

COMPANY REGISTRATION NUMBER: SC137057

CHARITY REGISTRATION NUMBER: SC020150

Lochcarron Community Development Company

Company Limited by Guarantee

Unaudited Financial Statements

For the year ended

5 April 2023

Lohcarron Community Development Company

Company Limited by Guarantee

Financial Statements

Year ended 5 April 2023

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Lochcarron Community Development Company

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 5 April 2023

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 5 April 2023 .

Reference and administrative details

Registered charity name	Lochcarron Community Development Company
Charity registration number	SC020150
Company registration number	SC137057
Principal office and registered office	The Smithy Heritage Centre Ribhuachan Lochcarron Strathcarron Ross-shire IV54 8YS

The trustees

Mrs H Rooke	
Mr P Barr	
Mr A Cormack	(Appointed 12 September 2022)
Miss A Mackay	(Appointed 12 September 2022)
Mrs H Murchison	

Independent examiner	M J Macnab BSc, FCCA Tulloch Street Dingwall Ross-shire IV15 9JY
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Structure, governance and management

Lochcarron Community Development Company incorporated on 11 March 1992 as a Company Limited by Guarantee and does not have any Share Capital. The Organisation is governed by its Memorandum and Articles of Association. The management of the Organisation is the responsibility of the Trustees who are elected under the terms of the Articles. A list of those serving is given above.

Objectives and activities

To manage community land and associated assets for the benefit of the Community and the public in general as an important part of the protection and sustainable development of Scotland's natural environment, where 'sustainable development' means development which meets the needs of the present without compromising the ability for future generations to meet their own needs. To advance the education of the Community about its environment, culture and/or history. To advance the arts, heritage, culture or science.

Achievements and performance

The last financial year was a challenging period for LCDC but we emerge more stable and have made progress in several key areas.

The biggest challenge we faced was the need to close down our wholly owned subsidiary, Cafe Ceardach Ltd, because of its continuing financial losses. At the beginning of the year, we hoped that the Cafe would start to make a profit as the pandemic came to an end, but by October 2022 it became clear that the company was still losing money. Since opening in 2019, the Cafe lost a total of £118,000, and wages continued to be greater than earnings. The Cafe was insolvent and LCDC was unable to continue subsidising its losses. After consulting our members and having meetings with the staff, as well as taking financial and legal advice, it was decided to wind up the company because it was insolvent and threatened the future of the parent company, LCDC.

On a more positive note, we completed the refencing of Kirkton Woodland in spring 2022 and had almost completed the replanting of 25 hectares by the end of March, 2023. This is a huge step forward for LCDC and means that we have met our obligations in regard to replanting. It will be some time before the new trees mature, but with good management the future looks bright for the woodland. During the year, an innovative project called the Digital Woodland explored the possibilities of using digital technology to bring the woodland alive and illustrate its history. Carried out in partnership with the UNESCO Wester Ross Biosphere and UHI, the project also earned £4,000 in revenues for LCDC.

During the year, LCDC also helped to launch the new community growing group, encouraging members to take the initiative and build links with other local organisations including the Howard Doris Centre, the primary school and the Adopt-A-Barrel Group. The group now has regular meetings and has won funding for a new polytunnel located at the Smithy Hub.

Two new tenants are now in place at the Smithy Hub. Freedom Framery moved in at the start of August 2022 and Lochcarron Weavers was preparing to move in to the building formerly occupied by the Cafe at the beginning of the new financial year after several months of discussions. Combined, these two new tenancies will generate a positive income, reversing the previous losses.

The affordable housing project is making slow progress. Planning permission was granted during the year but the project has been held up by further delays in the granting of Road Construction Consent (RCC). These delays also mean that LCDC is still not able to prepare for the sale of the four housing plots we will retain as part of the condition of the sale of the land.

Financial review

LCDC continues to be asset rich and cash poor, but by taking steps to wind up Café Ceárdach Ltd and find a new tenant for the building once occupied by the Café, the directors have improved revenues by turning a loss into a small profit.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 1 October 2023 and signed on behalf of the board of trustees by:

Mr P Barr

Director

Lohcarron Community Development Company

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Lochcarron Community Development Company

Year ended 5 April 2023

I report on the financial statements for the year ended 5 April 2023, which comprise the statement of financial activities (including income and expenditure account), statement of financial position and the related notes.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors of the company for the 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 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the 2006 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 report

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. 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 connection with 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 Accounts Regulations, and
- to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations

have 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.

M J Macnab BSc, FCCA Independent Examiner

Tulloch Street Dingwall Ross-shire IV15 9JY

1 October 2023

Lochcarron Community Development Company

Company Limited by Guarantee

Statement of Financial Activities

(including income and expenditure account)

Year ended 5 April 2023

		2023		2022	
		Unrestricted funds	Restricted funds	Total funds	Total funds
	Note	£	£	£	£
Income					
Donations, legacies and grants	5	9,241	18,586	27,827	79,454
Charitable activities	6	4,000	–	4,000	–
Other trading activities	7	15,271	–	15,271	7,777
Investment income	8	–	–	–	589
Total income		28,512	18,586	47,098	87,820
Expenditure					
Expenditure on raising funds:					
Costs of raising donations, legacies and grants	9	71,962	–	71,962	27,616
Expenditure of restricted funds	10,11	(1,015)	(65,657)	(66,672)	(55,426)
Other expenditure	12	(3,999)	–	(3,999)	–
Total expenditure		68,978	65,657	134,635	83,042
Net income less expenditure and net movement in funds		(40,466)	(47,071)	(87,537)	4,778
Reconciliation of funds					
Total funds brought forward		418,403	45,737	464,140	459,362
Total funds carried forward		377,937	(1,334)	376,603	464,140

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

Lochcarron Community Development Company

Company Limited by Guarantee

Statement of Financial Position

5 April 2023

		2023	2022
	Note	£	£
Fixed assets			
Tangible fixed assets	17	445,273	461,994
Current assets			
Stock	18	3,118	3,118
Debtors	19	9,382	43,855
Cash at bank and in hand		15,560	10,522
		28,060	57,495
Creditors: amounts falling due within one year	20	96,730	55,349
Net current liabilities		(68,670)	2,146
Total assets less current liabilities		376,603	464,140
Funds of the charity			
Restricted funds		(1,334)	45,737
Unrestricted funds:			
Revaluation reserve		50,000	50,000
Other unrestricted income funds		327,937	368,403
Total unrestricted funds		377,937	418,403
Total charity funds	22	376,603	464,140

For the year ending 5 April 2023 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 ;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

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

Lohcarron Community Development Company

Company Limited by Guarantee

Statement of Financial Position *(continued)*

5 April 2023

These financial statements were approved by the board of trustees and authorised for issue on 1 October 2023 ,
and are signed on behalf of the board by:

Mrs H Rooke

Director

Lochcarron Community Development Company

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 5 April 2023

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in Scotland and a registered charity in Scotland. The address of the registered office is The Smithy Heritage Centre, Ribhuachan, Lochcarron, Strathcarron, Ross-shire, IV54 8YS.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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 (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of (enter name of group financial statements) which can be obtained from (enter detail). As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102: (a) No cash flow statement has been presented for the company. (b) Disclosures in respect of financial instruments have not been presented.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes. Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment. Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income: - income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably. - legacy income is recognised when receipt is probable and entitlement is established. - income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers. - income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates: - expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods. - expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities. - other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% straight line
Fixtures and fittings	-	25% reducing balance
Equipment	-	25 % reducing balance
Treehouse	-	20% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

Company limited by guarantee

5. Donations, legacies and grants

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Donations			
Donations	8,741	—	8,741
Ospray Energy Ltd	500	—	500
Grants			
Coastal Communities Fund	—	—	—
North Highlands Climate Hub	—	—	—
Digital Woodlands	—	15,717	15,717
HIE - Development Officer	—	—	—
Access and Enterprise Project	—	—	—
Highland Council	—	1,000	1,000
Forestry Commission	—	—	—
Robertson Trust	—	—	—
Green Shoots	—	—	—
Energy Savings Trust	—	—	—
HIE - other grants	—	1,819	1,819
Lochcarron Community Council	—	50	50
HLH - Think Health, Think Nature	—	—	—
	9,241	18,586	27,827
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Donations	100	—	100
Ospray Energy Ltd	1,500	—	1,500

Grants

Coastal Communities Fund	—	18,500	18,500
North Highlands Climate Hub	—	500	500
Digital Woodlands	—	—	—
HIE - Development Officer	—	20,876	20,876
Access and Enterprise Project	1,555	—	1,555
Highland Council	—	1,446	1,446
Forestry Commission	—	1,800	1,800
Robertson Trust	—	10,000	10,000
Green Shoots	—	10,000	10,000
Energy Savings Trust	—	1,488	1,488
HIE - other grants	—	1,819	1,819
Lochcarron Community Council	—	5,000	5,000
HLH - Think Health, Think Nature	—	4,870	4,870
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	3,155	76,299	79,454
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6. Charitable activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Sale of goods/services as part of direct charitable activities	4,000	4,000	—	—
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7. Other trading activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Membership	120	120	40	40
Rent	15,151	15,151	7,515	7,515
Fundraising events	—	—	222	222
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	15,271	15,271	7,777	7,777
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8. Investment income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Bank interest receivable	—	—	17	17
Bank interest refunded	—	—	572	572
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	—	—	589	589
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9. Costs of raising donations, legacies and grants

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
General administration	71,962	71,962	27,616	27,616
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10. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Local Development Officer	–	73	73
Kirkton Woodland Planting and Fencing	–	21,884	21,884
Health Walks and Befriending	–	–	–
Strategic Report	–	–	–
Think Health Think Nature	–	–	–
Climate Feis	–	389	389
Digital Woodland	–	12,737	12,737
Donations Expenditure	–	27,266	27,266
Woodland Classroom	–	–	–
Scottish Forestry Highlands & Islands Conservancy	–	2,243	2,243
Energy Savings Trust	–	1,065	1,066
Support costs	1,015	–	1,014
	1,015	65,657	66,672
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Local Development Officer	2,341	30,876	33,217
Kirkton Woodland Planting and Fencing	–	11,062	11,062
Health Walks and Befriending	–	1,446	1,446
Strategic Report	–	1,819	1,819
Think Health Think Nature	–	4,870	4,870
Climate Feis	–	–	–
Digital Woodland	–	–	–
Donations Expenditure	–	–	–
Woodland Classroom	–	500	500
Scottish Forestry Highlands & Islands Conservancy	–	–	–
Energy Savings Trust	–	1,488	1,488
Support costs	1,024	–	1,024
	3,365	52,061	55,426

11. Expenditure on charitable activities by activity type

	Grant funding of activities £	Support costs £	Total funds 2023 £	Total fund 2022 £
Local Development Officer	73	–	73	33,217
Kirkton Woodland Planting and Fencing	21,884	–	21,884	11,062
Health Walks and Befriending	–	–	–	1,446
Strategic Report	–	–	–	1,819
Think Health Think Nature	–	–	–	4,870
Climate Feis	389	–	389	–
Digital Woodland	12,737	–	12,737	–
Donations Expenditure	27,266	–	27,266	–
Woodland Classroom	–	–	–	500

Scottish Forestry Highlands & Islands Conservancy	2,243	–	2,243	–
Energy Savings Trust	1,066	–	1,066	1,488
Governance costs	–	1,014	1,014	1,024
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	65,658	1,014	66,672	55,426
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12. Other expenditure

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Loss on disposal of tangible fixed assets held for charity's own use	(3,999)	(3,999)	—	—

13. Net income less expenditure

Net income less expenditure is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	12,140	13,878
Gains on disposal of tangible fixed assets	(3,999)	—
Fees payable for the audit of the financial statements	1,014	1,024

14. Independent examination fees

	2023 £	2022 £
Fees payable to the independent examiner for: Independent examination of the financial statements	1,015	1,025

15. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2023 £	2022 £
Wages and salaries	—	28,498
Employer contributions to pension plans	—	1,892
	—	30,390

The average head count of employees during the year was Nil (2022: 1). The average number of full-time equivalent employees during the year is analysed as follows:

	2023 No.	2022 No.
Local Development Officer	—	1

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

16. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

17. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Equipment £	Tree House £	Total £
Cost					
At 6 April 2022	511,519	46,507	4,144	30,000	592,170
Disposals	—	(18,621)	—	—	(18,621)
	-----	-----	-----	-----	-----
At 5 April 2023	511,519	27,886	4,144	30,000	573,549
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Depreciation					
At 6 April 2022	63,485	32,785	3,906	30,000	130,176
Charge for the year	8,686	3,430	24	—	12,140
Disposals	—	(14,040)	—	—	(14,040)
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At 5 April 2023	72,171	22,175	3,930	30,000	128,276
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Carrying amount					
At 5 April 2023	439,348	5,711	214	—	445,273
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At 5 April 2022	448,034	13,722	238	—	461,994
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18. Stocks

	2023	2022
	£	£
Finished goods and goods for resale	3,118	3,118
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19. Debtors

	2023	2022
	£	£
Trade debtors	3,943	23,464
Amounts owed by Kirkton Trading Ltd and café Ceardach Ltd	5,000	16,939
Other debtors	439	3,452
	-----	-----
	9,382	43,855
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20. Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans and overdrafts	20,588	—
Trade creditors	26,142	5,349
Other creditors	50,000	50,000
	-----	-----
	96,730	55,349
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21. Pensions and other post retirement benefits**Defined contribution plans**

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £Nil (2022: £ 1,892).

22. Analysis of charitable funds

Unrestricted funds

	At 6 April 2022	Income	Expenditure	At 5 April 2023
	£	£	£	£
General funds	44,087	28,512	(68,978)	3,621
Plot 1	60,000	–	–	60,000
Cafe Ceardach assets and improvements	264,316	–	–	264,316
Revaluation reserve	50,000	–	–	50,000
	418,403	28,512	(68,978)	377,937
	At 6 April 2021	Income	Expenditure	At 5 April 2022
	£	£	£	£
General funds	63,547	11,521	(30,981)	44,087
Plot 1	60,000	–	–	60,000
Cafe Ceardach assets and improvements	264,316	–	–	264,316
Revaluation reserve	50,000	–	–	50,000
	437,863	11,521	(30,981)	418,403

Restricted funds

	At 6 April 2022	Income	Expenditure	At 5 April 2023
	£	£	£	£
Restricted Fund	45,737	18,586	(65,657)	(1,334)
	At 6 April 2021	Income	Expenditure	At 5 April 2022
	£	£	£	£
Restricted Fund	21,499	76,299	(52,061)	45,737

23. Related parties

Kirkton Trading Ltd and Cafe Ceardach are subsidiaries of Lochcarron Community Development Company. Lochcarron Community Development Company owns 100% of the shares of Kirkton Trading Ltd and café Ceardach.

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