



Morvern Community Development Company

Draft Minutes of AGM

27th October 2022

Present

Directors: Jane Stuart-Smith (Chair), Sarah Jones (Vice Chair), Angus Robertson (Treasurer), Amy Stammers, Jennie Robertson, Bob Jones, Lilia Dobrokodova (Development Officer and MCDC/MCTC/MorVolts Co Secretary).

Company Accountants: Mark Gallacher and Andrew Kelly.

Members of the Public: Jenni Hodgson, Peter Llewellyn, Gillian Llewellyn, Sue Layton, Stuart Layton, Keith Laidlaw, Henriette Laidlaw, Miles Welsh, Jennifer Welsh, Caroline Thwaites, Lynsey Beckett, George Beckett, Becky Chadwich, Shonah Wood, Janette Cameron, Peter Guthrie, Anemie Shanks, John Hodgeson, Isla Robertson, Fee Zanke.

Apologies: Nick Tordoff, Kenny McLaughlin, Kathryn McLaughlin, Lesley Jones, Movern Gemmill, Adeline Callendar, George Callendar, Kat McLaughlin, Hugh Raven, Kitty Raven, Annie Tordoff, Ivan Woolley.

Agenda:

1. Apologies and Proxies

Jane welcomed everyone to the AGM and introduced Mark and Andrew from EQ Accountants. It was noted that it was a shortened year for an AGM. Covid caused a slip and this shortened year is an attempt to bring the MCDC AGM back into alignment and in time with statutory lodgements for Companies House and the accounts.

Apologies were presented and the Co Secretary informed the meeting that 41 proxies were received. The company has 5 nominations for directorship.

2. Minutes of the last AGM (10.02.22)

The Minutes of the last AGM were approved. Bob Jones proposed and Sue Layton seconded. It was noted that the Minutes were displayed on the website.

3. Chairman's Report

Jane Stuart Smith gave a brief history of MCDC for all those present who are new or unfamiliar with MCDC's set up. She highlighted that MCDC has been shortlisted for the Green Energy Awards in the "community run" project category and that a community hydro benefit payment of £8000 to Morvern Community Trust (MCT) has been agreed by the board and will be put in place in due course.

4. Treasurers Report and presentation of Accounts

Angus Robertson and the accountants from EQ Accountants gave a brief history of the MCDC accounts and explained the reasons for changing to EQ accountants. A full audit was carried out with EQ Accountants and reinforced that the Directors are running the company at its best and that everything is as it should be. Despite the cost it was agreed that this was the best decision and puts MCDC in a strong position going forward particularly given the complexity of the MCDC accounts. Everyone was reminded that they can follow up with Angus at any time if they have any further questions.

It was noted that furlough and extra funding were instrumental in keeping MCTC going throughout Covid as yacht numbers were significantly down. MCTC has taken on new business from MCDC, i.e. the community business hub. It was also noted that MorVolts have significant overheads but that it is generating enough to cover the costs and create a small profit.

Highlights from the Accounts from EQ Accountants:

- MorVolts is on track and working well.
- MCTC is holding its own and the audit confirms that it will still be running in 12 months.
- Audit report – very happy with all practice, they noted that Adeline and Lilia are bringing everything on time and there were no concerns about the longevity of the company going forward.
- Page 10 MCDC accounts – consolidation – last year's income dropped but it is not of concern as this is due to grants.
- This year's income was £98,000 net majorly from trading and not grants.
- Restricted funds have been transferred into unrestricted i.e. once the hub and housing is completed they can become general funds of charity and no-longer held in restricted funds
- Gross assets of £8m alongside significant cash assets meaning the company is in a good place.
- Bank borrowing – this is spread over a number of years now, so it looks to be much more stable
- Trustees report about reserves on page 3 of MCDC accounts states that the group has £1.2m unrestricted reserve but this is mainly property.
- Cash reserves – have a target of £145,000 to be put in place in 9 months.
- KPI heading in the right direction.

Questions for the Treasurer and Accountants

Keith Laidlaw asked how MorVolts made a profit but ended up with negative. It was answered that this was off setting a debt of the previous year. There is now no debt outstanding apart from the in-place loans. The first year has generated the projected amounts of £700k.

Keith Laidlaw asked where the money invested by MCDC in the Sallachan Hydro Shares goes and it was clarified that this goes to MCT.

Sue Layton asked that as the Interest Rates increase will MorVolts' payments be affected. Angus explained that the lending EIF fixed rate 6% with Triodos is split into four parts. Three are fixed. The fourth is variable and more flexible.

Miles asked whether the value is written off after a certain time. It was answered that with MorVolts this is 40 years. The Hub and Housing Is 25 years. The Harbour is 12 years.

Bob Jones asked why the community isn't getting extra money out of Barr. It was answered that the first reason is that the MCDC must access the grid so has to legally sell to the grid. Angus assured everyone that he is constantly reviewing the process to see if it is possible to change that structure. The second reason is the bank convenience and the loans. Explained reserves/parent company payment/MCT community benefit payment.

Jane Stuart Smith explained the forecasting and strategizing for the next 10 years with reference to Live Life Morvern.

Henriette Laidlaw asked if MCDC can put figures on this by next year so that there can be a better idea.

Bob Jones asked about tax and corporation tax and whether MCDC will be stung by it or is MCDC safe. It was answered that Capital Allowances mean that tax losses can be offset so MCDC shouldn't have to pay corporation tax.

It was questioned why it was necessary to have two accountants present in the meeting and EQ Accountants assured the meeting that only one of them was paid to be there, the other had just happened to be around.

5. Appointment of Auditors

EQ Accountants quoted a competitive price and have delivered everything as promised. It was proposed to keep EQ accountants by Jane Stuart Smith and seconded by Keith Laidlaw.

6. Retirement/Election of Directors

Angus Robertson and Sarah Jones have now served full terms and will step down and are not available for re-election for one year. Jane Stuart Smith is standing for re-election.

Jane Stuart Smith read out the list candidates. There were 41 proxy votes. It was noted that the Development Trust Association Scotland gave advice on the vote as it was unprecedented for MCDC to have a contested election. Lilia and Amy counted the votes in front of all attendees. Kenny McLaughlin, Sue Layton and Jane Stuart Smith were elected.

Jane Stuart Smith was elected as Chair. Proposed by Bob Jones and seconded by Jennie Robertson.

Amy Stammers was elected as Vice-Chair. Proposed by Jane Stuart Smith and seconded by Jennie Robertson.

Angus Robertson was elected as Honorary Treasurer. Proposed by Bob Jones and seconded by Jennie Robertson. It was noted that Angus suggested MCDL consider appointing an understudy going forward.

Lilia Dobrokodova was re-appointed Company Secretary. Proposed by Jane Stuart Smith and seconded by Sue Layton.

The new directors were welcomed to the board.

7. Subscription Fees

There was a question about whether subscription of £1 should change or stay the same. It was decided that it will remain at £1. It was noted that there are currently 128 members.

8. Special Resolution

It was proposed that there should be an amendment to the articles to allow proposed MCC directors to be taken in during the course of the business year rather than wait for the AGM. Also, that an MCC appointed director will no longer be a director of MCDL if they step down from MCC. This was proposed by Jane Stuart Smith, seconded by Amy Stammers and a majority of present members voted in favour of this change by raise of hands.

9. A.O.B.

Stuart Layton expressed thanks to the marina staff for their efforts and work in the marina.

Gillian Llewellyn expressed a vote of thanks to all those involved in the development of the community which she said she was proud to be a member of. Jane Stuart Smith reiterated that MCDL tries its best but don't always get it right. Angus Robertson reminded everyone of the Live Life Morvern Project and the hope for the future of the community.

Jenni Hodgson raised a question about the community car. It was agreed that this would be discussed during an ordinary meeting.