

**Charity number: SC043681**  
**Company number: SC200325**

**The Morvern Community Development Company**  
**(A company limited by guarantee)**

**Directors' report and financial statements**

**for the year ended 31 March 2014**

**The Morvern Community Development Company**  
**(A company limited by guarantee)**

**Contents**

	<b>Page</b>
Legal and administrative information	<b>1</b>
Directors' report	<b>2 - 4</b>
Independent examiner's report	<b>5</b>
Statement of financial activities	<b>6</b>
Balance sheet	<b>7 - 8</b>
Notes to the financial statements	<b>9 - 19</b>

**The Morvern Community Development Company**  
**(A company limited by guarantee)**

**Legal and administrative information**

**Charity number** SC043681  
**Company registration number** SC200325

**Business address/  
Registered Office** Lochaline Harbour Office  
Lochaline  
Morvern  
Argyll  
PA80 5XT

**Directors**

Lesley Jones  
Angus Robertson  
Jane Stuart-Smith  
Clare Holohan  
Jennifer Brewis  
Tracy Lawes  
John Hodgson

Chair  
Treasurer

Appointed 15 September 2013  
Appointed May 2014  
Appointed May 2014

Malcolm Cameron MacNeil  
David Brewis

Resigned May 2014  
Appointed 15 September 2013,  
resigned May 2014

Barbara Van der Meulen

Appointed 18 January 2012,  
resigned 15 September 2013

Iain Hector Mackechnie

Resigned 15 September 2013

**Secretary**

Angus Robertson

**Office Bearers**

Lesley Jones  
Angus Robertson

Chair  
Treasurer

**Accountants**

R A Clement Associates  
Chartered Accountants  
5 Argyll Square  
Oban  
Argyll  
PA34 4AZ

## **The Morvern Community Development Company** **(A company limited by guarantee)**

### **Report of the directors (incorporating the trustees' report)** **for the year ended 31 March 2014**

The directors present their report and the financial statements for the year ended 31 March 2014. The directors, who are also trustees of The Morvern Community Development Company for the purposes of charity law and who served during the year and up to the date of this report are set out on page 1.

#### **Structure, governance and management**

##### *Constitution*

The company is constituted as a company limited by guarantee and was incorporated on 28th September 1999. The company was registered as a Scottish charity on 4th January 2013.

The company is managed by a Board of directors which is made up of those with a keen interest in furthering the aims of the company and are representative of the different sectors of interest within the community.

The company was formed to benefit the community of Morvern, Argyll following the principles of sustainable development;

- \* *to manage community land and associated assets for the benefit of the Community and the public in general*
- \* *to provide, or assist in providing, recreational facilities, and/or organising recreational activities, which will be available to members of the Community and public at large with the object of improving the conditions of life of the Community.*
- \* *To advance community development, including urban or rural regeneration within the Community*
- \* *To advance the education of the Community about its environment, culture, heritage and/or history*
- \* *To advance environmental protection or improvement including preservation, sustainable development and conservation of the natural environment, the maintenance, improvement or provision of environmental amenities for the Community and/or the preservation of buildings or sites of architectural, historic, or other importance to the Community.*

#### **Structure of the Company**

The company membership is made up of:

##### *Ordinary Members*

Ordinary Members have the right to attend the AGM and any EGM and have powers to elect people directors and take decisions in relation to any changes to the constitution of the company. Ordinary members must be over 18, ordinarily resident in the community and entitled to be on the electoral register. Individuals who are wither under 18, or not resident in the area, may become Junior, or Association members respectively but are not voting members. The company must maintain a minimum membership of 20 at any one time.

##### *Directors*

Directors who hold the meetings once a month, are responsible for the strategy and policy of the company, monitoring its financial position and generally controlling and supervising the activities of the company. The directors have appointed a manager who is responsible for the day to day management of the company's affairs.

The board of directors or trustees shall consist of up to 7 individual persons elected as Directors by the Ordinary Members in terms of Article 33 ("the Elected Directors"), who must themselves be Ordinary Members, and up to 2 individual persons appointed by the Morvern Community Council or its successors in terms of Article 34 ("the Appointed Directors"). At the second and each subsequent AGM, one- third of the Elected Directors (or the nearest number upwards) shall retire from office.

**The Morvern Community Development Company**  
**(A company limited by guarantee)**

**Report of the directors (incorporating the trustees' report)**  
**for the year ended 31 March 2014**

*Risk policy*

The directors have assessed the major risks to which the charity is exposed, and in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to mitigate any exposure to these risks.

*Reserves policy*

The policy of the trust is to aim to retain sufficient reserves to meet the cost of any regular commitments, as well as a contingency to enable it to continue to develop further projects. The company has built up considerable assets in terms of property and has some liquid reserves. However, at this stage, all reserves are earmarked for reinvestment in achieving further objectives.

**Objectives and activities**

*The following activities were undertaken in the year to 31 March 2014:*

- \* The construction of shore facilities building to complement the existing community pontoon facility and the lease of these assets to MCTC, who operate the business on behalf of the community
- \* The construction of access road to shore facilities and pontoons to avoid dangerous workings of the mine now in operation
- \* Investment on behalf of the local community in a hydro renewable scheme being realised in the area by a commercial developer
- \* Working towards realising own hydro renewable scheme
- \* Development of a community web site to encourage better communication within the community
- \* Demolition of disused building in the heart of the community, previously gifted to MCDC
- \* Further community consultation about the future of the site of the disused building
- \* Developing other activities in line with its charitable activities

**Achievements**

*The company has achieved the following;*

- \* The shore facilities enjoy the first full year of operation
- \* The website development is nearing completion
- \* The Scout Hut has been demolished, after community consultation it is still undecided what the future of the site will be
- \* Invested in a hydro scheme realised by a commercial developer

**The Morvern Community Development Company**  
**(A company limited by guarantee)**

**Report of the directors (incorporating the trustees' report)**  
**for the year ended 31 March 2014**

*Donated facilities and services*

The directors (trustees) provide their time and effort free of charge. Many members of MCDC and the community in general have donated time and money to help during the year. Several individuals and companies, charities and government agencies have been generous in providing financial support to restricted funds for various projects.

**Statement of directors' responsibilities**

The directors (who are also trustees of The Morvern Community Development Company under charity law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors 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 directors are required to:

- select suitable accounting policies and then 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the trust deed. 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.

Duncan Grout of R A Clement Associates was deemed to be reappointed as independent examiner and the directors recommend that Duncan Grout remains in office until further notice.

**Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

This report was approved by the Board on *9th October 2014* and signed on its behalf by

**Lesley Jones**  
**Director**



**The Morvern Community Development Company**  
**(A company limited by guarantee)**

**Independent examiner's report to the directors on the unaudited financial statements of The Morvern Community Development Company.**

I report on the accounts for the year ended 31 March 2014 set out on pages 2 to 19.

This report is made to the charity's Trustees in accordance with the terms of my engagement. My work has been undertaken to enable me to prepare the financial statements on behalf of the charity's Trustees 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 work or this report.

**Respective responsibilities of trustees and independent examiner**

The charity's trustees (who are also the directors of the company for 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 (the Act) and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity's trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the 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.

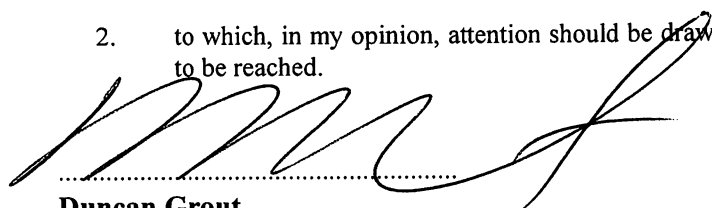
**Basis of Independent examiner's statement**

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 Regulations
  - to prepare accounts which agree with the accounting records and comply with Regulation 8 of the 2006 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.



**Duncan Grout**  
**ACCA**  
**Independent examiner**

26/9/14

**Date**

**Of R A Clement Associates**  
**5 Argyll Square**  
**Oban**  
**Argyll**  
**PA34 4AZ**

**The Morvern Community Development Company**  
**(A company limited by guarantee)**

**Statement of financial activities (incorporating the income and expenditure account)**

**For the year ended 31 March 2014**

	Notes	Unrestricted funds £	Restricted funds £	Designated funds £	2014 Total £	2013 Total £
<b>Incoming resources</b>						
Incoming resources from generating funds:						
Voluntary income	2	2,350	165,453	-	167,803	239,221
Investment income	3	65	-	-	65	40
Income from trading subsidiaries	4	27,356	-	-	27,356	-
Other incoming resources	5	7,443	-	-	7,443	25,063
<b>Total incoming resources</b>		<u>37,214</u>	<u>165,453</u>	<u>-</u>	<u>202,667</u>	<u>264,324</u>
<b>Resources expended</b>						
Costs of generating funds:						
Fundraising trading:						
cost of goods sold and other costs		9	-	-	9	-
Charitable activities		32,950	91,928	-	124,878	104,681
Governance costs	7	958	7,950	-	8,908	206
<b>Total resources expended</b>		<u>33,917</u>	<u>99,878</u>	<u>-</u>	<u>133,795</u>	<u>104,887</u>
<b>Net incoming resources before transfers</b>		3,297	65,575	-	68,872	159,437
Transfer to designated fund		(7,115)	-	7,115	-	-
Transfer to capital assets		(2,035)	2,035	-	-	-
<b>Net movement in funds/Net income/(expenditure) for the year</b>		<u>(5,853)</u>	<u>67,610</u>	<u>7,115</u>	<u>68,872</u>	<u>159,437</u>
Total funds brought forward		<u>74,991</u>	<u>498,436</u>	<u>-</u>	<u>573,427</u>	<u>413,990</u>
<b>Total funds carried forward</b>		<u>69,138</u>	<u>566,046</u>	<u>7,115</u>	<u>642,299</u>	<u>573,427</u>

The notes on pages 9 to 19 form an integral part of these financial statements.



**The Morvern Community Development Company**  
**(A company limited by guarantee)**

**Balance sheet**  
**as at 31 March 2014**

SC200325

	Notes	£	2014	£	£	2013	£
<b>Fixed assets</b>							
Tangible assets	11		604,885			540,386	
Investments	12		9,100			100	
Programme related investments	13		21,000			-	
			<u>634,985</u>			<u>540,486</u>	
<b>Current assets</b>							
Debtors	14	39,298			22,919		
Cash at bank and in hand		66,423			90,248		
		<u>105,721</u>			<u>113,167</u>		
<b>Creditors: amounts falling due within one year</b>	15	(68,407)			(80,226)		
<b>Net current assets</b>			<u>37,314</u>			<u>32,941</u>	
<b>Total assets less current liabilities</b>			672,299			573,427	
<b>Creditors: amounts falling due after more than one year</b>	16	(30,000)				-	
<b>Net assets</b>			<u>642,299</u>			<u>573,427</u>	
<b>Funds</b>	17						
Designated funds			7,115			-	
Restricted income funds			566,046			498,436	
Unrestricted income funds			69,138			74,991	
<b>Total funds</b>			<u>642,299</u>			<u>573,427</u>	

The directors statements required by s475(2) and s475(3) are shown on the following page which forms part of the Balance Sheet.

The notes on pages 9 to 19 form an integral part of these financial statements.

**The Morvern Community Development Company**  
**(A company limited by guarantee)**

**Balance sheet (continued)**

SC200325

**Directors' statements required by the Companies Act 2006**  
**for the year ended 31 March 2014**

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by section 477 of the Companies Act 2006 ;

(b) that no notice has been deposited at the registered office of the company pursuant to section 476 of the Companies Act 2006 requesting that an audit be conducted for the year ended 31 March 2014.

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps proper accounting records which comply with section 386 of the Companies Act 2006, and

(2) 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 year and of its surplus or deficit for the year then ended in accordance with the requirements of sections 394 and 395, and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the board on 09/10/14 and signed on its behalf by



**Angus Robertson**  
**Director**

**The notes on pages 9 to 19 form an integral part of these financial statements.**

**The Morvern Community Development Company**  
**(A company limited by guarantee)**

**Notes to financial statements**  
**for the year ended 31 March 2014**

**1. Accounting policies**

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

**1.1. Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005) and the Companies Act 2006.

**1.2. Incoming resources**

All incoming resources are 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:

Voluntary income is received by way of grants, donations and gifts and is 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.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

Gifts donated for resale are included as incoming resources within activities for generating funds when they are sold.

Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable.

Income from investments is included in the year in which it is receivable.

**1.3. Resources expended**

Expenditure is recognised on an accrual 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 generating funds comprise the costs associated with attracting voluntary income 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.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

**The Morvern Community Development Company**  
**(A company limited by guarantee)**

**Notes to financial statements**  
**for the year ended 31 March 2014**

**1. Accounting policies**

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

**1.1. Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005) and the Companies Act 2006.

**1.2. Incoming resources**

All incoming resources are 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:

Voluntary income is received by way of grants, donations and gifts and is 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.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

Gifts donated for resale are included as incoming resources within activities for generating funds when they are sold.

Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable.

Income from investments is included in the year in which it is receivable.

**1.3. Resources expended**

Expenditure is recognised on an accrual 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 generating funds comprise the costs associated with attracting voluntary income 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.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

**The Morvern Community Development Company**  
**(A company limited by guarantee)**

**Notes to financial statements**  
**for the year ended 31 March 2014**

**1.4. Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	Straight line over twenty five years (excluding land)
Plant and machinery	-	7.5% Straight line & 25% Reducing balance
Fixtures, fittings and equipment	-	25% reducing balance

Depreciation is charged from the year following completion of major projects.

**1.5. Investments**

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the statement of financial activities.

**1.6. Programme related investments**

Programme related investments are included in the balance sheet at the amount invested less any impairments and any amounts repaid. Impairments are charged to resources expended on charitable activities in the statement of financial activities. Similarly, a loan subsequently converted into a grant is charged to charitable activities.

Where a gain is made on disposal of a programme related investment, then the gain is either set off against any prior impairment loss or included as a gain on disposal of fixed assets for the charity's own use and recorded under other incoming resources in the statement of financial activities.

**The Morvern Community Development Company**  
**(A company limited by guarantee)**

**Notes to financial statements**  
**for the year ended 31 March 2014**

**2. Voluntary income**

	Unrestricted funds £	Restricted funds £	2014 Total £	2013 Total £
Donations	-	-	-	292
Restricted donations	-	-	-	250
Hazelwood donations	-	-	-	1,808
Voluntary Action Fund	-	-	-	2,450
Honesty Box - Marina	-	-	-	572
Ardtornish Estate - Marina	-	-	-	1,250
Tarmac - Scout Hut	-	11,000	11,000	-
Lochaline Social Club	325	-	325	-
Grants receivable	-	-	-	1,000
Highland Council - Road	-	3,000	3,000	-
Highlands & Islands Enterprise - LDO	-	34,229	34,229	33,881
HIE - Allotments/Marketing	1,867	-	1,867	724
Highlands & Islands Enterprise - Shore Facilities	-	19,535	19,535	36,392
Highlands & Islands Enterprise - Pontoons	-	-	-	4,955
HC - LEADER - Shore Facilities/Road	-	81,299	81,299	115,543
HC - LEADER - Allotments	-	-	-	10,374
BIG - Awards for All	-	-	-	9,965
Morvern Community Trust	-	6,440	6,440	3,720
Scottish Sea Farms	-	-	-	5,000
BIG - Scout Hut	-	-	-	6,080
Community Energy Scotland	150	7,950	8,100	4,950
Commun na Gaidhlig	-	2,000	2,000	-
Membership subscriptions	8	-	8	15
	<u>2,350</u>	<u>165,453</u>	<u>167,803</u>	<u>239,221</u>

**3. Investment income**

	Unrestricted funds £	2014 Total £	2013 Total £
Bank interest receivable	65	65	40
	<u>65</u>	<u>65</u>	<u>40</u>

**The Morvern Community Development Company**  
**(A company limited by guarantee)**

**Notes to financial statements**  
**for the year ended 31 March 2014**

**4. Trading subsidiaries**

The charity controls the company listed below either by virtue of holding a controlling interest in the equity share capital: -

Name of subsidiary	Country of incorporation	% of equity share capital held
Morvern Community Trading Company Ltd	Scotland	100

**Morvern Community Trading**

The company was incorporated on 22 January 2013 and was dormant throughout the period to 31 March 2013. It commenced trading on 1 April 2013.

**Summary of trading results**

	2014 £	2013 £
<b>Turnover</b>	40,240	-
Total expenditure	(14,922)	-
Other income	2,038	-
<b>Net profit for the year</b>	27,356	-
Share capital issued in year	100	-
Amount gift-aided to the charity	(27,356)	-
<b>Retained Reserves</b>	100	-

The assets and liabilities of Morvern Community Trading were:

Assets	8,831	-
Liabilities	(8,731)	-
<b>Funds</b>	100	-

**5. Other incoming resources**

	Unrestricted funds £	2014 Total £	2013 Total £
Other income	2,070	2,070	993
Harbour income	-	-	21,279
Rental income	5,373	5,373	2,791
	7,443	7,443	25,063

**The Morvern Community Development Company**  
**(A company limited by guarantee)**

**Notes to financial statements**  
**for the year ended 31 March 2014**

**6. Costs of charitable activities - by activity**

	Activities undertaken directly £	2014 Total £	2013 Total £
Core development activities	52,773	52,773	55,231
Marina & Pontoons	41,622	41,622	34,675
Other Property/Assets	30,483	30,483	14,775
	<u>124,878</u>	<u>124,878</u>	<u>104,681</u>

**7. Governance costs**

	Unrestricted funds £	Restricted funds £	2014 Total £	2013 Total £
Professional - Accountancy -Advisory	-	3,400	3,400	-
Professional - Legal fees- Advisory	-	4,550	4,550	-
Professional - Companies House	13	-	13	64
Cost of trustees' meetings	363	-	363	28
Interest - Bank loans & overdraft	-	-	-	111
Bank service charges	20	-	20	3
Prior year tax charge/(credit)	562	-	562	-
	<u>958</u>	<u>7,950</u>	<u>8,908</u>	<u>206</u>

The prior year tax charge was in respect of the period to 4th January 2013 during which time the company did not have tax exempt status. The company was recognised as a charity from that date by both H M Revenue & Customs, and the Office of the Scottish Charity Regulator.

**8. Net incoming resources for the year**

	2014 £	2013 £
Net incoming resources is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	<u>45,548</u>	<u>41,185</u>



**The Morvern Community Development Company**  
**(A company limited by guarantee)**

**Notes to financial statements**  
**for the year ended 31 March 2014**

**9. Employees**

<b>Employment costs</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Wages and salaries	16,467	31,876
Other costs	5,032	2,596
	<u>21,499</u>	<u>34,472</u>

No employee received emoluments of more than £60,000 (2013 : None).

**Number of employees**

The average monthly numbers of employees (excluding the directors) during the year, was as follows:

<b>2014</b>	<b>2013</b>
<b>Number</b>	<b>Number</b>
<u>2</u>	<u>2</u>

**10. Taxation**

The charity's activities fall within the exemptions afforded by the provisions of the Corporation Taxes Act 2010. Accordingly, there is no taxation charge in these accounts.

**11. Tangible fixed assets**

	<b>Land and buildings freehold £</b>	<b>Plant and machinery £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 April 2013	220,621	360,208	52,470	633,299
Additions	110,047	-	-	110,047
At 31 March 2014	<u>330,668</u>	<u>360,208</u>	<u>52,470</u>	<u>743,346</u>
<b>Depreciation</b>				
At 1 April 2013	25,867	54,859	12,187	92,913
Charge for the year	8,181	27,296	10,071	45,548
At 31 March 2014	<u>34,048</u>	<u>82,155</u>	<u>22,258</u>	<u>138,461</u>
<b>Net book values</b>				
At 31 March 2014	<u>296,620</u>	<u>278,053</u>	<u>30,212</u>	<u>604,885</u>
At 31 March 2013	<u>194,754</u>	<u>305,349</u>	<u>40,283</u>	<u>540,386</u>

**The Morvern Community Development Company**  
**(A company limited by guarantee)**

**Notes to financial statements**  
**for the year ended 31 March 2014**

<b>12. Fixed asset investments</b>	<b>Subsidiary undertakings shares £</b>	<b>Other unlisted investments £</b>	<b>Total £</b>
<b>Valuation</b>			
At 1 April 2013	100	-	100
Additions	-	9,000	9,000
At 31 March 2014	<u>100</u>	<u>9,000</u>	<u>9,100</u>
Historical cost as at 31 March 2014	<u>100</u>	<u>-</u>	<u>100</u>

All fixed asset investments are held within the United Kingdom.

The £9,000 investment represents 29,832 "B" Ordinary shares in Elementary Energy Limited, the company which is developing the Abhainn Shalachain Hydro Scheme.

<b>13. Other investments</b>	<b>Loans £</b>	<b>Total £</b>
<b>Cost</b>		
Additions	21,000	21,000
At 31 March 2014	<u>21,000</u>	<u>21,000</u>
<b>Net book values</b>		
At 31 March 2014	<u>21,000</u>	<u>21,000</u>

<b>14. Debtors</b>	<b>2014 £</b>	<b>2013 £</b>
Trade debtors	18,381	10,256
Amounts due from subsidiary and associated undertakings	7,356	-
Other debtors	13,561	12,663
	<u>39,298</u>	<u>22,919</u>

**The Morvern Community Development Company**  
**(A company limited by guarantee)**

**Notes to financial statements**  
**for the year ended 31 March 2014**

**15. Creditors: amounts falling due within one year**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Other short term loans	63,500	75,500
Trade creditors	2,207	28
Other taxes and social security	100	2,098
Accruals and deferred income	2,600	2,600
	<u>68,407</u>	<u>80,226</u>

**16. Creditors: amounts falling due after more than one year**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Morvern Community Trust	<u>30,000</u>	<u>-</u>

The loan of £30,000 from the Morvern Community Trust was made to enable MCDC to invest in Elementary Electric Limited. The loan was invested partly in shares (£9,000) and partly as a secure loan (£21,000). Interest and capital repayments on the loan received by MCDC will be paid to the Trust. Any community fund payments or royalties paid by Elementary Energy Limited will be paid via MCDC to the Trust. Dividends received will be retained by MCDC who will also charge the Trust an annual fee of £500 for managing the investments.

**17. Analysis of net assets between funds**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Designated funds</b>	<b>Total funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fund balances at 31 March 2014 as represented by:				
Tangible fixed assets	46,885	558,000	-	604,885
Investment assets	30,100	-	-	30,100
Current assets	90,560	8,046	7,115	105,721
Current liabilities	(68,407)	-	-	(68,407)
Long-term liabilities	(30,000)	-	-	(30,000)
	<u>69,138</u>	<u>566,046</u>	<u>7,115</u>	<u>642,299</u>

**The Morvern Community Development Company**  
**(A company limited by guarantee)**

**Notes to financial statements**  
**for the year ended 31 March 2014**

<b>18. Unrestricted funds</b>	<b>At 1 April 2013 £</b>	<b>Incoming resources £</b>	<b>Outgoing resources £</b>	<b>Transfers £</b>	<b>At 31 March 2014 £</b>
Unrestricted funds	<u>74,991</u>	<u>37,214</u>	<u>(33,917)</u>	<u>(9,150)</u>	<u>69,138</u>

**The Morvern Community Development Company**  
**(A company limited by guarantee)**

**Notes to financial statements**  
**for the year ended 31 March 2014**

19. Restricted funds	At 1 April 2013 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2014 £
<b>Capital/Asset Funds</b>					
Pontoons (Asset)	290,324	-	(23,540)	-	266,784
Shore Facilities & Road (Asset)	151,936	108,834	(6,193)	4,107	258,684
Other balances b/fwd - Petrol Pumps	2,518	-	(199)	-	2,319
Allotments - Capital & cash	43,415	-	(10,071)	-	33,344
<b>Revenue Funds</b>					
Scout Hut	5,955	11,000	(15,132)	-	1,823
Project/Development Officer	1,364	34,229	(35,593)	-	-
Marina & Pontoons Revenue funds	2,072	-	-	(2,072)	-
Other revenue funds	852	11,390	(9,150)	-	3,092
	<u>498,436</u>	<u>165,453</u>	<u>(99,878)</u>	<u>2,035</u>	<u>566,046</u>

**Purposes of restricted funds**

**General Note**

Depreciation on restricted assets has been charged directly to the restricted fund and is shown under outgoing resources. Capital Funds consist mainly of assets which have been funded by external grants. Any funds which also include cash or current assets are noted below.

**Allotments and Other Balances**

The Allotments fund is made up of assets of £30,213 and a cash balance of £3,131  
Other balances brought forward includes the remaining restricted balance relating to the petrol pumps.

**Scout Hut Fund**

The Scout Hut fund brought forward consists of a grant of £6,080 from the Big Lottery which was partly spent in 2013 leaving a balance of £5,955 brought forward to 2014. A further £11,000 was received from Tarmac as a contribution towards the costs of demolition and clearance of the site and this was fully expended in the year. Other costs consisted of surveys, travel costs and other professional and development fees.

**Pontoons Revenue Fund**

Included in Revenue funds are donations and other income ringfenced to be spent on the marina. A sum of £2,072 was transferred to contribute to the road and shore facilities expenditure in the year, along with a sum of £2,305 from unrestricted funds.

**The Morvern Community Development Company**  
**(A company limited by guarantee)**

**Notes to financial statements**  
**for the year ended 31 March 2014**

**Other Revenue Funds**

Included in other revenue funds are; a balance brought forward of £852 for the Hazelwood Fund; a grant of £7,950 from Community Energy Scotland towards the costs of professional advice in respect of the investment by the charity in a renewable energy scheme, which was fully spent in the year; a grant of £1,440 from the Morvern Community Trust towards the development of the website; and a grant of £2,000 from Commun na Gaidhlig towards the costs of bilingual signs.

The balance carried forward is made up as follows:

Website development	240
Bilingual signs	2,000
Hazelwood Fund	852
	<u>3,092</u>

20. Designated funds	At		At
	1 April 2013 £	Transfers £	31 March 2014 £
Fuel Pump Renewal Fund	<u>-</u>	<u>7,115</u>	<u>7,115</u>

**Purposes of designated funds**

A fund is being accumulated towards the renewal of the fuel pumps. A transfer is made each year of 50% of the rental income charged. As a fund has not previously been set up, the full amount of the funds held in the separate bank account has been transferred this year.

**21. Company limited by guarantee**

The Morvern Community Development Company is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.