



Scott-Moncrieff
business advisers and accountants

THE DARK SKY OBSERVATORY

Trustees' Report and Unaudited Financial Statements

For the year ended 31 May 2017

Charity Number: SC042329

Company Registration Number: SC399758



THE DARK SKY OBSERVATORY

Report of the Trustees and Financial Statements For the year ended 31 May 2017

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THE DARK SKY OBSERVATORY

Report of the Trustees and Financial Statements For the year ended 31 May 2017

Reference and administrative details

Trustees (Directors for company law purposes)

J M Gibson
A P S Johnstone
Dr N J Martin
D I C Parker
M H Klimek

Registered office

Craigengillan
Dalmellington
Ayr
KA6 7PZ

Bankers

The Royal Bank of Scotland plc
Dalmellington Branch
27 Main Street
Dalmellington
KA6 7QJ

Clydesdale Bank plc
43 Alloway Street
Ayr
KA7 1SP

Independent examiner

Scott-Moncrieff
Exchange Place 3
Sempè Street
Edinburgh
EH3 8BL

Company Registration No: SC399758

Charity No: SC042329

THE DARK SKY OBSERVATORY

Report of the Trustees For the year ended 31 May 2017

The Trustees have pleasure in presenting their report for the year ended 31 May 2017. This report is prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, and Accounting and Reporting for Charities: 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).

Objectives and Activities

The company's charitable purposes as defined by the Memorandum and Articles of Association are:

- the advancement of science, education, the arts and environmental protection by the construction of an observatory to complement the Galloway Forest Dark Sky Park and;
- the promotion of social, economic and environmental regeneration of Dalmellington and the Upper Doon Valley in East Ayrshire.

Achievements and Performance

The most notable achievement of 2017 was the successful build completion of our new on-site planetarium, retail outlet and reception area extension. Although the build process took longer than anticipated, build completion was achieved in early July and, following several weeks of internal fitting out, equipment installation and trial audiences, the planetarium extension was formally opened in early October 2017. Visitor reaction in the months since has been extremely positive and the planetarium will undoubtedly prove to be a strong asset for the development of the facility.

Following the development of The Scottish Dark Sky Observatory over the last few years, our 2016/17 financial year has continued to see stable visitor numbers and associated income, most notably during the period November to March (winter months offering longer hours of darkness and clearer skies).

We have seen an increase in private/group bookings throughout the course of the year, along with continued interest in hire of our portable planetarium, which is used to great educational effect, particularly for school and youth group outreach visits.

The Observatory is delighted to have maintained its VisitScotland '4 Star' Quality Assurance rating during 2017, along with its TripAdvisor '5 Star' award status and 'Certificate of Excellence'.

During 2017 the Scottish Dark Sky Observatory created and registered a 'Dark Sky' tartan with the Tartan Register of Scotland.

Financial Review

The financial statements have been prepared in accordance with current statutory requirements and the company's Memorandum and Articles of Association.

The net movement in funds for the year are £220,342 (2016: (£9,197)) as stated in the Statement of Financial Activities. The Trustees confirm that the assets are available and adequate to fulfil the obligations of the charitable company.

Future Plans

The period 1 June to 31 December 2017 was very positive.

Following the achievement of build completion of the new on-site planetarium, retail outlet and reception space (as an extension to the existing facility) we have greatly increased our operating flexibility as we can now offer educational daytime visits to the Observatory.

Although our visitor numbers have remained approximately in line with the year prior, we know that this was principally because, during the 6 month build process for the planetarium extension, we had to reduce our visitor capacity for each stargazing session due to limited car parking space (a large area of our car park was allocated to a builder's site compound). However, most importantly, we were able to remain operational throughout the build process and our visitors were very interested to learn of the forthcoming planetarium attraction.

THE DARK SKY OBSERVATORY

Report of the Trustees For the year ended 31 May 2017

Future plans (continued)

The Trustees believe that, under the continued direction of the Observatory Manager, Fi McClelland, our visitor numbers will increase at a steady rate during the forthcoming financial year. The potential for private hire of the Observatory continues to be explored and developed – indeed, the Observatory will host its first wedding ceremony in early April 2018.

The Observatory Manager has continued to control expenditure throughout the year by negotiating discounted fees for required professional involvement (e.g. insurance) and for necessary utilities/service contracts.

Resident Astronomer, David Warrington, now entering his fifth year of service with the Observatory, continues to be a strong and valuable asset. He is regularly asked to provide outreach visits to local clubs and interest groups, which is an important way of promoting the Observatory within the local area. Planetarium hire continues to be popular, with David hosting and narrating all of the sessions.

The Trustees believe the Observatory has maintained a stable operating platform this year (despite the inevitable disruption caused during the planetarium build process) and are confident that further development of the business will be achieved in the coming twelve months.

The new planetarium is a valuable asset, particularly on nights when the sky is overcast and stargazing is not possible. The increased building footprint has allowed us to re-model the way in which we use the facility and has provided an opportunity to introduce an exhibition/hands-on interpretation space which we believe will be very popular, particularly with our school and youth group visitors.

The Observatory Manager and Resident Astronomer have identified and sourced a new range of retail merchandise and publications (entirely relevant to the business) which are offered for sale to the visiting public at a range of prices to suit all pockets. The creation of the retail outlet has already begun to demonstrate its potential as a source of useful additional revenue, which will help us achieve our ongoing aim of financial self-sufficiency and sustainability.

The Trustees intend, during 2018, to produce and promote a range of merchandise created from/based around the SDSO's recently registered 'Dark Sky' Tartan, which we believe will be of interest to astronomers all over the world.

Reserves Policy

The Trustees' principal objective with regard to reserves is to ensure that the company has adequate working capital to meet cashflow requirements and to enable the company to meet all legal obligations. The Trustees consider that the level of unrestricted funds at 31 May 2017 of £678,543 (2016: £451,201) is adequate for these purposes.

Risk Management

The Trustees have conducted a review of the major risks to which the company is exposed and systems have been established to mitigate these risks.

Taxation

The charity is recognised as such by H M Revenue & Customs for taxation purposes. As a result, there is no liability to taxation on any of its charitable income.

Structure, Governance and Management

The company, which is limited by guarantee and has charitable status, was incorporated on 18 May 2011. Management of the company has been delegated to the Trustees, each of whom were appointed in accordance with the Memorandum and Articles of Association.

Trustees are appointed by ordinary resolution of the members or by resolution of the Trustees. Trustees are not required to serve fixed terms or to retire by rotation.

THE DARK SKY OBSERVATORY

Report of the Trustees For the year ended 31 May 2017

Statement of Trustees' Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing 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 judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The above report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Trustees on **12. 2.** 2018 and signed on their behalf by:



M H Klimek
Chairman

THE DARK SKY OBSERVATORY

Independent Examiner's Report to the Trustees of The Dark Sky Observatory For the year ended 31 May 2017

I report on the financial statements of The Dark Sky Observatory for the year ended 31 May 2017, which comprise the Statement of Financial Activities, Balance Sheet and the related notes.

This report is made solely to the charity's trustees, as a body, in accordance with section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005. My examination has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my examination, for this report, or for the opinions I have formed.

Respective responsibilities of trustees and examiner

The charity's Trustees (who are also the directors of the company for the purposes of company law) 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 (as amended) (the Regulations). The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the 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.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). 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 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; and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulationshave 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.



Wemyss Stewart
Scott-Moncrieff
Chartered Accountants
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

14 February 2018

THE DARK SKY OBSERVATORY

Statement of Financial Activities
(including income and expenditure account)

For the year ended 31 May 2017

	Notes	Unrestricted Funds £	Restricted Funds £	2017 Total £	2016 Total £
Income from:					
Donations and legacies	3	3,331	234,500	237,831	10,847
Charitable activities	4	56,737	-	56,737	48,164
Investments		12	-	12	4
Total income		60,080	234,500	294,580	59,015
Expenditure on:					
Charitable activities	5	74,238	-	74,238	68,212
Total expenditure		74,238	-	74,238	68,212
Net (expenditure)/income and movement in funds		(14,158)	234,500	220,342	(9,197)
Transfers between funds		241,500	(241,500)	-	-
Net movement in funds		227,342	(7,000)	220,342	(9,197)
Reconciliation of funds:					
Total funds brought forward		451,201	7,000	458,201	467,398
Total funds carried forward	13	678,543	-	678,543	458,201

All results relate to continuing activities.

THE DARK SKY OBSERVATORY

Balance Sheet

As at 31 May 2017

	Notes	2017	2016
		£	£
Fixed assets			
Tangible fixed assets	9	687,723	505,471
Current assets			
Stock		1,553	406
Debtors	10	4,344	11,169
Cash at bank and in hand		66,186	21,030
		<hr/>	<hr/>
		72,083	32,605
Creditors: amounts falling due within one year	11	(81,263)	(79,875)
		<hr/>	<hr/>
Net current liabilities		(9,180)	(47,270)
Net assets	14	<hr/> <hr/> 678,543	<hr/> <hr/> 458,201
Funds			
Unrestricted funds	13	24,935	(54,270)
Designated funds	13	653,608	505,471
Restricted funds	13	-	7,000
		<hr/>	<hr/>
Total charity funds		<hr/> <hr/> 678,543	<hr/> <hr/> 458,201


These financial statements have been prepared in accordance with the provisions applicable to companies subject to the 'small companies' regime and in accordance with the provisions of the Financial Reporting Standard 102, as issued by the Financial Reporting Council (effective 1 January 2015) and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland."

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the financial year ended 31 May 2017. The members have not required the company to obtain an audit of its financial statements for the year ended 31 May 2017 in accordance with Section 476 of the Companies Act 2006.

The Trustees acknowledge their responsibility for ensuring that the company keeps accounting records which comply with the requirements of the Companies Act 2006, and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its results for the financial period in accordance with the requirements of Section 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were authorised for issue on **12 . 2 .** 2018 and signed on their behalf by:


 _____ Chairman
 M H Klimek


 _____ Trustee
 J M Gibson

Company Registration Number SC399758

The notes on pages 7 to 12 form part of these financial statements

THE DARK SKY OBSERVATORY

Notes to the Financial Statements For the year ended 31 May 2017.

1. Accounting policies

General information

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charitable company's transactions are denominated. These financial statements are of The Dark Sky Observatory only and cover the year to 31 May 2017.

The Dark Sky Observatory is an incorporated charity limited by guarantee in the United Kingdom and is registered in Scotland. It is recognised as a charity for tax purposes by HMRC and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC042329. Details of the registered office can be found on the reference and administrative details page of these financial statements.

Statement of compliance

The financial statements are prepared in accordance with United Kingdom Accounting Standards, including the Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102), the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)", the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented, in dealing with items which are considered material in relation to the charity's financial statements unless otherwise stated.

Basis of Accounting

The financial statements are prepared on the historical cost basis. These financial statements for the year ended 31 May 2017 are the charity's first financial statements that comply with the FRS 102. The charity's date of transition to FRS 102 is 1 June 2015.

The Dark Sky Observatory meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transition value unless otherwise stated in the relevant accounting policy.

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard 102, as issued by the Financial Reporting Council (effective 1 January 2015) and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)".

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires directors to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Board of Trustees have considered whether in applying the accounting policies required by the Financial Reporting Standard 102, as issued by the Financial Reporting Council (effective 1 January 2015) and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)" the restatement of comparative items was required.

No restatements were required.

THE DARK SKY OBSERVATORY

Report of the Trustees For the year ended 31 May 2017

1. Accounting policies (continued)

Going concern

The trustees have considered a period of at least 12 months from the date of signing the financial statements. The trustees believe that the company will continue to meet its obligations as they fall due for the foreseeable future and on this basis, believe that it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Incoming resources

Income is included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Donations and legacies

Donations, grants and gifts are included in full in the Statement of Financial Activities when receivable. 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. Grant income, where related to performance and specific deliverables, is accounted for as the charity earns the right to consideration by its performance.

Income from charitable activities

Income raised from contractual payments from government or public authorities and other parties which fund the provision of particular goods or services. Also income raised from performance-related grants where income is conditional on delivering certain levels or volumes of a service or supply of goods.

Resources expended

Expenditure is recognised when a legal or constructive obligation arises.

Expenditure incurred, which relates directly to any one cost category, is allocated directly to that category. Expenditure common to more than one cost category is apportioned on a reasonable and consistent basis to the categories involved, in accordance with the Financial Reporting standard 102, as issued by the Financial Reporting Council (effective 1 January 2015) and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)".

Charitable activities

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.

Governance and support costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the independent reporting accountants' fees, and costs linked to the strategic management of the charity.

Tangible fixed assets and depreciation

All fixed assets are included at cost. Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Land and buildings	2%	straight line
Plant and machinery	20%	reducing balance
Fixtures and fittings	20%	reducing balance
Computer equipment	33%	straight line

THE DARK SKY OBSERVATORY

Report of the Trustees For the year ended 31 May 2017

1. Accounting policies (continued)

Debtors

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

Cash at bank and in hand

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

Creditors

Creditors are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third part and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. With the exception of concessionary loans, discussed overleaf, basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Concessionary loans

Concessionary loans consist of those loans which are granted to the charitable company to further its purposes with any interest charged at below the prevailing market rates. Concessionary loans are initially measured at the amount received. The carrying amount is adjusted for any repayments, and any accrued interest is included within accruals.

Funds

Restricted funds

Restricted funds are funds subject to specific conditions imposed on them by the funder. They may only be expended on items specified within the terms of the agreement on the basis they were awarded.

Where restricted funds fall into deficit, an amount needed to break even is transferred from the unrestricted funds.

Unrestricted and designated funds

Unrestricted funds are expendable at the discretion of the trustees in the furtherance of the charity's objectives.

The trustees may designate funds for specific purposes to ensure that funds are available to meet future commitments.

Value added tax and corporation tax

The company is registered for VAT and income and expenditure is shown net of VAT as appropriate.

The company has charitable status in terms of the Corporation Tax Act 2010 and is exempt from corporation tax on its activities.

THE DARK SKY OBSERVATORY

Notes to the Financial Statements
For the year ended 31 May 2017

2. Statement of Financial Activities (including income and expenditure account):

	Notes	Unrestricted Funds £	Restricted Funds £	2016 Total £
Comparative figures				
Income from				
Donations and legacies	3	3,847	7,000	10,847
Charitable activities	4	48,164	-	48,164
Investments		4	-	4
Total income		52,015	7,000	59,015
Expenditure on:				
Charitable activities	5	68,212	-	68,212
Total expenditure		68,212	-	68,212
Net expenditure and movement in funds		(16,197)	7,000	(9,197)
Reconciliation of funds				
Total funds brought forward		467,398	-	467,398
Total funds carried forward	13	451,201	7,000	458,201

3. Donations	Unrestricted Funds £	Restricted Funds £	2017 £	2016 £
General donations	3,331	-	3,331	3,847
Robertson Trust	-	24,000	24,000	7,000
William Grant & Sons	-	35,000	35,000	-
Score (EB Scotland Limited)	-	175,500	175,500	-
	3,331	234,500	237,831	10,847

4. Income from charitable activities	Unrestricted Funds £	Restricted Funds £	2017 £	2016 £
Entrance fees, planetarium hire and souvenirs	56,737	-	56,737	48,164
	56,737	-	56,737	48,164

THE DARK SKY OBSERVATORY

**Notes to the Financial Statements
For the year ended 31 May 2017**

5. Resources expended	Unrestricted Funds £	Restricted Funds £	2017 £	2016 £
Cost of sales – merchandise and commissions	3,810	-	3,810	5,432
Wages and salaries	26,148	-	26,148	22,598
General administration costs	1,543	-	1,543	9,794
Equipment and repairs	3,950	-	3,950	-
Bank charges	1,740	-	1,740	-
Insurance	4,042	-	4,042	-
Travel costs	566	-	566	222
Depreciation and loss on disposal	25,855	-	25,855	23,936
Security costs	1,234	-	1,234	1,196
Professional fees	400	-	400	534
Loan interest	2,500	-	2,500	2,500
Independent examiner's fee (governance)	2,450	-	2,450	2,000
	<u>74,238</u>	<u>-</u>	<u>74,238</u>	<u>68,212</u>

6. Staff numbers and costs	2017 £	2016 £
Gross wages and salaries	26,123	22,598
Employer's Pension	25	-
	<u>26,148</u>	<u>22,598</u>

	No	No
The average number of employees during the year was as follows:	<u>2</u>	<u>2</u>

No employee received remuneration in excess of £60,000.

7. Trustees

No trustees received any remuneration during the year (2016: nil) nor were reimbursed with any expenditure that they had paid on behalf of the company (2016: £nil).

8. Taxation

There is no charge to taxation as the company is regarded as being established for charitable purposes in terms of the Corporation Tax Act 2010 and so is exempt from corporation tax

THE DARK SKY OBSERVATORY

**Notes to the Financial Statements
For the year ended 31 May 2017**

9. Tangible fixed assets	Land & buildings £	Plant & machinery £	Fixtures & fittings £	Computer equipment £	2017 Total £
Cost					
As at 1 June 2016	487,586	125,686	11,253	4,014	628,539
Additions	204,815	-	3,292	-	208,107
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 May 2017	692,401	125,686	14,545	4,014	836,646
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
As at 1 June 2016	38,839	74,205	6,010	4,014	123,068
Charge for the year	13,852	10,296	1,707	-	25,855
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 May 2017	52,691	84,501	7,717	4,014	148,923
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
As at 31 May 2017	639,710	41,185	6,828	-	687,723
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 May 2016	448,747	51,481	5,243	-	505,471
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
10. Debtors				2017 £	2016 £
Trade debtors				74	2,874
Prepayments and accrued income				4,270	8,295
				<hr/>	<hr/>
				4,344	11,169
				<hr/>	<hr/>
11. Creditors				2017 £	2016 £
Trade creditors				683	2,601
Loan – Craigengillan Estate				16,121	16,121
Loan – East Ayrshire Council				50,000	50,000
Value added tax				-	692
Accruals				14,415	10,461
Pension creditor				44	-
				<hr/>	<hr/>
				81,263	79,875
				<hr/>	<hr/>
Secured creditors				50,000	50,000
				<hr/>	<hr/>

At 31 May 2017, the charitable company had received £66,121 (2016: £66,121) of concessionary loans, all of which is due within one year. This is made up of the Craigengillan Estate loan (for terms, see note 15) and the East Ayrshire Council loan.

The loan from East Ayrshire Council bears interest at 5% p.a. and is secured by a personal guarantee provided by J M Gibson, trustee/director.

12 Liability of members

The company is limited by guarantee and has no share capital. The liability of each member in the event of a winding-up is limited to £1. As at 31 May 2017, there were 5 members.

THE DARK SKY OBSERVATORY

Notes to the Financial Statements
For the year ended 31 May 2017

13. Analysis of reserves	Balance at 31 May 2016 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 May 2017 £
Restricted funds					
Other restricted reserves	7,000	234,500	-	(241,500)	-
	<u>7,000</u>	<u>234,500</u>	<u>-</u>	<u>(241,500)</u>	<u>-</u>
Unrestricted funds					
Designated	505,471	-	(25,855)	173,992	653,608
General	(54,270)	60,080	(48,383)	67,508	24,935
	<u>451,201</u>	<u>60,080</u>	<u>(74,238)</u>	<u>241,500</u>	<u>678,543</u>
Total	<u>458,201</u>	<u>294,580</u>	<u>(74,238)</u>	<u>-</u>	<u>678,543</u>

The restricted funds relate to the development of the permanent planetarium.

The amount transferred to designated funds equals the net book value of fixed assets once the initial restriction on the funds has been met.

14. Analysis of net assets among funds

	Restricted funds £	Unrestricted		Total funds £
		Designated funds £	General funds £	
Tangible fixed assets	-	687,723	-	687,723
Current assets	-	-	72,083	72,083
Current liabilities	-	-	(81,263)	(81,263)
	<u>-</u>	<u>687,723</u>	<u>(9,180)</u>	<u>678,543</u>

15. Related parties

J M Gibson, trustee and director, has provided a personal guarantee to the value of £70,000 in favour of East Ayrshire Council, in respect of its loan to the company. At 31 May 2017, the company's loan liability to East Ayrshire Council was £50,000 (2016: £50,000).

At 31 May 2017, the company owed £16,121 (2016: £16,121) to the Craigengillan Estate, operated by J M Gibson. The loan is unsecured, interest free and has no fixed terms of repayment.