

**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 2016**

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

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**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**

Clare Holohan	
John Alfred Hodgson	
Jenni Hodgson	
Angus Robertson	
Malcolm Burge	
Mike Foulis	
James Watt Bolton	
Dr Susan Taylor	Appointed 14 April 2016
Samantha Joy Firth	Resigned 24 April 2016
Jane Stuart Smith	Resigned 12 November 2015
Lesley Joy Jones	Resigned 12 November 2015
Tracy Lawes	Resigned 20 April 2015

**Secretary**

Angus Robertson	Resigned 12 November 2015
Lilia Dobrokhodova	Appointed 12 November 2015

**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 2016**

The directors present their report and the financial statements for the year ended 31 March 2016. 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 either 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. Directors who retire from office are eligible for to stand for a second term, but thereafter must stand down for a minimum of one year.

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

**Report of the directors (incorporating the trustees' report)  
for the year ended 31 March 2016**

*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 2016:*

- \* Work continued on Morvern Hydro Project
- \* Work continued on affordable housing project
- \* Work continued on plans for Old Scout Hut site and around
- \* Developing other activities in line with its charitable activities

**Achievements**

*The company has achieved the following:*

- \* The shore facilities enjoy the third full year of operation
- \* The community website has become a useful community tool
- \* Secured some funding for pontoons expansion and applied for more funding
- \* Secured funding and installed 10 swinging moorings in Loch Aline to complement the Harbour
- \* Completed feasibility study on affordable/sheltered housing
- \* Purchased land through National Forest Land Scheme for affordable housing  
Purchased land from a private individual for sheltered housing
- \* Applied for planning permissions for affordable, sheltered housing and community building on the site of the Old Scout Hut
- \* Provided support with revival of Morvern Sailing Club

*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.

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

**Report of the directors (incorporating the trustees' report)  
for the year ended 31 March 2016**

**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 12.12.2016 and signed on its behalf by



**Clare Holohan  
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 2016 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.

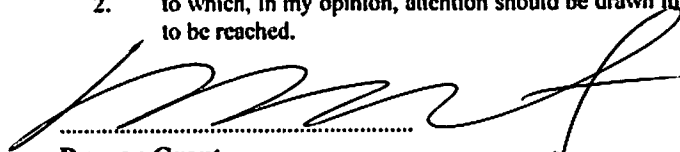
**Basis of Independent examiner's statement**

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**

..... 12/12/16  
**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 2016**

	Notes	Unrestricted funds £	Restricted funds £	Designated funds £	2016 Total £	2015 Total £
<b>Income from</b>						
Grants, donations & legacies	2	16,965	196,512	-	213,477	35,322
Investment income	3	25	-	-	25	46
Income from trading subsidiaries	4	27,327	-	-	27,327	21,680
Other incoming resources	5	7,457	-	-	7,457	6,544
<b>Total income</b>		<u>51,774</u>	<u>196,512</u>	<u>-</u>	<u>248,286</u>	<u>63,592</u>
<b>Expenditure on</b>						
Charitable activities	6	29,894	89,932	-	119,826	103,111
<b>Total expenditure</b>		<u>29,894</u>	<u>89,932</u>	<u>-</u>	<u>119,826</u>	<u>103,111</u>
<b>Net incoming/(outgoing) resources before transfers</b>		21,880	106,580	-	128,460	(39,519)
Transfer to designated fund		(1,751)	-	1,751	-	-
Transfer to capital assets		(1,629)	1,629	-	-	-
<b>Net movement in funds/Net income/(expenditure) for the year</b>		18,500	108,209	1,751	128,460	(39,519)
<b>Total funds brought forward</b>		<u>72,526</u>	<u>520,584</u>	<u>9,670</u>	<u>602,780</u>	<u>642,299</u>
<b>Total funds carried forward</b>		<u>91,026</u>	<u>628,793</u>	<u>11,421</u>	<u>731,240</u>	<u>602,780</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 2016**

SC200325

	Notes	2016		2015	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		648,286		566,329
Investments	13		9,400		9,400
Programme related investments	14		21,000		21,000
			<u>678,686</u>		<u>596,729</u>
<b>Current assets</b>					
Debtors	15	48,463		20,719	
Cash at bank and in hand		33,315		26,988	
		<u>81,778</u>		<u>47,707</u>	
<b>Creditors: amounts falling due within one year</b>	16	(8,224)		(11,656)	
<b>Net current assets</b>			<u>73,554</u>		<u>36,051</u>
<b>Total assets less current liabilities</b>			752,240		632,780
<b>Creditors: amounts falling due after more than one year</b>	17		(21,000)		(30,000)
<b>Net assets</b>			<u>731,240</u>		<u>602,780</u>
<b>Funds</b>	18				
Designated funds			11,421		9,670
Restricted income funds			628,793		520,584
Unrestricted income funds			91,026		72,526
<b>Total funds</b>			<u>731,240</u>		<u>602,780</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  
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**Balance sheet (continued)**

SC200325

**Directors' statements required by the Companies Act 2006  
for the year ended 31 March 2016**

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 2016.

(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 January 2015).

The financial statements were approved by the board on 12.12.2016 and signed on its behalf by



**Clare Holohan  
Director**

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

**The Morvern Community Development Company**  
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**Notes to financial statements**  
**for the year ended 31 March 2016**

**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 have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16/07/14, the Financial Reporting Standard for Smaller Entities (effective January 2015) Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**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.

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.

**The Morvern Community Development Company**  
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**Notes to financial statements**  
**for the year ended 31 March 2016**

**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:

Shore facilities and petrol station - Straight line over twenty five years (excluding land which is not depreciated)

Land & housing - Will be depreciated at 4% straight line on completion (excluding land which is not depreciated)

Plant and machinery - 7.5% Straight line & 25% Reducing balance  
(includes pontoons, ATV, machinery and petrol pump terminal)

Fixtures, fittings and equipment - 25% reducing balance  
(includes shed, tools and allotments)

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

**1.5. Investments**

Investments held as fixed assets consist of shares held and loans made to an unlisted energy company. These are stated at cost at the balance sheet date and are not revalued each year. Any gain or loss arising in the future will be 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**  
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**Notes to financial statements**  
**for the year ended 31 March 2016**

**2. Grants, donations & legacies**

	Unrestricted funds £	Restricted funds £	2016 Total £	2015 Total £
Donations	-	-	-	3
Highlands & Islands Enterprise	-	11,378	11,378	-
HIE - LDO/Project	-	34,302	34,302	32,299
HIE - Allotments/Marketing	960	-	960	1,810
CARES	-	12,350	12,350	-
Big Lottery Fund	-	88,620	88,620	-
Morvern Community Trust	16,000	5,850	21,850	560
Scottish Sea Farms	-	782	782	-
HIE - Ballot for Renewables	-	-	-	650
Scottish Land Fund	-	38,380	38,380	-
HIE - Fuel Pumps contribution	-	4,850	4,850	-
Membership subscriptions	5	-	5	-
	<u>16,965</u>	<u>196,512</u>	<u>213,477</u>	<u>35,322</u>

Income in 2015 was £653 unrestricted and £34,669 restricted.

**3. Investment income**

	Unrestricted funds £	2016 Total £	2015 Total £
Bank interest receivable	25	25	46
	<u>25</u>	<u>25</u>	<u>46</u>

All investment income in 2015 was unrestricted.

**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

**The Morvern Community Development Company**  
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**Notes to financial statements**  
**for the year ended 31 March 2016**

**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**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Turnover</b>	131,581	49,566
Total expenditure	(106,688)	(30,089)
Other income	2,434	2,303
<b>Net profit for the year</b>	<u>27,327</u>	<u>21,780</u>
Amount gift-aided to the charity	(27,327)	(21,680)
<b>Surplus to Retained Reserves</b>	<u><u>-</u></u>	<u><u>100</u></u>

The assets and liabilities of Morvern Community Trading were:

Assets	40,506	10,518
Liabilities	(40,406)	(10,418)
<b>Funds</b>	<u><u>100</u></u>	<u><u>100</u></u>

**5. Other incoming resources**

	<b>Unrestricted</b>	<b>2016</b>	<b>2015</b>
	<b>funds</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Other income	1,404	1,404	437
Rental income	5,553	5,553	6,107
EEL Administration fee	500	500	-
	<u>7,457</u>	<u>7,457</u>	<u>6,544</u>

All other income in 2015 was unrestricted.

**The Morvern Community Development Company**  
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**Notes to financial statements**  
**for the year ended 31 March 2016**

**6. Costs of charitable activities - by fund type**

	Unrestricted funds £	Restricted funds £	2016 Total £	2015 Total £
Core development activities	10,737	34,801	45,538	43,238
Marina & pontoons	5,072	34,200	39,272	42,794
Other Property/Assets (incl depreciation)	12,189	6,181	18,370	14,181
CARES Project	-	13,000	13,000	-
Fuel Pumps	-	1,750	1,750	-
	<u>27,998</u>	<u>89,932</u>	<u>117,930</u>	<u>100,213</u>

Expenditure in 2015 was £21,256 unrestricted, and £78,957 restricted.

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

	Activities undertaken directly £	Grant funding activities £	2016 Total £	2015 Total £
Core development activities	45,333	205	45,538	43,238
Marina & pontoons	39,272	-	39,272	42,794
Other Property/Assets (incl depreciation)	18,370	-	18,370	14,181
CARES Project	13,000	-	13,000	-
Fuel Pumps	1,750	-	1,750	-
	<u>117,725</u>	<u>205</u>	<u>117,930</u>	<u>100,213</u>

**8. Professional Fees & Cost of Trustee Meetings**

	Unrestricted funds £	2016 Total £	2015 Total £
Professional - Accountancy -Advisory	1,773	1,773	2,490
Cost of trustees' meetings	123	123	408
	<u>1,896</u>	<u>1,896</u>	<u>2,898</u>

All governance costs are unrestricted.

**The Morvern Community Development Company**  
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**Notes to financial statements**  
**for the year ended 31 March 2016**

**9. Net incoming/(outgoing) resources for the year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Net incoming/(outgoing) resources is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	<u>45,893</u>	<u>48,946</u>

**10. Employees**

<b>Employment costs</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Wages and salaries	24,967	24,974
Social security costs	2,326	2,348
Other costs	2,273	-
	<u>29,566</u>	<u>27,322</u>

No employee received emoluments of more than £60,000 (2015 : None).

**Number of employees**

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

<b>2016</b>	<b>2015</b>
<b>Number</b>	<b>Number</b>
<u>2</u>	<u>2</u>

**11. 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.



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

**Notes to financial statements  
for the year ended 31 March 2016**

<b>12. Tangible fixed assets</b>	<b>Land, Petrol Station and Shore Facilities £</b>	<b>Land &amp; Property incl Housing £</b>	<b>Plant and machinery incl Pontoons £</b>	<b>Sheds, tools Allotments &amp; equipment £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 April 2015	331,358	-	369,908	52,470	753,736
Additions	3,639	124,211	-	-	127,850
At 31 March 2016	<u>334,997</u>	<u>124,211</u>	<u>369,908</u>	<u>52,470</u>	<u>881,586</u>
<b>Depreciation</b>					
At 1 April 2015	46,659	-	110,937	29,811	187,407
Charge for the year	12,756	-	27,472	5,665	45,893
At 31 March 2016	<u>59,415</u>	<u>-</u>	<u>138,409</u>	<u>35,476</u>	<u>233,300</u>
<b>Net book values</b>					
At 31 March 2016	<u>275,582</u>	<u>124,211</u>	<u>231,499</u>	<u>16,994</u>	<u>648,286</u>
At 31 March 2015	<u>284,699</u>	<u>-</u>	<u>258,971</u>	<u>22,659</u>	<u>566,329</u>

<b>13. Fixed asset investments</b>	<b>Subsidiary undertakings shares £</b>	<b>Other unlisted investments £</b>	<b>Total £</b>
<b>Valuation</b>			
At 1 April 2015 and At 31 March 2016	<u>100</u>	<u>9,300</u>	<u>9,400</u>
Historical cost as at 31 March 2016	<u>100</u>	<u>9,300</u>	<u>9,400</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. Any dividends declared will be retained by MCDC. No dividends were decalred in the year.

The additional investment of £300 represents shares in the Sunart Community Hydro Scheme.

**The Morvern Community Development Company**  
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**Notes to financial statements**  
**for the year ended 31 March 2016**

**14. Other investments**

	<b>Loans</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
At 1 April 2015 and At 31 March 2016	<u>21,000</u>	<u>21,000</u>
<b>Net book values</b>		
At 31 March 2016	<u>21,000</u>	<u>21,000</u>
At 31 March 2015	<u>21,000</u>	<u>21,000</u>

This investment consists of a secure loan of £21,000 to Elementary Electric Limited for investment in the Abhainn Shalachain Hydro Scheme. This investment was funded by Morvern Community Trust (MCT), and repayments and interest on the loan will be passed on to the Trust (MCT). MCDC charges an annual administration fee of £500 to MCT.

Interest of £4,151 on the loan received during the year was passed on to MCT.

**15. Debtors**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade debtors	3,698	557
Amounts due from subsidiary and associated undertakings	29,327	9,036
Other debtors	<u>15,438</u>	<u>11,126</u>
	<u>48,463</u>	<u>20,719</u>

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

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade creditors	4,547	8,680
Other taxes and social security	670	674
Other creditors	705	-
Accruals and deferred income	<u>2,302</u>	<u>2,302</u>
	<u>8,224</u>	<u>11,656</u>

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

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<b>17. Creditors: amounts falling due after more than one year</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Morvern Community Trust	<u>21,000</u>	<u>30,000</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.

The £9,000 which was invested in shares was incorrectly shown as a loan in 2015 but is non repayable and has been reclassified and shown as a grant in the current year.

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

	Unrestricted funds £	Restricted funds £	Designated funds £	Total funds £
Fund balances at 31 March 2016 as represented by:				
Tangible fixed assets	46,428	601,858	-	648,286
Investment assets	30,400	-	-	30,400
Current assets	43,422	26,935	11,421	81,778
Current liabilities	(8,224)	-	-	(8,224)
Long-term liabilities	(21,000)	-	-	(21,000)
	<u>91,026</u>	<u>628,793</u>	<u>11,421</u>	<u>731,240</u>

**19. Unrestricted funds**

	At 1 April 2015 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2016 £
Unrestricted funds	<u>72,526</u>	<u>51,774</u>	<u>(29,894)</u>	<u>(3,380)</u>	<u>91,026</u>

**The Morvern Community Development Company**  
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**for the year ended 31 March 2016**

20. Restricted funds	At 1 April 2015 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2016 £
<b>Capital/Asset Funds</b>					
Pontoons (Asset)	243,244	-	(23,540)	-	219,704
Shore Facilities & Road (Asset)	248,061	-	(10,660)	1,629	239,030
Land & Housing (capital & cash)	-	141,579	-	-	141,579
Allotments - (capital & cash)	25,791	-	(5,665)	-	20,126
Fuel Pumps	2,120	-	(200)	-	1,920
<b>Revenue Funds</b>					
Other balances	1,368	782	(816)	-	1,334
Project/Development Officer	-	34,302	(34,302)	-	-
Other revenue funds - CARES and Fuel Pumps	-	19,850	(14,750)	-	5,100
	<u>520,584</u>	<u>196,513</u>	<u>(89,933)</u>	<u>1,629</u>	<u>628,793</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 £16,995 and a cash balance of £3,131

**Other balances**

The closing balance includes £852 for the Hazelwood project and £482 in respect of the Shore Base for which a grant of £782 was received from Scottish Sea Farms v expenditure of £300. The £516 b/fwd for the Scout Hut was fully spent in the year.

**Land & Housing (capital & cash)**

Grants were received from the Big Lottery, HIE, Morvern Community Trust and the Scottish Land Fund for the purchase of land for affordable housing. The funds were spent on purchase of land, architects fees, feasibility studies and planning and legal costs - expenditure of £124,211 has been capitalised in the accounts, leaving a cash balance of £17,368 carried forward.

**Other Revenue Funds**

Grants totalling £7,500 were received from HIE towards costs relating to the fuel pumps.

A grant of £12,350 was received from CARES to fund various studies costing £13,000 relating to energy usage and efficiency.

**The Morvern Community Development Company  
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**Notes to financial statements  
for the year ended 31 March 2016**

<b>21. Designated funds</b>	<b>At 1 April 2015 £</b>	<b>Transfers £</b>	<b>At 31 March 2016 £</b>
Fuel Pump Renewal Fund	<u>9,670</u>	<u>1,751</u>	<u>11,421</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.

**22. 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.