

Charity number: SC040087
Company number: SC348354

Tayvallich Community Company
(A company limited by guarantee)

Directors' report and financial statements
for the year ended 31 October 2012

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Tayvallich Community Company
(A company limited by guarantee)

Contents

	Page
Legal and administrative information	1
Directors' report	2 - 3
Independent examiner's report	4
Statement of financial activities	5
Balance sheet	6 - 7
Notes to the financial statements	8 - 13

Tayvallich Community Company
(A company limited by guarantee)

Legal and administrative information

Charity number SC040087
Company registration number SC348354

Business address Tayvallich
Lochgilphead
Argyll
PA31 8PN

Registered office 24 Great King Street
Edinburgh
EH3 6QN

Directors	Peter Eric Burrell	Appointed 10 September 2008
	Clare Elizabeth Cross	Appointed 10 September 2008
	James Bruce Riddell	Appointed 10 September 2008
	Hugh Notely Semple	Appointed 10 September 2008
	Kevin John Williams	Appointed 10 September 2008
	Jillian Anne Louise Wilson	Appointed 10 September 2008

Accountants R A Clement Associates
Chartered Accountants
5 Argyll Square
Oban
Argyll
PA34 4AZ

Tayvallich Community Company
(A company limited by guarantee)

Report of the directors (incorporating the trustees' report)
for the year ended 31 October 2012

The directors present their report and the financial statements for the year ended 31 October 2012. The directors, who are also trustees of Tayvallich Community 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.

Structure, governance and management

The company is run by a Board of six Directors all of whom are unpaid. There are no employees.

Objectives and activities

To increase the role of the Community in its own future through the ownership of the Shop, Post Office and Coffee Shop.

To ensure sustainable management of the asset for the benefit of the Community.

To redistribute any surplus funds of the Company for the benefit of the Community.

Achievements and performance

During the year an Awards for All Grant has been obtained to part fund a complete refurbishment of the shop and external environmental improvements. The work is planned for winter 2012-3

The business continues to trade profitably and we have excellent tenants in place.

Statement of directors' responsibilities

The directors (who are also trustees of Tayvallich Community 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, the Charities Accounts (Scotland) Regulations 2006, and the provisions of the trust deed. 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.

Tayvallich Community Company
(A company limited by guarantee)

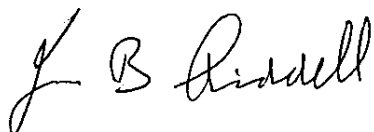
Report of the directors (incorporating the trustees' report)
for the year ended 31 October 2012

Fiona McGlynn of R A Clement Associates was deemed to be reappointed as independent examiner and the directors recommend that Fiona McGlynn 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 17/3/13 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'J B Riddell', written in a cursive style.

James Bruce Riddell
Director

Tayvallich Community Company
(A company limited by guarantee)

Independent examiner's report to the directors on the unaudited financial statements of Tayvallich Community Company.

I report on the accounts for the year ended 31 October 2012 set out on pages 2 to 13.

This report is made to the charity's Trustees, who are also directors of the company, 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. 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.

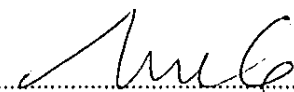
Basis of Independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. 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, 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.


.....

Fiona McGlynn
Chartered Accountant
Independent examiner

11/3/13
.....
Date

Of R A Clement Associates
5 Argyll Square
Oban
Argyll
PA34 4AZ

Tayvallich Community Company
(A company limited by guarantee)

Statement of financial activities (incorporating the income and expenditure account)

For the year ended 31 October 2012

	Notes	Unrestricted funds £	Restricted funds £	2012 Total £	2011 Total £
Incoming resources					
Incoming resources from generating funds:					
Voluntary income	2	909	10,000	10,909	60,570
Investment income	3	2,535	-	2,535	2,750
Total incoming resources		<u>3,444</u>	<u>10,000</u>	<u>13,444</u>	<u>63,320</u>
Resources expended					
Establishment costs		898	-	898	874
Accountancy fees		600	-	600	550
Legal and professional fees		-	-	-	29
Amortisation and impairment		-	560	560	560
Depreciation and impairment		1,772	11,270	13,042	7,149
Other costs		73	-	73	10
Total resources expended		<u>3,343</u>	<u>11,830</u>	<u>15,173</u>	<u>9,172</u>
Net income/(expense) for the year		101	(1,830)	(1,729)	54,148
Total funds brought forward		29,834	257,432	287,266	233,118
Total funds carried forward		<u>29,935</u>	<u>255,602</u>	<u>285,537</u>	<u>287,266</u>

The notes on pages 8 to 13 form an integral part of these financial statements.

Tayvallich Community Company
(A company limited by guarantee)

Balance sheet
as at 31 October 2012

SC348354

	Notes	£	2012 £	£	2011 £
Fixed assets					
Intangible assets	7		11,760		12,320
Tangible assets	8		245,172		255,523
Investments	9		-		1
			<u>256,932</u>		<u>267,844</u>
Current assets					
Debtors	10	829		1,750	
Cash at bank and in hand		<u>28,763</u>		<u>18,689</u>	
			29,592		20,439
Creditors: amounts falling due within one year	11	<u>(987)</u>		<u>(1,017)</u>	
Net current assets			28,605		19,422
Net assets			<u>285,537</u>		<u>287,266</u>
Funds	12				
Restricted income funds			255,602		257,432
Unrestricted income funds			<u>29,935</u>		<u>29,834</u>
Total funds			<u>285,537</u>		<u>287,266</u>

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 8 to 13 form an integral part of these financial statements.

Tayvallich Community Company
(A company limited by guarantee)

Balance sheet (continued)

SC348354

Directors' statements required by the Companies Act 2006
for the year ended 31 October 2012

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 October 2012.

(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 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the board on 17/3/13 and signed on its behalf by



Peter Eric Burrell
Director

The notes on pages 8 to 13 form an integral part of these financial statements.

Tayvallich Community Company
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 October 2012

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

1.1. Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005) and the Companies Act 2006.

1.2. Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

Gifts donated for resale are included as incoming resources within activities for generating funds when they are sold.

Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable.

Income from investments is included in the year in which it is receivable.

1.3. Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

1.4. Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 25 years.

Tayvallich Community Company
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 October 2012

1.5. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	Straight line over twenty five years
Plant and machinery	-	15% straight line
Fixtures, fittings and equipment	-	15% straight line/year following purchase
Improvements to property	-	to be depreciated in the year following purchase

1.6. Investments

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the statement of financial activities.

2. Voluntary income

	Unrestricted funds £	Restricted funds £	2012 Total £	2011 Total £
BIG Improvements grant	-	10,000	10,000	60,570
Sponsorship	909	-	909	-
	<u>909</u>	<u>10,000</u>	<u>10,909</u>	<u>60,570</u>

3. Investment income

	Unrestricted funds £	2012 Total £	2011 Total £
Income from UK investment properties	2,531	2,531	2,302
Bank interest receivable	4	4	448
	<u>2,535</u>	<u>2,535</u>	<u>2,750</u>

4. Net (outgoing)/incoming resources for the year

	2012 £	2011 £
Net (outgoing)/incoming resources is stated after charging:		
Amortisation and other amounts written off intangible fixed assets	560	560
Depreciation and other amounts written off tangible fixed assets	<u>13,042</u>	<u>7,149</u>

Tayvallich Community Company
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 October 2012

5. Employees

Employment costs

Excepting the directors, there were no employees this year. No directors/ trustees received any remuneration, benefits in kind or reimbursement of expenditure during the year.

6. Taxation

Although the charity is registered as a Scottish charity and is recognised by the Office of the Scottish Charity regulator as a charity, H M Revenue & Customs have rejected the charity's claim to exemption from corporation tax on the basis that the charity's objects do not fall within the definition of a charity under English law.

7. Intangible fixed assets

	Goodwill	Total
	£	£
Cost		
At 1 November 2011 and		
At 31 October 2012	14,000	14,000
At 1 November 2011	1,680	1,680
Charge for the year	560	560
At 31 October 2012	2,240	2,240
Net book values		
At 31 October 2012	11,760	11,760
At 31 October 2011	12,320	12,320

Tayvallich Community Company
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 October 2012

8. Tangible fixed assets	Land and buildings freehold £	Plant and machinery £	Fixtures, Improvements fittings and equipment £	to property £	Total £
Cost					
At 1 November 2011	140,676	4,015	13,803	118,076	276,570
Additions	-	-	2,691	-	2,691
At 31 October 2012	<u>140,676</u>	<u>4,015</u>	<u>16,494</u>	<u>118,076</u>	<u>279,261</u>
Depreciation					
At 1 November 2011	16,940	1,407	2,700	-	21,047
Charge for the year	5,647	602	2,070	4,723	13,042
At 31 October 2012	<u>22,587</u>	<u>2,009</u>	<u>4,770</u>	<u>4,723</u>	<u>34,089</u>
Net book values					
At 31 October 2012	<u>118,089</u>	<u>2,006</u>	<u>11,724</u>	<u>113,353</u>	<u>245,172</u>
At 31 October 2011	<u>123,736</u>	<u>2,608</u>	<u>11,103</u>	<u>118,076</u>	<u>255,523</u>

9. Fixed asset investments	Subsidiary undertakings shares £	Total £
Valuation		
At 1 November 2011	1	1
Disposals	(1)	(1)
At 31 October 2012	<u>-</u>	<u>-</u>
Historical cost as at 31 October 2012	<u>1</u>	<u>1</u>

All fixed asset investments are held within the United Kingdom.

9.1. Holdings of 20% or more

The company held 20% or more of the share capital of the following company until it was dissolved on a voluntary basis in March 2012:

Subsidiary undertaking	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
Tayvallich Shop Limited	Scotland	Dormant	Ordinary	100%

Tayvallich Community Company
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 October 2012

10. Debtors

	2012	2011
	£	£
Trade debtors	-	921
Other debtors	829	829
	<u>829</u>	<u>1,750</u>

11. Creditors: amounts falling due within one year

	2012	2011
	£	£
Other taxes and social security	123	153
Accruals and deferred income	864	864
	<u>987</u>	<u>1,017</u>

The Big Lottery Fund has a standard security over the village shop for all sums due or to become due.

12. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 31 October 2012 as represented by:			
Tangible fixed assets	11,330	245,602	256,932
Current assets	19,592	10,000	29,592
Current liabilities	(987)	-	(987)
	<u>29,935</u>	<u>255,602</u>	<u>285,537</u>

13. Unrestricted funds

	At			At
	1 November	Incoming	Outgoing	31 October
	2011	resources	resources	2012
	£	£	£	£
Unrestricted funds	<u>29,834</u>	<u>3,444</u>	<u>(3,343)</u>	<u>29,935</u>

Purposes of unrestricted funds

The transfer shown above relates to the amounts contributed from unrestricted reserves towards the shop improvements, as well as the normal transfer in to general reserves to cover depreciation in the year.

**Tayvallich Community Company
(A company limited by guarantee)**

**Notes to financial statements
for the year ended 31 October 2012**

14. Restricted funds

	At 1 November 2011 £	Incoming resources £	Outgoing resources £	At 31 October 2012 £
Purchase of shop	123,736	-	(5,647)	118,089
Purchase of goodwill	12,320	-	(560)	11,760
Purchase of fixtures/fittings	3,300	-	(900)	2,400
Improvements to shop	118,076	-	(4,723)	113,353
Awards for All	-	10,000	-	10,000
	<u>257,432</u>	<u>10,000</u>	<u>(11,830)</u>	<u>255,602</u>

Purposes of restricted funds

The restricted funds represent the cost of the purchase of the shop, fixtures and fittings and goodwill. Depreciation is now being charged directly to the restricted funds.

Improvements to property were funded partly by the Big Lottery Fund, and partly from general reserves. Depreciation is now being charged directly to the restricted fund.

A grant of £10,000 was received from the Big Lottery Awards for All scheme for the refurbishment of the shop and external improvements.

15. Company limited by guarantee

Tayvallich Community 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.