from agricultural use to housing. A community group was formed and an initial Feasibility Study into a food-growing project on the site was completed in 2017.

The project has gathered momentum since 2019 when the group started to work with Highland & Islands Enterprise (HIE) and the Development Trust Association Scotland (DTAS) to follow a formal Asset Transfer Request (ATR) process under the Community Empowerment (Scotland) Act 2015, for what is known locally as the Smiddy Field, to transfer ownership of the field from the Scottish Government to Knocknagael Ltd. Knocknagael Ltd was established in July 2020 and currently has 95 members.

Aims and objectives

In company law, key aims and objectives, known as the objects of the company, are stated in its Articles of Association, which in effect is a company's constitution. The objects of Knocknagael Ltd are:

The company has been formed to benefit the Community comprising people, usually resident in the Inverness city local authority electoral wards of Inverness Ness-side and Inverness South, who support the aims and values of Knocknagael Ltd with the following objects:

- (1) The advancement of community development by a) provision of community growing areas, including a community orchard, to provide a greater social and cohesive spirit b) creation and provision of allotments to community members

(2) The advancement of health by a) providing an environment that encourages outdoor activities in a safe environment b) providing growing space and training to organisations working with people living with mental health issues

(3) The advancement of environmental protection and improvement by a) creating a wildlife habitat as part of a “green hub” within an increasingly urbanised area b) providing training in horticulture and environmental awareness c) encouraging people within the community to grow and eat seasonally produced food, reducing food miles and packaging waste

(4) The advancement of education by a) Working with local schools to provide dedicated growing space for pupils use and education on environmental matters

(5) Other activities which may arise through community consultation from time to time which are compatible with the above objects

As these aims and objectives are dependent on ownership of the land, the first priority for financial year 2022-2023 has been to follow due process with the Asset Transfer Request. Completing the process remains the first priority for 2023-2024.

Achievements and performance

Asset Transfer Request

This was a critical period for us. While we were preparing in earnest to submit our application for a Stage 2 Scottish Land Fund grant for purchase of the Smiddy Field, we received the disappointing news in June 2022, at the end of last financial year, that our Asset Transfer Request had been rejected. We were able to submit a review request within the 20 working days limit on 15th July 2022. We had to wait until 30 November 2022 to be notified that the Review Panel had been appointed.

The early part of 2023 was taken up by an intense process of preparing and submitting documents for the panel, then preparing for a public hearing on the 12th of March. The hearing was held at the Highland Rugby Club. This was a long day. Both ourselves and the Scottish Government officials were given the opportunity to provide evidence to support our respective cases. Both parties were given opportunities to question each other. We were fortunate in having the support of witnesses from partner organisations who spoke eloquently in providing evidence of the benefits of the project.

This was followed by a further six weeks to provide additional evidence to the panel, comment on the other party’s additional evidence, and provide a concluding statement.

We ended the financial year with a long wait to hear of the panel’s decision ahead of us.

Local Development Plan

Last financial year, with the support of members and the public, we commented on the last version of the Inner Moray Firth Local Development Plan (the last consultation was open till 17th June 2022). The proposals were to merge the Smiddy Field and the field on the opposite side of the farm access road into one site INS18, allocated for housing. There was a very high level of objection. Although the site has continued to be allocated for housing, at the final Council Inverness City Area Committee Council meeting (24 Nov 2022) the text referring to the community growing aspect was significantly improved.

We are grateful for all the effort that members put into commenting/objecting – all this has made a huge difference.

The final draft plan is now with the Scottish Government for consideration with the final decision yet to be made.

Other activities

On 27th August 2022 we attended the Holm Eco Festival with a stall, and were approached by many people with who were interested and supportive

One of the highlights of our year was the Knocknagael Social Gathering and fundraising Ceilidh held on Saturday 4th February at St Mary's Church with great music from Blackrock Ceilidh and some great raffle prizes thanks to the generosity of members.

In July 2023 we had a tea/coffee & cake get together at the Botanic Gardens. This was a great opportunity to share ideas and support while we were still waiting for the news of our review.

Key dates:

20 June 2022 - Formal Decision Notice in respect of the Community Asset Transfer Request submitted by Knocknagael Limited for the Smiddy Field - Refusal

15th July 2022 - Knocknagael Ltd Review Request Submission

27th August 2022 – attended Holm Eco Festival

30th November 2022 - Letter informing us a Review Panel is to be appointed

22nd December 2022 - Letter from Scottish Government DPEA (Planning And Environmental Appeals Division) informing us of the appointment of the panel

12th January 2023 - legal review process starts

31st January 2023 – Annual General Meeting

12th March 2023 - hearing proceeded by site visit the previous day

4th February - Knocknagael - Social Gathering & Ceilidh

1st July 2023 - Tea/coffee and cake get together at the Botanic Gardens

We had essential support from the Development Trust Association Scotland, Highlands & Islands Enterprise, and Community Enterprise in developing our project.

We want to acknowledge the support for the Green Hub project and thank MSP Ariane Burgess, MP Drew Hendry, the Inverness Courier, all our members, councillors, partner organisations and other supporters for your help in overcoming all the barriers. We have now turned a corner.

Outcome – after the financial year end

Despite 2022-2023 being the year of the long wait, on 4 September 2023 we finally received the Review Panel's report and the Scottish Government Minister's decision – **the transfer of the Smiddy Field to Knocknagael Ltd was approved.**

We now have the challenge of what may be a lengthy stage of completing the transfer process.

Financial review

As in the previous financial year, very few activities of the company during the year were financial. Our ceilidh – a fund-raising and social event – raised just under £600 after costs. All other costs were core costs necessary for the company's functioning, such as Companies House, Information Commissioners Office, website registration fees and other IT costs. Some of these fees cover part of the next financial year and have been treated as prepayments in the accounts.

With preparation for the Review dominating the first part of 2023, and the then very real possibility of the review result being a final refusal of the Asset Transfer Request, the Directors did not issue members a request for 2022-2023 annual subscriptions.

Donations and an extension of the director's loan from £597 last year to £780 this year covered the balance of costs. This resulted in a small surplus of £338 in the year with a final bank balance of £1,042.

Regardless of the level of activity, there are a number of costs necessary simply for the company to function as a legal entity. The Directors believe subscriptions, fund-raising activities and other income will cover ongoing costs for at least the next 12 months. We have also kindly been awarded a grant of £5,000 from The Folio Trust after the 2022-23 financial year end (see note 2 to the accounts).

Funds held as custodian on behalf of others

The company currently holds no funds on behalf of others.

Reserves policy

At this early stage, the company has no formal policy on a desirable level of reserves. Ideally we would wish to have sufficient reserves to cover a year's operating costs, but if successful in its immediate objectives, the amount of a year's operating costs could increase rapidly in a short period of time. The directors would prefer to err on the side of prudence as the company develops.

Structure, governance and management

The company is a private company limited by guarantee and without share capital, established by a Memorandum and Articles of Association. On 5th July 2021, at a General Meeting of the company, a Special Resolution was passed to amend the company's objects, as stated in the Articles, in a way consistent with the original objects, in order to comply with the requirements of the Office of the Scottish Charity Regulator (OSCR). OSCR granted charitable status to the company with effect from 1st September 2021.

The directors, who are also the trustees of the company, who served during the year and up to the date of signature of the financial statements were:

M de la Torre (Chair)

S Rowan (Secretary)

S Craig

R MacVicar

A Simmons

G MacDonald

None of the directors has any beneficial interest in the company. All of them are members of the company and guarantee to contribute £1 in the event of a winding-up. The minimum number of members of the company is 20.

At this early stage the company has no formal policy on training of directors. On Commencement of his term as a director Professor MacVicar was issued with the Companies House Guidance on Being a Company Director, OSCAR Guide to being a Charity Trustee, Knocknagael Ltd's Memorandum and Articles of Association, Directors Code of Conduct and Directors Register of Interests, and was brought up to date with the affairs of the company at the first meeting he attended as a director. We would regard this as a minimum requirement for any future appointments.

The original 5 directors were also the founders of the company. Directors of the company are now elected at the Annual General Meeting (AGM), in a system of rotation to ensure that no director may continue in office for more than 3 years without standing for re-election. The Board may co-opt a maximum of 2 directors between AGMs. The Board must consist of at least 3 and not more than 10 directors. The chair is elected by the directors.

The Board currently aspires to meet not less than once every two months to discuss formal company business, with other meetings at various times to progress specific activities of the company.

This report has been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

The Directors' Report was approved by the Board on 10th January 2024.

Signed

A handwritten signature in black ink, appearing to read 'M de la Torre', with a horizontal line drawn through it.

M de la Torre (Chair)

Dated

10th January 2024

INDEPENDENT EXAMINER'S REPORT

Independent Examiners Report to the members of Knocknagael Limited

I report on the financial statements of the company for the year ending 31 July 2023 as set out on pages 10 to 16.

Respective responsibilities of trustees and examiner.

The charity's trustees, who also act as directors of the company for the purposes of company law, are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The directors consider that the audit requirement of Regulation 10(1)(a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the financial statements as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

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 company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the directors concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the financial statements.

Independent examiner's statement

In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations
 - 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.

Signed



Sandra Ross

Dated 22 JANUARY 2024

INCOME AND EXPENDITURE ACCOUNT**For the period ending 31 July 2023**

	Notes	2023	2022
		£	£
Income		1,096	1,079
Operating expenses		<u>758</u>	<u>1,178</u>
Operating surplus/ (deficit)		338	(99)
Interest receivable		<u>-</u>	<u>-</u>
Surplus/ (Deficit) on ordinary activities			
Before taxation		338	(99)
Taxation		<u>-</u>	<u>1</u>
Surplus/ (Deficit) for the year		338	(100)

The company has no recognised gains or losses other than the surplus for the year.

The company's income and expenses all relate to continuing operations

The notes on pages 15 to 16 form part of these Financial Statements

STATEMENT OF FINANCIAL ACTIVITIES

For the period ending 31 July 2023

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Income				
Grants	-	-	-	600
Donations	69	-	69	101
Other	1,027	-	1,027	378
Total	1,096	-	1,096	1,079
Expenditure				
Smiddy field valuation update	-	-	-	300
Accountancy	-	-	-	599
Other – fund raising	392	-	392	-
Other – fees & registrations etc	366	-	366	279
Corporation Tax	-	-	-	1
Net income/(expenditure)	758	-	758	1,179
Gross transfers between funds	-	-	-	-
Net movement in funds	338	-	338	(100)
Reconciliation of funds				
Fund balances as at 31 July 2022	(95)	-	(95)	
Fund balances as at 31 July 2023	243	-	243	

BALANCE SHEET	Notes	2023	2022
As at 31 July 2023		£	£
Fixed assets	1	-	-
Current assets			
Debtors	2	-	-
Prepayments	3	71	137
Cash at bank	4	1,042	<u>965</u>
		1,113	1,102
Creditors due within one year	5	870	1,197
Net current assets		<u>243</u>	<u>(95)</u>
Total assets less current liabilities		<u>243</u>	<u>(95)</u>
Represented by:			
Funds			
Restricted		-	-
Unrestricted		<u>243</u>	<u>(95)</u>
Total funds		<u>243</u>	<u>(95)</u>

The notes on pages 15 to 16 form part of these financial statements, which were approved by the Board on 10th January 2024.

For the period ending 31 July 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors have not required the company to obtain an audit of its financial statements for the period in accordance with section 476.

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

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

Signed on behalf of the Board



Signed M de la Torre (Chair)

Dated 10th January 2024

ACCOUNTING POLICIES

1 Basis of accounting

The financial statements of the 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)”, Financial Reporting Standard 102, “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, including the provisions of Section 1A applicable to Small Entities, and the Companies Act 2006. The financial statements have been prepared in sterling, under the historical cost convention, on an accruals basis, rounded to the nearest £1.

2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the charity will have adequate resources to continue in operation for at least the next 12 months. A grant of £5,000 was kindly provided after the end of the financial year in September 2023 by The Folio Trust. It was unrestricted and may be spent on any matter in support of the company’s objects.

3 Fund accounting

Unrestricted funds are available for use at the discretion of the directors in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds are those set aside at the discretion of the directors for specific purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used, or when raised for specific purposes.

4 Income

Income, including grant income, is recognised when the company is entitled to it after any performance conditions have been met.

5 Expenditure

Expenditure is recognised at the time it is incurred.

6 Tangible fixed assets and depreciation

The company currently holds no tangible fixed assets.

7 Stocks

The company currently holds no stocks.

8 Cash and cash equivalents

This includes bank balances and cash in hand.

9 Staff costs

The company currently has no paid staff.

10 Value Added Tax

The company is not registered for VAT. Costs are therefore stated inclusive of VAT.

NOTES TO THE FINANCIAL STATEMENTS

1 Fixed assets

Fixed assets are items such as land, property or other items, the use of which will provide future economic benefit to the company in a period over one year. The company had no fixed assets as at the balance sheet date

2 Debtors

Debtors are amounts due to the company but not yet paid. The company had no debtors as at the balance sheet date.

3 Prepayments

Prepayments are items paid for in advance which will confer benefit within one year. The company has prepaid fees and registrations which expire after the balance sheet date covering part of the next financial year.

4 Cash at bank

The company has a single current account with Clydesdale Bank/Virgin Money. The £1042 balance is all in the account with no cash held.

5 Creditors due in under one year

Some initial costs for the first three years were covered by a director's loan (S Rowan) of £780. (31 July 2022 - £597.) No interest is payable on this loan. In future such costs are expected to be covered by membership fees and other sources of income. Some annual administrative costs were unpaid at the year end for which £90 has been included in creditors.

6 Staff costs/directors' remuneration

The company does not currently employ any staff. The work of the company is carried out by the directors, who are unpaid. No payments for work or for expenses were made to the directors.

7 Grants

No grants were received during the year

8 Donations

G MacDonald (director)	£7
Maria de le Torre (director)	£12
Other members donations	£50

9 Related party transactions

There were no related party transactions during the year other than those shown at note 5.

10 Independent examiner's fees

No fees were charged for the independent examiner's report.

11 Contingent liabilities

Contingent liabilities are possible but uncertain liabilities not included in the financial statements because the liability is not certain or cannot be estimated reliably. The company has no contingent liabilities as at the date of signing of the report.

12 Post balance sheet events

There have been no relevant post balance sheet events as at the date of signing the accounts.