

**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 2018**

**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**

Jenni Hodgson	
John Alfred Hodgson	
Angus Robertson	
Sarah Jones	
Dr Susan Taylor	
Alasdair Firth	Appointed 8 February 2018
Jane Stuart-Smith	Appointed 8 February 2018
Nick Tordoff	Appointed 8 February 2018
Clare Holohan	Resigned 8 February 2018
Mike Foulis	Resigned 8 February 2018
James Bolton	Resigned 6 November 2017
Malcolm Burge	Resigned 29 March 2017

**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 2018**

The directors present their report and the financial statements for the year ended 31 March 2018. 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 vote at the AGM and any EGM where new directors/trutees 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 wither under 18, or not resident in the area, may become Junior, or Associate members respectively but are not voting members. The company must maintain a minimum membership of 20 at any one time.

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

**Report of the directors (incorporating the trustees' report)**  
**for the year ended 31 March 2018**

***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.

***Assets***

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

***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 to help during the year. Several companies, charities and government agencies have been generous in providing financial support to designated or 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 systems are in place to mitigate any exposure to these risks.

***Reserves policy***

The policy of the company 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.

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

**Report of the directors (incorporating the trustees' report)**  
**for the year ended 31 March 2018**

**Objectives and activities**

***Activities during the year to 31 March:***

- " Work continued on the Morvern Hydro projects
- " Work continued on affordable housing project
- " Work continued on plans for Community Business Hub site and around
- " Work commenced on the Morvern Eco Wheels project
- " Developing other activities in line with its charitable activities

**Achievements and performance**

***The company has achieved the following:***

- " The extended pontoons enjoyed the first year of operation
- " The community website continues to be a useful community tool
- " Secured funding for Community Business Hub
- " Secured funding for Morvern Eco Wheels project
- " Supported activities of Morvern Sailing Club and Community Land Association Morvern (CLAM)
- " Manage the Lochaline Filling Station

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

**Report of the directors (incorporating the trustees' report)  
for the year ended 31 March 2018**

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.

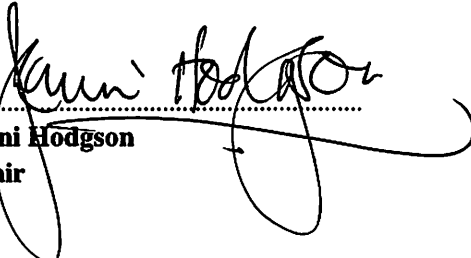
Duncan Grout of R A Clement Associates was deemed to be reappointed as independent examiner and the directors recommend that Duncan Grout remains in office until further notice.

**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

and signed on its behalf by

  
.....  
**Jenni Hodgson**  
Chair

15 Nov 2018

**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 2018 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.

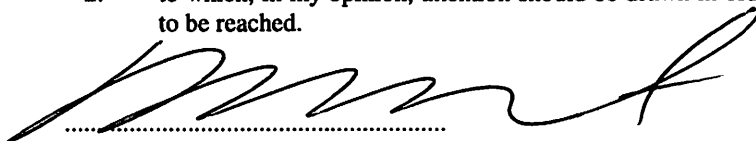
**Basis of Independent examiner's statement**

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**

..... 15/11/18

**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 2018**

	Notes	Unrestricted funds	Restricted funds	Designated funds	2018 Total	Unrestricted funds	Restricted funds	Designated funds	2017 Total
		£	£	£	£	£	£	£	£
<b>Income from:</b>									
Grants, donations & legacies	2	-	45,144	-	45,144	1,916	151,818	-	153,734
Investment income	3	4	-	-	4	19	-	-	19
Income from trading subsidiaries	4	13,554	-	-	13,554	29,960	-	-	29,960
Other incoming resources	5	8,443	-	-	8,443	2,990	-	-	2,990
<b>Total income</b>		<u>22,001</u>	<u>45,144</u>	<u>-</u>	<u>67,145</u>	<u>34,885</u>	<u>151,818</u>	<u>-</u>	<u>186,703</u>
<b>Expenditure on:</b>									
Charitable activities	6, 7, 8	23,264	84,015	-	107,279	31,100	72,178	-	103,278
Other resources expended	9	-	58,283	-	58,283	-	-	-	-
<b>Total expenditure</b>		<u>23,264</u>	<u>142,298</u>	<u>-</u>	<u>165,562</u>	<u>31,100</u>	<u>72,178</u>	<u>-</u>	<u>103,278</u>
<b>Net income/(expenditure)</b>		<u>(1,263)</u>	<u>(97,154)</u>	<u>-</u>	<u>(98,417)</u>	<u>3,785</u>	<u>79,640</u>	<u>-</u>	<u>83,425</u>
Transfers between funds		(5,467)	5,467	-	-	(1,245)	-	1,245	-
<b>Net movement in funds</b>		<u>(6,730)</u>	<u>(91,687)</u>	<u>-</u>	<u>(98,417)</u>	<u>2,540</u>	<u>79,640</u>	<u>1,245</u>	<u>83,425</u>
<b>Reconciliation of funds:</b>									
Total funds brought forward		93,566	708,433	12,666	814,665	91,026	628,793	11,421	731,240
<b>Total funds carried forward</b>		<u>86,836</u>	<u>616,746</u>	<u>12,666</u>	<u>716,248</u>	<u>93,566</u>	<u>708,433</u>	<u>12,666</u>	<u>814,665</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 10 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 2018**

SC200325

	Notes	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Tangible assets	14		743,219		730,135
Investments	15		9,400		9,400
Programme related investments	16		21,000		21,000
			<u>773,619</u>		<u>760,535</u>
<b>Current assets</b>					
Debtors	17	42,912		37,901	
Cash at bank and in hand		17,628		43,221	
		<u>60,540</u>		<u>81,122</u>	
<b>Creditors: amounts falling due within one year</b>	18	<u>(5,866)</u>		<u>(5,992)</u>	
<b>Net current assets</b>			<u>54,674</u>		<u>75,130</u>
<b>Total assets less current liabilities</b>			828,293		835,665
<b>Creditors: amounts falling due after more than one year</b>	19		<u>(112,045)</u>		<u>(21,000)</u>
<b>Net assets</b>			<u>716,248</u>		<u>814,665</u>
<b>Funds</b>					
Designated funds	20		12,666		12,666
Restricted income funds			616,746		708,433
Unrestricted income funds			86,836		93,566
<b>Total funds</b>			<u>716,248</u>		<u>814,665</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 10 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 2018**

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 2018.

(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

15/11/2018

and signed on its behalf



.....  
**Angus Robertson**  
**Director**

**The notes on pages 10 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 2018**

**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. 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.

**The Morvern Community Development Company**  
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**Notes to financial statements**  
**for the year ended 31 March 2018**

**1.3. 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.

**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 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

**1.5. 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.

**1.6. 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 2018**

**1.7. 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 12. 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.

**1.8. 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.

**2. Grants, donations & legacies**

	<b>Restricted funds £</b>	<b>2018 Total £</b>	<b>2017 Total £</b>
Sundry grants receivable	-	-	1,300
HIE - LDO/Project	29,365	29,365	27,926
HIE - Pontoons	-	-	31,535
CARES	-	-	23,890
HC / LEADER - Marina Expansion	13,154	13,154	22,249
Big Lottery Fund	-	-	6,675
Morvern Community Trust	1,875	1,875	10,000
Energy Savings Trust - Renewables	-	-	30,158
Scottish Land Fund	750	750	-
Membership subscriptions	-	-	1
	<u>45,144</u>	<u>45,144</u>	<u>153,734</u>

**3. Investment income**

	<b>Unrestricted funds £</b>	<b>2018 Total £</b>	<b>2017 Total £</b>
Bank interest receivable	4	4	19
	<u>4</u>	<u>4</u>	<u>19</u>

**4. Trading subsidiaries**

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

<b>Name of subsidiary</b>	<b>Country of incorporation</b>	<b>% of equity share capital held</b>
Morvern Community Trading	Scotland	100

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

**Notes to financial statements**  
**for the year ended 31 March 2018**

**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.

**5. Other incoming resources**

	<b>Unrestricted funds £</b>	<b>2018 Total £</b>	<b>2017 Total £</b>
Other income	1,443	1,443	-
Rental income	6,500	6,500	2,490
EEL Administration fee	500	500	500
	<u>8,443</u>	<u>8,443</u>	<u>2,990</u>

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

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>2018 Total £</b>	<b>2017 Total £</b>
Core development activities	14,041	32,739	46,780	48,799
Marina & Pontoons	415	40,775	41,190	38,176
Other Property/Assets (incl depreciation)	5,347	3,226	8,573	8,287
Affordable Housing	-	7,275	7,275	5,551
	<u>19,803</u>	<u>84,015</u>	<u>103,818</u>	<u>100,813</u>

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

	<b>Activities undertaken directly £</b>	<b>2018 Total £</b>	<b>2017 Total £</b>
Core development activities	46,780	46,780	48,799
Marina & Pontoons	41,190	41,190	38,176
Other Property/Assets (incl depreciation)	8,573	8,573	8,287
Affordable Housing	7,275	7,275	5,551
	<u>103,818</u>	<u>103,818</u>	<u>100,813</u>

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

**Notes to financial statements**  
**for the year ended 31 March 2018**

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

	<b>Unrestricted funds £</b>	<b>2018 Total £</b>	<b>2017 Total £</b>
Professional - Accountancy -Advisory	3,100	3,100	2,450
Professional - Companies House	13	13	-
Cost of trustees' meetings	348	348	15
	<u>3,461</u>	<u>3,461</u>	<u>2,465</u>

**9. Other resources expended**

	<b>Restricted funds £</b>	<b>2018 Total £</b>	<b>2017 Total £</b>
Other resources expended	4,850	4,850	-
	<u>4,850</u>	<u>4,850</u>	<u>-</u>
Exceptional other resources expended	53,433	53,433	-
	<u>58,283</u>	<u>58,283</u>	<u>-</u>

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

	<b>2018 £</b>	<b>2017 £</b>
Net (outgoing)/incoming resources is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	49,106	44,610
Examiner's/Auditors' remuneration	3,100	2,438
Exceptional items	<u>53,433</u>	<u>-</u>



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

**Notes to financial statements**  
**for the year ended 31 March 2018**

**11. Employees**

<b>Employment costs</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	29,025	26,050
Social security costs	-	2,476
Pension costs	268	66
Other costs	396	1,335
	<u>29,689</u>	<u>29,927</u>

No employee received emoluments of more than £60,000 (2017 : None).

**Number of employees**

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

<b>2018</b>	<b>2017</b>
<b>Number</b>	<b>Number</b>
<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.

**12. 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:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Pension charge	<u>268</u>	<u>66</u>

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**13. 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.

<b>14. Tangible fixed assets</b>	<b>Land, Petrol Station &amp; Shore facilities £</b>	<b>Land &amp; property incl housing £</b>	<b>Plant &amp; Sheds, tools incl Pontoons &amp; equipment £</b>	<b>Allotments £</b>	<b>Hydro - Renewables £</b>	<b>Total £</b>
<b>Cost</b>						
At 1 April 2017	334,997	124,211	439,235	52,682	56,920	1,008,045
Additions	-	-	22,598	-	39,592	62,190
At 31 March 2018	<u>334,997</u>	<u>124,211</u>	<u>461,833</u>	<u>52,682</u>	<u>96,512</u>	<u>1,070,235</u>
<b>Depreciation</b>						
At 1 April 2017	72,171	-	165,961	39,778	-	277,910
Charge for the year	12,756	-	33,124	3,226	-	49,106
At 31 March 2018	<u>84,927</u>	<u>-</u>	<u>199,085</u>	<u>43,004</u>	<u>-</u>	<u>327,016</u>
<b>Net book values</b>						
At 31 March 2018	<u>250,070</u>	<u>124,211</u>	<u>262,748</u>	<u>9,678</u>	<u>96,512</u>	<u>743,219</u>
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>

<b>15. Fixed asset investments</b>	<b>Subsidiary undertakings shares £</b>	<b>Other unlisted investments £</b>	<b>Total £</b>
<b>Valuation</b>			
At 1 April 2017 and At 31 March 2018	<u>100</u>	<u>9,300</u>	<u>9,400</u>
Historical cost as at 31 March 2018	<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

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**16. Programme related investments**

	<b>Loans</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
At 1 April 2017 and At 31 March 2018	21,000	21,000
<b>Net book values</b>		
At 31 March 2018	21,000	21,000
At 31 March 2017	21,000	21,000

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.

**17. Debtors**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade debtors	3,000	3,000
Amounts due from subsidiary and associated undertakings	23,554	24,960
Other debtors	16,358	9,941
	<u>42,912</u>	<u>37,901</u>

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade creditors	2,919	2,183
Other taxes and social security	(64)	698
Other creditors	824	820
Accruals and deferred income	2,187	2,291
	<u>5,866</u>	<u>5,992</u>

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
CARES Loan	91,045	-
Morvern Community Trust	21,000	21,000
	<u>112,045</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.

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

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Designated funds</b>	<b>Total funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fund balances at 31 March 2018 as represented by:				
Tangible fixed assets	36,462	706,757	-	743,219
Investment assets	30,400	-	-	30,400
Current assets	46,840	1,034	12,666	60,540
Current liabilities	(5,866)	-	-	(5,866)
Long-term liabilities	(21,000)	(91,045)	-	(112,045)
	<u>86,836</u>	<u>616,746</u>	<u>12,666</u>	<u>716,248</u>

**Analysis of net assets between funds (prior year)**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Designated funds</b>	<b>Total funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fund balances at 31 March 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>

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**Notes to financial statements**  
**for the year ended 31 March 2018**

<b>21. Unrestricted funds</b>	<b>At</b>	<b>Incoming</b>	<b>Outgoing</b>	<b>Transfers</b>	<b>At</b>
	<b>1 April</b>	<b>resources</b>	<b>resources</b>		<b>31 March</b>
	<b>2017</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted funds	93,566	22,001	(23,264)	(5,467)	86,836
	<u>93,566</u>	<u>22,001</u>	<u>(23,264)</u>	<u>(5,467)</u>	<u>86,836</u>
<b>Unrestricted funds (prior year)</b>	<b>At</b>	<b>Incoming</b>	<b>Outgoing</b>	<b>Transfers</b>	<b>At</b>
	<b>1 April</b>	<b>resources</b>	<b>resources</b>		<b>31 March</b>
	<b>2016</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted funds	91,026	34,885	(31,100)	(1,245)	93,566
	<u>91,026</u>	<u>34,885</u>	<u>(31,100)</u>	<u>(1,245)</u>	<u>93,566</u>

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<b>22. Restricted funds</b>	<b>At</b>				<b>At</b>
	<b>1 April</b>	<b>Incoming</b>	<b>Outgoing</b>	<b>Transfers</b>	<b>31 March</b>
	<b>2017</b>	<b>resources</b>	<b>resources</b>		<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Capital/Asset Funds</b>					
Pontoons (Asset)	259,948	13,154	(30,115)	-	242,987
Shore Facilities & Road (Asset)	228,370	-	(10,660)	-	217,710
Land & Housing (capital & cash)	142,703	-	(7,275)	-	135,428
Allotments - (capital & cash)	15,824	-	(3,226)	-	12,598
Fuel Pumps	1,721	-	(199)	-	1,522
Hydro - Renewables	53,433	-	(53,433)	5,467	5,467
<b>Revenue Funds</b>					
Other balances	6,434	2,625	(8,025)	-	1,034
Project/Development Officer	-	29,365	(29,365)	-	-
	<u>708,433</u>	<u>45,144</u>	<u>(142,298)</u>	<u>5,467</u>	<u>616,746</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 £9,680 and a cash balance of £2,918.

**Other balances**

The closing balance includes amounts for the Hazelwood project and the Shore Base. The duplication of a grant in 2016 has resulted in a write off this year of £4,850 erroneously included in the closing funds.

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

Assets of £124,211 and a cash balance of £18,492 were brought forward. Expenditure in the year consisted of preliminary grounds costs and architects design fees. A cash balance of £11,217 was carried forward.

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**Notes to financial statements**  
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**Hydro - Renewables**

Funds from CARES and Energy Savings Trust were received in 2017 and in 2018 towards the development costs of a Hydro Scheme. In 2017 these were mistakenly treated as grants but these have now been properly designated as interest free loans. If the Hydro Scheme is successful in achieving accreditation for the government's Feed in Tarriff scheme then the interest free grant automatically converts to a loan with interest payable from the date of financial close. If the project fails to go ahead, the charity can request that the balance of loan and interest be converted to an interest free grant.

Further amounts were received in 2018, leaving a loan balance of £91,045. A total of £96,512 has been spent on development fees in relation to the scheme and these costs have been capitalised. The net balance on the fund of £5,467 has been met from general reserves and is shown as a transfer to the fund.

23. Designated funds	At	At
	1 April 2017	31 March 2018
	£	£
Fuel Pump Renewal Fund	<u>12,666</u>	<u>12,666</u>

**Purposes of designated funds**

A fund is being accumulated towards the maintenance and renewal of the fuel pumps. A transfer is normally made each year of 50% of the rental income charged. For the current year, in light of the deficit incurred, the directors have decided not to carry out the usual transfer. The situation will be kept under review taking into consideration the funds required for maintenance of the fuel pumps and the overall financial position of the charity.

**24. 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.