

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 2017

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 Lochaline Harbour Office
Lochaline
Morvern
Argyll
PA80 5XT

Directors Mike Foulis
Jenni Hodgson
John Alfred Hodgson
Clare Holohan
Angus Robertson

Sarah Jones Appointed 12 January 2017
James Bolton Appointed 22 April 2016
Dr Susan Taylor Appointed 14 April 2016

Malcolm Burge Resigned 29 March 2017
Samantha Firth Resigned 24 April 2016

Secretary Lilia Dobrokhodova

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 2017**

The directors present their report and the financial statements for the year ended 31 March 2017. 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.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 (FRS 102).

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 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 where new directors/trustees are elected and other important matters are dealt with including changes to the constitution. 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 Morvern Community Development Company
(A company limited by guarantee)**

**Report of the directors (incorporating the trustees' report)
for the year ended 31 March 2017**

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.

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.

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 there are systems in place to mitigate any exposure to those risks.

Assets

The company owns or leases various assets within Morvern including the Hazel woods, the fuel pumps and surrounding land including the hall car park, the development land below Dalrainach, the allotments, the fuel pumps and the harbour facility. The company wholly owns the Morvern Community Trading Company, which operates all the companies trading activities.

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

Activities during the year to 31 March:

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

Achievements and performance

The company has achieved the following:

- * The shore facilities enjoy the fourth full year of operation
- * The community website has become a useful community tool
- * Secured funding for pontoons expansion and extended the pontoons
- * Secured planning permission for affordable housing on two sites in Lochaline
- * Secured planning permission for a community business hub on the site of the Old Scout Hut
- * Applied for funding for community business hub
- * Supported activities of Morvern Sailing Club

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

Report of the directors (incorporating the trustees' report)
for the year ended 31 March 2017

Trustees' responsibilities in relation to the financial statements

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 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 19th Dec 2017 and signed on its behalf by

Angus Robertson
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 2017 set out on pages 2 to 21.

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.

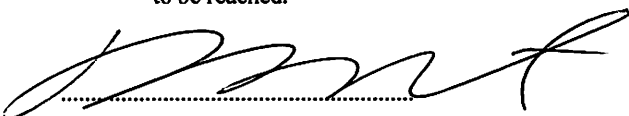
Basis of Independent examiner's statement

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

19/12/17

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 2017

	Notes	Unrestricted funds £	Restricted funds £	Designated funds £	2017 Total £	Unrestricted funds £	Restricted funds £	Designated funds £	2016 Total £
Income from:									
Grants, donations & legacies	2	1,916	151,818	-	153,734	16,965	196,512	-	213,477
Investment income	3	19	-	-	19	25	-	-	25
Income from trading subsidiaries	4	29,960	-	-	29,960	27,327	-	-	27,327
Other incoming resources	5	2,990	-	-	2,990	7,457	-	-	7,457
Total income		<u>34,885</u>	<u>151,818</u>	<u>-</u>	<u>186,703</u>	<u>51,774</u>	<u>196,512</u>	<u>-</u>	<u>248,286</u>
Expenditure on:									
Charitable activities	6, 7, 8	31,100	72,178	-	103,278	29,894	89,932	-	119,826
Total expenditure		<u>31,100</u>	<u>72,178</u>	<u>-</u>	<u>103,278</u>	<u>29,894</u>	<u>89,932</u>	<u>-</u>	<u>119,826</u>
Net income/(expenditure)		3,785	79,640	-	83,425	21,880	106,580	-	128,460
Transfers between funds		(1,245)	-	1,245	-	(3,380)	1,629	1,751	-
Net movement in funds		<u>2,540</u>	<u>79,640</u>	<u>1,245</u>	<u>83,425</u>	<u>18,500</u>	<u>108,209</u>	<u>1,751</u>	<u>128,460</u>
Reconciliation of funds:									
Total funds brought forward		91,026	628,793	11,421	731,240	72,526	520,584	9,670	602,780
Total funds carried forward		<u>93,566</u>	<u>708,433</u>	<u>12,666</u>	<u>814,665</u>	<u>91,026</u>	<u>628,793</u>	<u>11,421</u>	<u>731,240</u>

The Statement of Financial Activities includes all gains and losses recognised in the year
All income and expenditure derive from continuing activities.

The notes on pages 9 to 21 form an integral part of these financial statements.

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

Balance sheet
as at 31 March 2017

SC200325

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	13		730,135		648,286
Investments	14		9,400		9,400
Programme related investments	15		21,000		21,000
			<u>760,535</u>		<u>678,686</u>
Current assets					
Debtors	16	37,901		48,463	
Cash at bank and in hand		43,221		33,315	
		<u>81,122</u>		<u>81,778</u>	
Creditors: amounts falling due within one year	17	(5,992)		(8,224)	
Net current assets			<u>75,130</u>		<u>73,554</u>
Total assets less current liabilities			835,665		752,240
Creditors: amounts falling due after more than one year	18		(21,000)		(21,000)
Net assets			<u>814,665</u>		<u>731,240</u>
Funds					
Designated funds	19		12,666		11,421
Restricted income funds			708,433		628,793
Unrestricted income funds			93,566		91,026
Total funds			<u>814,665</u>		<u>731,240</u>

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

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 21 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 2017**

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 2017.

(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.

The financial statements were approved by the board on
by

19th December 2017

and signed on its behalf



.....
Angus Robertson
Director

The notes on pages 9 to 21 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 2017

Legal Status of the charity

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.

1. Accounting policies

The principal accounting policies adopted are summarised below.

1.1. Basis of preparation and assessment of going concern.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) as well as the Companies Act 2006, and the Statement of Recommended Practice (SORP)- Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (issued on 16 July 2014 and effective January 2015).

The charity meets the definition of a public benefit entity as defined by FRS 102.

The directors, who are the trustees of the charity under charity law, consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

1.2. Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the directors have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, a restatement of comparative items was needed. No restatements were required.

The Morvern Community Development Company
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Notes to financial statements
for the year ended 31 March 2017

1.3. Incoming resources

Income is recognised in the statement of financial activities when the charity is entitled to the income, any performance conditions attached have been met, it is probable that the income will be received and the amount can be quantified with reasonable accuracy. Such income is only deferred when the donor specifies performance conditions which must be met before the charity has unconditional entitlement. 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.

1.4. Resources expended

Expenditure is recognised when there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be reliably measured.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated on an appropriate basis to the various activities of the charity. Where costs cannot be allocated directly, they are apportioned to categories on the basis of a reasonable estimate of the costs.

Fundraising costs are those incurred in generating income from various activities and do not include the costs of disseminating information in support of the charitable activities.

Governance costs include those costs necessary for the board to fulfil its constitutional and statutory obligations and are now included as support costs included in charitable activities.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

The charity is registered for VAT and accordingly expenditure excludes VAT where recoverable.

The Morvern Community Development Company
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Notes to financial statements
for the year ended 31 March 2017

1.5. 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 on completion (excluding land)
Land & Housing - Straight line over twenty five years on completion (excluding land)

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

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

Hydro - Renewables - Not depreciated until completion

1.6. Investments

Investments held as fixed assets consist of shares held and loans made to an unlisted energy company, in addition to shares in a local community benefit society. 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.

1.7. 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.

1.8. Defined contribution pension schemes

Employees of the charity are entitled to join a defined contribution "money purchase" scheme. The charity contribution is restricted to the contributions disclosed in note 11. There were no outstanding contributions at the year end. The costs of the defined contribution scheme are included in the appropriate cost centres and charged to the relevant fund.

1.9. Financial Instruments

The charity has only financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and are subsequently measured at their settlement value with the exception of bank loans which are measured at amortised cost using the effective interest rate method.

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

Notes to financial statements
for the year ended 31 March 2017

2. Grants, donations & legacies

	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
Sundry grants receivable	1,300	-	1,300	-
Highlands & Islands Enterprise	-	-	-	11,378
HIE - LDO/Project	-	27,926	27,926	34,302
HIE - Allotments/Marketing	-	-	-	960
HIE - Pontoons	-	31,535	31,535	-
CARES	615	23,275	23,890	12,350
HC / LEADER - Marina Expansion	-	22,249	22,249	-
Big Lottery Fund	-	6,675	6,675	88,620
Morvern Community Trust	-	10,000	10,000	21,850
Scottish Sea Farms	-	-	-	782
Energy Savings Trust - Renewables	-	30,158	30,158	-
Scottish Land Fund	-	-	-	38,380
HIE - Fuel Pumps contribution	-	-	-	4,850
Membership subscriptions	1	-	1	5
	<u>1,916</u>	<u>151,818</u>	<u>153,734</u>	<u>213,477</u>

3. Investment income

	Unrestricted funds £	2017 Total £	2016 Total £
Bank interest receivable	19	19	25
	<u>19</u>	<u>19</u>	<u>25</u>

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	Scotland	100

The Morvern Community Development Company
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Notes to financial statements
for the year ended 31 March 2017

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

	2017 £	2016 £
Turnover	160,495	131,581
Total expenditure	(132,957)	(106,688)
Other income	2,422	2,434
Net profit for the year	<u>29,960</u>	<u>27,327</u>
Amount gift-aided to the charity	<u>(29,960)</u>	<u>(27,327)</u>
Retained profit	<u><u>-</u></u>	<u><u>-</u></u>

The assets and liabilities of Morvern Community Trading were:

Assets	32,267	40,506
Liabilities	<u>(32,167)</u>	<u>(40,406)</u>
Funds	<u><u>100</u></u>	<u><u>100</u></u>

5. Other incoming resources

	Unrestricted funds £	2017 Total £	2016 Total £
Other income	-	-	1,404
Rental income	2,490	2,490	5,553
EEL Administration fee	500	500	500
	<u>2,990</u>	<u>2,990</u>	<u>7,457</u>

The Morvern Community Development Company
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Notes to financial statements
for the year ended 31 March 2017

6. Costs of charitable activities - by fund type

	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
Core development activities	20,674	28,125	48,799	45,538
Marina & Pontoons	3,976	34,200	38,176	39,272
Other Property/Assets (incl depreciation)	3,985	4,302	8,287	18,370
Energy & Renewables	-	-	-	13,000
Fuel Pumps	-	-	-	1,750
Affordable Housing	-	5,551	5,551	-
	<u>28,635</u>	<u>72,178</u>	<u>100,813</u>	<u>117,930</u>

7. Costs of charitable activities - by activity

	Activities undertaken directly £	2017 Total £	2016 Total £
Core development activities	48,799	48,799	45,538
Marina & Pontoons	38,176	38,176	39,272
Other Property/Assets (incl depreciation)	8,287	8,287	18,370
Energy & Renewables	-	-	13,000
Fuel Pumps	-	-	1,750
Affordable Housing	5,551	5,551	-
	<u>100,813</u>	<u>100,813</u>	<u>117,930</u>

8. Professional Fees & Cost of Trustee Meetings

	Unrestricted funds £	2017 Total £	2016 Total £
Professional - Accountancy -Advisory	2,450	2,450	1,773
Cost of trustees' meetings	15	15	123
	<u>2,465</u>	<u>2,465</u>	<u>1,896</u>

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

Notes to financial statements
for the year ended 31 March 2017

9. Net incoming resources for the year

	2017	2016
	£	£
Net incoming resources is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	44,610	45,893
Examiner's/Auditors' remuneration	2,450	2,261
	<u>47,060</u>	<u>48,154</u>

10. Employees

Employment costs	2017	2016
	£	£
Wages and salaries	26,050	24,967
Social security costs	2,476	2,326
Pension costs	66	-
Other costs	1,335	2,273
	<u>29,927</u>	<u>29,566</u>

No employee received emoluments of more than £60,000 (2016 : None).

Number of employees

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

2017	2016
Number	Number
<u>1</u>	<u>1</u>

Key Management Personnel

The key management personnel of the charity is comprised of the Board of Trustees and the Development Officer. The Trustees were not remunerated and the total employment costs of the Development officer are shown above.

Trustees' expenses and remuneration

The charity trustees, who are the directors of the company, were not paid and did not receive any remuneration, benefits in kind or reimbursement of expenses in their capacity as trustee during the year. No trustee received payment for professional or other services supplied to the charity.

The Morvern Community Development Company
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Notes to financial statements
for the year ended 31 March 2017

11. Pension costs

The company operates a defined contribution pension scheme. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and was as follows:

	2017	2016
	£	£
Pension charge	<u>66</u>	<u>-</u>

12. Taxation

The charity is a charitable company within the meaning of the Finance Act 2010. Accordingly the charity's activities fall within the exemptions from taxation in respect of income or capital gains afforded by the provisions of the Corporation Taxes Act 2010 and the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes. As a result, there is no taxation charge in these accounts.

13. Tangible fixed assets	Land, Petrol Station & Shore facilities £	Land & property incl housing £	Plant & machinery incl Pontoon £	Sheds, tools & equipment £	Hydro - Renewables £	Total £
Cost						
At 1 April 2016	334,997	124,211	369,908	52,470	-	881,586
Additions	-	-	69,327	212	56,920	126,459
At 31 March 2017	<u>334,997</u>	<u>124,211</u>	<u>439,235</u>	<u>52,682</u>	<u>56,920</u>	<u>1,008,045</u>
Depreciation						
At 1 April 2016	59,415	-	138,409	35,476	-	233,300
Charge for the year	12,756	-	27,552	4,302	-	44,610
At 31 March 2017	<u>72,171</u>	<u>-</u>	<u>165,961</u>	<u>39,778</u>	<u>-</u>	<u>277,910</u>
Net book values						
At 31 March 2017	<u>262,826</u>	<u>124,211</u>	<u>273,274</u>	<u>12,904</u>	<u>56,920</u>	<u>730,135</u>
At 31 March 2016	<u>275,582</u>	<u>124,211</u>	<u>231,499</u>	<u>16,994</u>	<u>-</u>	<u>648,286</u>

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for the year ended 31 March 2017

14. Fixed asset investments	Subsidiary undertakings shares £	Other unlisted investments £	Total £
Valuation			
At 1 April 2016 and			
At 31 March 2017	100	9,300	9,400
	<u>100</u>	<u>9,300</u>	<u>9,400</u>
Historical cost as at 31 March 2017	100	9,300	9,400
	<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 declared in the year.

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

15. Programme related investments	Loans £	Total £
Cost		
At 1 April 2016 and		
At 31 March 2017	21,000	21,000
	<u>21,000</u>	<u>21,000</u>
Net book values		
At 31 March 2017	21,000	21,000
	<u>21,000</u>	<u>21,000</u>
At 31 March 2016	21,000	21,000
	<u>21,000</u>	<u>21,000</u>

Other investments consists of an original secure loan of £21,000 to Elementary Energy Limited for investment in its development of 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 that Trust (MCT). MCDC charges an annual administration fee of £500 to MTC.

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**Notes to financial statements
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16. Debtors

	2017	2016
	£	£
Trade debtors	3,000	3,698
Amounts due from subsidiary and associated undertakings	24,960	29,327
Other debtors	9,941	15,438
	<u>37,901</u>	<u>48,463</u>

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

	2017	2016
	£	£
Trade creditors	2,183	4,547
Other taxes and social security	698	670
Other creditors	820	705
Accruals and deferred income	2,291	2,302
	<u>5,992</u>	<u>8,224</u>

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

	2017	2016
	£	£
Morvern Community Trust	<u>21,000</u>	<u>21,000</u>

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

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Notes to financial statements
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19. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Designated funds £	Total funds £
Fund balances at 31 March 2017 as represented by:				
Tangible fixed assets	49,546	680,589	-	730,135
Investment assets	30,400	-	-	30,400
Current assets	40,612	27,844	12,666	81,122
Current liabilities	(5,992)	-	-	(5,992)
Long-term liabilities	(21,000)	-	-	(21,000)
	<u>93,566</u>	<u>708,433</u>	<u>12,666</u>	<u>814,665</u>

Analysis of net assets between funds (prior year)

	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>

20. Unrestricted funds

	At 1 April 2016 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2017 £
Unrestricted funds	<u>91,026</u>	<u>34,885</u>	<u>(31,100)</u>	<u>(1,245)</u>	<u>93,566</u>

Unrestricted funds (prior year)

	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>
	<u>72,526</u>	<u>51,774</u>	<u>(29,894)</u>	<u>(3,380)</u>	<u>91,026</u>

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Notes to financial statements
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21. Restricted funds	At 1 April 2016 £	Incoming resources £	Outgoing resources £	At 31 March 2017 £
Capital/Asset Funds				
Pontoons (Asset)	219,704	63,784	(23,540)	259,948
Shore Facilities & Road (Asset)	239,030	-	(10,660)	228,370
Land & Housing (capital & cash)	141,579	6,675	(5,551)	142,703
Allotments - (capital & cash)	20,126	-	(4,302)	15,824
Fuel Pumps	1,920	-	(199)	1,721
Hydro - Renewables	-	53,433	-	53,433
Revenue Funds				
Other balances	6,434	-	-	6,434
Project/Development Officer	-	27,926	(27,926)	-
	<u>628,793</u>	<u>151,818</u>	<u>(72,178)</u>	<u>708,433</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 £12,906 and a cash balance of £2,918.

Other balances

The closing balance includes £852 for the Hazelwood project and £482 in respect of the Shore Base.

Grants were received from HIE and CARES in 2016 towards costs relating to the fuel pumps and energy efficiency. A balance of £5,100 is carried forward.

Land & Housing (capital & cash)

Assets of £124,211 and a cash balance of £17,368 were brought forward. A grant of £6,675 was received from Big Lottery Fund for Affordable Housing and £5,551 was spent on professional fees in relation to this, leaving assets of £124,211 and cash of £18,492 carried forward.

Hydro - Renewables

Grants from CARES and Energy Savings Trust were received in 2017. A total of £56,920 was then spent on professional fees in relation to the Hydro and these costs have been capitalised. Depreciation will not be charged until the asset is in operation.

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Notes to financial statements
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22. Designated funds	At		At
	1 April	Transfers	31 March
	2016		2017
	£	£	£
Fuel Pump Renewal Fund	<u>11,421</u>	<u>1,245</u>	<u>12,666</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.

23. 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.