

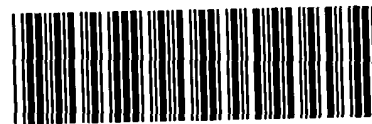


FYNE INITIATIVES LIMITED

Company registration number: SC280263

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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FYNE INITIATIVES LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2022**

Directors

A. C. Harrison
R. R. Reid
D. Herriot

Secretary:

C. Renfrew (resigned 31 March 2022)
I. MacPhail (appointed 4 April 2022)

Registered office

81 Victoria Street
Rothesay
Isle of Bute
PA20 0AP

Registered number

SC280263

Auditor

Azets Audit Services
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Principal banker

Bank of Scotland
36/42 Montague Street
Rothesay
Isle of Bute
PA20 0BT

Solicitor

TC Young
7 West George Street
Glasgow
G2 1BA

FYNE INITIATIVES LIMITED

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FOR THE YEAR ENDED 31 MARCH 2022

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FYNE INITIATIVES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

The directors present their report and the audited financial statements for the year ended 31 March 2022.

Principal activities

The company's principal activities are property development and the rental of commercial property.

Review of business

The loss after providing for taxation amounted to £2,146 (2021: *profit of £77,294*). A distribution in the form of gift aid of £51,405 (2021: *£ nil*) was paid to the company's parent, Fyne Homes Limited in the year.

Directors

The directors during the year and to the date these financial statements were signed were:

A. C. Harrison
R. R. Reid
D. Herriot
D. Wilkinson (resigned 30 September 2021)

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards including Section 1A 'Small Entities' of Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FYNE INITIATIVES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

Disclosure of information to the auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- Each director has taken all the steps that they ought to have taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The appointed auditor, Azets Audit Services, will be proposed for re-appointment, in accordance with Section 487(2) of the Companies Act 2006.

Small companies' exemptions

In preparing this report, the directors have taken advantage of the small companies' exemptions provided by Section 415A of the Companies Act 2006.

This report was approved by the board on 14 September 2022 signed on its behalf by:



**I. MacPhail
Secretary**

FYNE INITIATIVES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF FYNE INITIATIVES LIMITED FOR THE YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of Fyne Initiatives Limited (the 'company') for the year ended 31 March 2022, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Section 1A 'Small Entities' of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Small Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

FYNE INITIATIVES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF FYNE INITIATIVES LIMITED FOR THE YEAR ENDED 31 MARCH 2022

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of the directors

As explained more fully in the Statement of Directors' Responsibilities on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

FYNE INITIATIVES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF FYNE INITIATIVES LIMITED FOR THE YEAR ENDED 31 MARCH 2022

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

The extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the FRC's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the company, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the company is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the company that were contrary to applicable laws and regulations, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006 and taxation, legislation and data protection, anti-bribery, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors.

FYNE INITIATIVES LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF FYNE INITIATIVES LIMITED
FOR THE YEAR ENDED 31 MARCH 2022**

Auditor's responsibilities for the audit of the financial statements (continued)

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud; their knowledge of actual, suspected, and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member, as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

James McBride (Senior Statutory Auditor)

For and on behalf of

Azets Audit Services, Statutory Auditor

Chartered Accountants

Titanium 1

King's Inch Place

Renfrew

PA4 8WF

Date: 14 September 2022

FYNE INITIATIVES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Turnover	4	538,582	2,191,706
Cost of sales		(493,571)	(2,082,968)
Gross profit		45,011	108,738
Administrative expenses		(28,173)	(26,063)
Operating profit	5	16,838	82,675
Interest payable and similar charges	7	(17,032)	(20,381)
Movement in fair value		-	15,000
Loss on disposal of investment property		(1,500)	-
Profit/(loss) on ordinary activities before taxation		(1,694)	77,294
Taxation	8	(452)	-
Profit/(loss) on ordinary activities after taxation		(2,146)	77,294
Other comprehensive income		-	-
Total comprehensive income		(2,146)	77,294

The notes on pages 10 to 19 form part of these financial statements.


FYNE INITIATIVES LIMITED

**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	£	2022 £	£	2021 £
Fixed Assets					
Tangible assets	9		488,000		533,000
Current Assets					
Stock	10	-		58,140	
Debtors	11	29,899		258,290	
Cash and cash equivalents	12	3,940		7,505	
			<u>33,839</u>	<u>323,935</u>	
Creditors: amounts falling due within one year	13	(311,482)		(579,274)	
Net current assets			<u>(277,643)</u>		<u>(255,339)</u>
Total assets less current liabilities			<u>210,357</u>		<u>277,661</u>
Creditors: amounts falling due after more than one year	14		(166,247)		(180,000)
Net assets			<u>44,110</u>		<u>97,661</u>
Capital and reserves					
Called up share capital	16		1		1
Profit and loss account	17		44,109		97,660
Shareholder's funds			<u>44,110</u>		<u>97,661</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A- Small Entities.

The financial statements were approved and authorised for issue by the Board of Directors on 14 September 2022 and signed on its behalf by:


Director **D. HEARICOT**

Registered number: SC280263

The notes on pages 10 to 19 form part of these financial statements.

FYNE INITIATIVES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Share capital £	Profit and loss account £	Total Equity £
As at 1 April 2021	1	97,660	97,661
Total Comprehensive Income			
Loss for the year	-	(2,146)	(2,146)
Transactions with owners			
Distributions to parent – gift aid	-	(51,405)	(51,405)
As at 31 March 2022	<u>1</u>	<u>44,109</u>	<u>44,110</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Share capital £	Profit and loss account £	Total Equity £
As at 1 April 2020	1	20,366	20,367
Total Comprehensive Income			
Profit for the year	-	77,294	77,294
Transactions with owners			
Distributions to parent – gift aid	-	-	-
As at 31 March 2021	<u>1</u>	<u>97,660</u>	<u>97,661</u>

The notes on pages 10 to 19 form part of these financial statements.

FYNE INITIATIVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. General Information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the company's transactions are denominated. They comprise the financial statements of the company only, for the year ended 31 March 2022.

The continuing activities of Fyne Initiatives Limited is property development and the rental of commercial property.

The company is a private company limited by shares and is incorporated and registered in Scotland. The company's registered number is SC280263.

The address of the company's registered office is:

81 Victoria Street
Rothesay
Isle of Bute
PA20 0AP

2. Accounting policies

Basis of accounting

The financial statements are prepared on the historical cost convention unless otherwise specified within these accounting policies and in accordance with applicable law and United Kingdom Accounting Standards including Section 1A 'Small Entities' of Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities).

The financial statements do not include a Statement of Cash Flows because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Section 1A 'Small Entities' of FRS 102.

The preparation of the financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies. These judgements and estimates are included in note 3.

The following principal accounting policies have been applied consistently throughout the year:

Going Concern

The board anticipates that a small surplus will be generated in the year ended 31 March 2023 and small surpluses in subsequent years. The company has a letter of support from its parent, Fyne Homes Limited, covering the 12 months following the signing of these financial statements. Considering all the above, the board is satisfied that there are sufficient resources in place to continue operating for the foreseeable future.

FYNE INITIATIVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue is recognised when all of the following conditions are satisfied:

- the amount of revenue can be reliably measured.
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred in respect of the transaction can be reliably measured.

Interest payable and similar charges

Interest payable is charged to the Statement of Comprehensive Income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount.

Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	10% on cost
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administrative expenses' in the Statement of Comprehensive Income.

Investment properties – commercial properties and plots of land

Investment properties are carried at fair value determined by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location, or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

FYNE INITIATIVES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

Shared equity housing units held

On completion of construction, shared equity units are held in stock along with the grant received. On completion of the first tranche sale, the company's obligation ceases, and the cost and grant are derecognized.

Debtors

Short term debtors are measured at the transaction price, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand, deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised costs using the effective interest rate method.

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and group undertakings.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest rate method. Debt instruments that are payable or receivable within one year, typically trade receivables or payables are measured, initially and subsequently, at the undiscounted amount of cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

FYNE INITIATIVES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

Financial instruments (continued)

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of its recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the Statement of Financial Position date.

Financial assets and liabilities are offset, and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Judgements in applying policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The directors are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied in determining the valuation of the investment properties based on third party valuation reports based on current market data.

4. Turnover

Turnover is wholly attributable to the principal activities of the company.

5. Operating profit

	2022 £	2021 £
Operating profit is stated after charging:		
Auditor's remuneration – external audit	5,780	5,500
Auditor's remuneration – non-audit services	2,419	1,875

There were no employees of the company during the year (2021: none).

6. Directors' emoluments

The directors are key management personnel. The directors did not receive any remuneration during the year (2021: £nil).

FYNE INITIATIVES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

7. Interest payable and similar charges

	2022 £	2021 £
On group loans	16,915	17,106
On private loans	117	3,275
	<u>17,032</u>	<u>20,381</u>

8. Taxation on ordinary activities

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	-	-
Underprovision in the prior year	452	-
Total current tax	<u>452</u>	<u>-</u>

Factors affecting the tax charge for the year

The tax assessed for the year is based on the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022 £	2021 £
(Loss)/profit on ordinary activities before taxation	<u>(1,694)</u>	<u>77,294</u>

(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)

(322) 14,686

Effects of:

Movement in fair value of investment properties	-	(2,850)
Use of losses brought forward	-	(1,617)
Gift aid payment to be made to parent	-	(10,219)
Losses carried forward	322	-
Under provision in the prior year	452	-
Total tax charge for the year	<u>452</u>	<u>-</u>

FYNE INITIATIVES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

9. Tangible fixed assets

	Fixtures & Fittings	Investment Properties - Commercial units	Investment Properties - Land	Total
	£	£	£	£
Cost				
At 1 April 2021	17,973	368,000	165,000	550,973
Disposal in year	-	(45,000)	-	(45,000)
At 31 March 2022	17,973	323,000	165,000	505,973
Depreciation				
At 1 April 2021	17,973	-	-	17,973
Depreciation for year	-	-	-	-
At 31 March 2022	17,973	-	-	17,973
Net book value				
At 31 March 2022	-	323,000	165,000	488,000
At 31 March 2021	-	368,000	165,000	533,000

The fair value as at 31 March 2022 of the investment properties held totalled £323,000 (2021: £368,000) and the land had a fair value of £165,000 (2021: £165,000). The investment properties and land were revalued in October 2020 (by Allied Surveyors Scotland). The Board consider this to still be reflective of the market value as at 31 March 2022.

10. Stock - Shared equity housing units

	£
Cost	
At 1 April 2021	202,613
Disposals: 1 st tranche sales	(121,568)
Disposals: derecognised	(81,045)
Additions	-
At 31 March 2022	-
SHG and Other Grants	
At 1 April 2021	144,473
Received during year	-
Disposals: 1 st tranche sales	(63,428)
Disposals: derecognised	(81,045)
At 31 March 2022	-
Net book value	
At 31 March 2022	-
At 31 March 2021	58,140

FYNE INITIATIVES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

10. Stock - Shared equity housing units (continued)

The stock represents the net book value (costs less grants) of nil (2021: 1) NSSE (New Supply Shared Equity). Originally there were 25 shared equity units at Castle Street, Rothesay. The first tranche of 25 (2021: 24) of these shared equity units have now been sold and in line with the stated accounting policy the remaining cost and grant of these 25 (2021: 24) units have been derecognised.

11. Debtors

	2022 £	2021 £
Other debtors	8,800	59,703
Amounts due from group undertakings	21,099	198,587
	<u>29,899</u>	<u>258,290</u>

12. Cash and cash equivalents

	2022 £	2021 £
Cash held in current accounts	<u>3,940</u>	<u>7,505</u>

13. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	3,654	225,656
Amounts due to parent undertaking	263,822	271,059
Accruals	6,824	9,839
Vat creditor	37,182	-
Corporation tax	-	-
Loan due to Argyll & Bute Council (Note 15)	-	72,720
	<u>311,482</u>	<u>579,274</u>

The loan from Argyll & Bute Council was repaid during year end following the sale of the final NSSE unit.

FYNE INITIATIVES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

14. Creditors: amounts falling due after more than one year

	2022 £	2021 £
Amounts due to parent undertaking (Note 15)	166,247	180,000
	<u>166,247</u>	<u>180,000</u>
<u>Amounts are due within the following periods:</u>	<u>2022</u>	<u>2021</u>
	£	£
Between one and two years	7,266	26,370
Between two and five years	15,359	87,881
In five years or more	143,622	65,749
	<u>166,247</u>	<u>180,000</u>

15. Secured loans

	2022 £	2021 £
The following secured loans are included within creditors:		
Loans due to Fyne Homes Limited	173,250	180,000
Loan due to Argyll & Bute Council	-	72,720
	<u>173,250</u>	<u>252,720</u>

Fyne Homes Limited has standard security over the building plots at Ballochgoy, Rothesay and standard security over 4 commercial properties in Rothesay and Dunoon.

16. Share capital

	2022 £	2021 £
Allotted, called up and fully paid:		
1 Ordinary Share of £1 each	1	1
	<u>1</u>	<u>1</u>

Each shareholder has an equal right to vote, receive dividends and to participate in distribution of assets on a winding up.

FYNE INITIATIVES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

17. Reserves

Profit and loss account

The profit and loss account includes all retained earnings in respect of the current and prior years.

18. Capital commitments

As part of the design and build contract with Fyne Homes Limited in respect of developments in Cowal and Mid Argyll, Fyne Initiatives Limited has a capital commitment of £112,310 (2021: £205,288).

19. Related party transactions

Fyne Homes Limited

Fyne Homes Limited is the parent entity of Fyne Initiatives Limited.

Fyne Homes Limited entered into design and build contracts with Fyne Initiatives Limited. £435,431 (2021: £1,950,443) was invoiced to Fyne Homes Limited by Fyne Initiatives Limited in respect of work carried out in the year. An arrangement fee of £21,330 (2021: £nil) was charged by Fyne Initiatives Limited to Fyne Homes Limited with regards to these contracts. £11,099 (2021: £198,587) is included within debtors in respect of recharged invoices outstanding.

Various costs were incurred by Fyne Homes Limited in the year relating to Fyne Initiatives Limited which have been recharged and are included in amounts due to parent undertaking at the year end.

Fyne Initiatives Limited was charged £5,000 (2021: £5,000) by Fyne Homes Limited during the year in respect of management fees and charged £2,000 (2021: £2,000) for insurance costs incurred on its behalf by Fyne Homes Limited.

Fyne Initiatives Limited made a gift aid donation of £51,405 (2021: £ nil) to Fyne Homes Limited in the year.

The amount due to Fyne Homes Limited from Fyne Initiatives Limited in respect of the above transactions, at the Statement of Financial Position date, was £nil (2021: £nil).

In December 2012, Fyne Homes Limited made a commercial loan to Fyne Initiatives Limited for £458,761. At 31 March 2022, the loan outstanding was £256,819 (2021: £271,059) due to net repayments in the year. Interest is charged at a rate of 3% above libor. This balance is included in creditors falling due within one year. Interest of £10,165 (2021: £10,356) was paid by Fyne Initiatives Limited in respect of this loan in the year.

In December 2010, Fyne Homes Limited made a commercial loan to Fyne Initiatives Limited of £180,000. The loan is to be repaid within 15 years and the balance outstanding at the Statement of Financial Position date was £173,250 (2021: £180,000). The balance is included within creditors and split between due within one year and due after more than one year. Interest is charged at a rate of 3.75% per annum. Interest of £6,750 (2021: £6,750) was paid by Fyne Initiatives Limited in respect of this loan.

There is a proposal to make a distribution in the form of a gift aid payment of £nil (2021: £51,405) within 9 months of the year end to Fyne Homes Limited.

FYNE INITIATIVES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

19. Related party transactions (continued)

Fyne Futures

£10,000 (2021: £nil) is owed by Fyne Futures and is included in debtors.

20. Controlling party

Fyne Homes Limited, a Co-operative and Community Benefits Society (number 1454RS), registered in the United Kingdom and established under the Co-operative and Community Benefit Society Act 2014 and registered Scottish Charity (number SCO09152) is the ultimate parent company, owning 100% of the share capital. The registered office of Fyne Homes Limited is 81 Victoria Street, Rothesay, Isle of Bute, PA20 OAP.