

Registered number: SC441180

MORVERN COMMUNITY TRADING COMPANY LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

MORVERN COMMUNITY TRADING COMPANY LIMITED

COMPANY INFORMATION

Directors	Lesley Joy Jones Angus Francis Grange Robertson Mark John Lawrence (resigned 8 April 2021) Robert Maurice Jones
Company secretary	Ms L Dobrokhodova
Registered number	SC441180
Registered office	Lochaline Harbour Morvern Oban Argyll PA80 5XT
Independent auditors	EQ Accountants LLP Chartered Accountants & Statutory Auditors 14 City Quay Dundee DD1 3JA

MORVERN COMMUNITY TRADING COMPANY LIMITED

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MORVERN COMMUNITY TRADING COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Directors

The directors who served during the year were:

Lesley Joy Jones
Angus Francis Grange Robertson
Mark John Lawrence (resigned 8 April 2021)
Robert Maurice Jones

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, EQ Accountants LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

MORVERN COMMUNITY TRADING COMPANY LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 27 December 2021 and signed on its behalf.



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Angus Francis Grange Robertson
Director

MORVERN COMMUNITY TRADING COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MORVERN COMMUNITY TRADING COMPANY LIMITED

Opinion

We have audited the financial statements of Morvern Community Trading Company Limited (the 'Company') for the year ended 31 March 2021, which comprise the Statement of income and retained earnings, the Balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 13 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

MORVERN COMMUNITY TRADING COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MORVERN COMMUNITY TRADING COMPANY LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

MORVERN COMMUNITY TRADING COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MORVERN COMMUNITY TRADING COMPANY LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2005. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud.

As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Other matters

Morvern Community Trading Company Ltd was not audited in the prior period.

MORVERN COMMUNITY TRADING COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MORVERN COMMUNITY TRADING COMPANY LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Gallacher CA

Mark Gallacher (Senior statutory auditor)

for and on behalf of
EQ Accountants LLP

Chartered Accountants
Statutory Auditors

14 City Quay
Dundee
DD1 3JA

27 December 2021

MORVERN COMMUNITY TRADING COMPANY LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
Turnover	100,158	170,154
Cost of sales	(84,160)	(110,977)
Gross profit	15,998	59,177
Administrative expenses	(47,729)	(56,682)
Other operating income	56,495	4,597
Operating profit	24,764	7,092
Interest payable and similar expenses	(854)	-
Profit before tax	23,910	7,092
Profit after tax	23,910	7,092
Retained earnings at the beginning of the year	6,992	-
Profit for the year	23,910	7,092
Distributions to parent	(6,992)	(100)
Retained earnings at the end of the year	23,910	6,992

The notes on pages 9 to 14 form part of these financial statements.

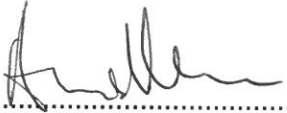
MORVERN COMMUNITY TRADING COMPANY LIMITED
REGISTERED NUMBER: SC441180

BALANCE SHEET
AS AT 31 MARCH 2021

		2021 £	2020 £
Current assets			
Stocks	5	8,781	9,219
Debtors: amounts falling due within one year	6	7,211	6,855
Cash at bank and in hand	7	67,511	15,418
		<u>83,503</u>	<u>31,492</u>
Creditors: amounts falling due within one year	8	<u>(24,976)</u>	<u>(24,400)</u>
Net current assets		<u>58,527</u>	<u>7,092</u>
Total assets less current liabilities		<u>58,527</u>	<u>7,092</u>
Creditors: amounts falling due after more than one year	9	<u>(34,517)</u>	<u>-</u>
Net assets		<u><u>24,010</u></u>	<u><u>7,092</u></u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		<u>23,910</u>	<u>6,992</u>
		<u><u>24,010</u></u>	<u><u>7,092</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 December 2021.



Angus Francis Grange Robertson
 Director



Lesley Joy Jones
 Director

The notes on pages 9 to 14 form part of these financial statements.

MORVERN COMMUNITY TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. General information

Morvern Community Trading Company Ltd is a private company, limited by shares, incorporated in Scotland with registration number SC441180. The registered office is Lochaline Harbour Lochaline, Morvern, Oban, Argyll, PA80 5XT.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in Sterling, which is the functional currency of the Company and rounded to the nearest £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.3 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

2.4 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

MORVERN COMMUNITY TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including the directors, during the year was as follows:

2021 No.	2020 No.
8	6

4. Government grants

Included within government grants are the following amounts:

	2021 £	2020 £
Government grants		
Coronavirus Job Retention Scheme	13,416	-
Creative, Tourism and Hospitality Enterprises Hardship Fund	25,000	-
Marine and Outdoor Tourism Restart Fund	10,400	-
BounceBack Loan interest	854	-
	49,670	-

MORVERN COMMUNITY TRADING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

5. Stocks

	2021 £	2020 £
Fuel	8,781	9,219
	<u>8,781</u>	<u>9,219</u>

6. Debtors

	2021 £	2020 £
Trade debtors	4,102	4,448
Other debtors	777	1,050
Prepayments and accrued income	2,332	1,357
	<u>7,211</u>	<u>6,855</u>

7. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	67,511	15,418
	<u>67,511</u>	<u>15,418</u>

8. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	6,483	-
Trade creditors	309	11,484
Amounts owed to group undertakings	12,250	10,000
Other taxation and social security	536	1,189
Accruals and deferred income	5,398	1,727
	<u>24,976</u>	<u>24,400</u>

MORVERN COMMUNITY TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

9. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	34,517	-
	<u>34,517</u>	<u>-</u>

10. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	6,483	-
	<u>6,483</u>	<u>-</u>
Amounts falling due 1-2 years		
Bank loans	7,960	-
	<u>7,960</u>	<u>-</u>
Amounts falling due 2-5 years		
Bank loans	25,109	-
	<u>25,109</u>	<u>-</u>
Amounts falling due after more than 5 years		
Bank loans	1,448	-
	<u>1,448</u>	<u>-</u>
	<u>41,000</u>	<u>-</u>

11. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £75 (2020 - £94). Contributions totalling £nil (2020 - £nil) were payable to the fund at the balance sheet date.

12. Controlling party

The company is a wholly owned subsidiary of The Morvern Community Development Company (MCDC), a company limited by guarantee incorporated in Scotland with registration number SC200325. MCDC is the ultimate controlling party and has its registered office at Lochaline Harbour, Lochaline, Morvern, Oban, Argyll, PA80 5XT.

MORVERN COMMUNITY TRADING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

13. Provisions available for audits of small entities

In common with many other businesses of our size and nature, we use our auditor to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

MORVERN COMMUNITY TRADING COMPANY LIMITED

**DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Turnover		100,158	170,154
Cost Of Sales		(84,160)	(110,977)
Gross profit		<u>15,998</u>	<u>59,177</u>
Gross profit %		16.0 %	34.8 %
Other operating income		56,495	4,597
Less: overheads			
Administration expenses		(47,729)	(56,682)
Operating profit		<u>24,764</u>	<u>7,092</u>
Interest payable		(854)	-
Profit for the year		<u>23,910</u>	<u>7,092</u>

MORVERN COMMUNITY TRADING COMPANY LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
Turnover		
Harbour income	9,494	54,037
Fuel sales	89,656	116,117
Car hire income	1,008	-
	<u>100,158</u>	<u>170,154</u>
	2021 £	2020 £
Cost of sales		
Purchases	79,158	103,762
Subcontract labour	3,023	4,476
Maintenance	1,979	2,739
	<u>84,160</u>	<u>110,977</u>
	2021 £	2020 £
Other operating income		
Net rents receivable	2,400	-
Government grants receivable	49,670	-
Sundry income	4,425	4,597
	<u>56,495</u>	<u>4,597</u>

MORVERN COMMUNITY TRADING COMPANY LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
Administration expenses		
Staff salaries	15,269	21,385
Staff pension costs - defined contribution schemes	75	94
Postage	-	92
Telephone and fax	2,453	1,972
Computer costs	1,879	3,155
General office expenses	255	865
Advertising and promotion	167	556
Charity donations	10	-
Legal and professional	13	13
Auditors' remuneration	2,500	-
Auditors' remuneration - non-audit	2,200	1,300
Bank charges	1,367	1,869
Rent - operating leases	5,700	4,650
Light and heat	2,756	4,565
Insurances	3,035	3,357
Repairs and maintenance	10,050	12,809
	47,729	56,682
	2021 £	2020 £
Interest payable		
Bank loan interest payable	854	-
	854	-