

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 2018**

WEDNESDAY



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

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

**Legal and administrative information**

**Charity number** SC040087  
**Company registration number** SC348354

**Business address** Dalriada  
Tayvallich  
Argyll  
PA31 8PN

**Registered office** c/o Abacus Services  
8 High Street  
Oban  
PA34 4BG

**Directors** Peter Eric Burrell  
Clare Elizabeth Cross  
Kevin John Williams  
Jillian Anne Louise Wilson  
John McVey

**Secretary** Morag Forbes Rea

**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 2018**

The directors present their report and the financial statements for the year ended 31 October 2018. 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.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland effective January 2015 (FRS 102).

**Structure, governance and management**

The company is limited by guarantee and is governed by its memorandum and articles of association. The company is run by a Board of five Directors all of whom are unpaid. There are no employees.

**Objectives and activities**

**The objectives of the charitable company are as follows:**

*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**

Abi has now had her first year running the shop and cafe and it has been an eventful one.

As you may remember last year I said that there were staffing problems in the cafe. I am pleased to report that these are now resolved and we have an excellent chef who has recently moved to the village. A new menu is to be introduced shortly and will include a children's section.

There have recently been stock problems in the shop as a result of weak cashflow in the early Spring. Bank balances are always at their lowest at this time of year in what is a business sensitive to seasonal tourism. However, stock will be up to normal levels in the near future, and staffing in the shop is much more secure than it was last year.

I would encourage you all to use the shop and not just for cigarettes and newspapers on which there are miniscule margins at best, barely viable and subsidised by the cafe. Clearly not many people are going to buy all their groceries in the shop but if we all spent just a bit more it would make a huge difference.

The Post Office saga is not a happy one.

We are still to have an Outreach Post Office operating one morning a week but it has been beset by technical issues. It appears that our PO cannot use the village broadband and will have to communicate with Head Office by satellite and a dish will be fixed to the outside of the shop. There will be a capital cost of £15k which will be met by the Post Office. A surveyor will be coming out to look at our building "soon" and the installation will happen shortly thereafter.

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

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

As requested at the last AGM, we have put a notice on Carsaig Green encouraging people not to drop litter and to treat the area with respect. The notice was donated by Midton Acrylics. Colin Barr has kindly cut the grass on a voluntary basis.

As I said last year, I am standing down at the AGM and as always I would like to thank the other board members who have put in a lot of work this year.

**Trustees' responsibilities in relation to the financial statements**

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 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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.

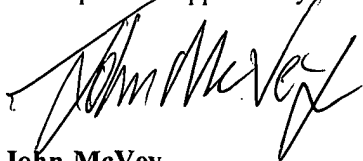
**Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

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

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

This report was approved by the Board on 7th May 2019 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'John McVey', written over a horizontal line.

**John McVey**  
**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 2018 set out on pages 2 to 14.

This report is made to the charity's Trustees in accordance with the terms of my engagement. My work has been undertaken to enable me to prepare the financial statements on behalf of the charity's Trustees and for no other purpose.

To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees, as a body, for my work or this report.

**Respective responsibilities of trustees and independent examiner**

The charity's trustees (who are also the directors of the company for purposes of company law) are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 (the Act) and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity's trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act, and to state whether particular matters have come to my attention.


**Basis of Independent examiner's statement**

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

**Independent examiner's statement**

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Regulations
  - to prepare accounts which agree with the accounting records and comply with Regulation 8 of the 2006 Regulationshave not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

  
.....  
**Fiona McGlynn**  
**Chartered Accountant**  
**Independent examiner**

7th May 2019  
.....

**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 2018**

	Notes	Unrestricted funds £	Restricted funds £	2018 Total £	2017 Total £
<b>Income from</b>					
Voluntary income	2	-	-	-	24,752
Investment income	3	3,088	-	3,088	2,756
<b>Total income</b>		<u>3,088</u>	<u>-</u>	<u>3,088</u>	<u>27,508</u>
<b>Expenditure on</b>					
Establishment costs		2,105	-	2,105	1,282
Accountancy fees		580	-	580	583
Amortisation and impairment		-	560	560	560
Depreciation and impairment		1,463	11,280	12,743	14,195
Other costs		-	-	-	460
<b>Total expenditure</b>		<u>4,148</u>	<u>11,840</u>	<u>15,988</u>	<u>17,080</u>
<b>Net income/(expenditure) for the year</b>		(1,060)	(11,840)	(12,900)	10,428
<b>Reconciliation of funds:</b>					
Total funds brought forward		<u>11,468</u>	<u>231,337</u>	<u>242,805</u>	<u>232,377</u>
<b>Total funds carried forward</b>		<u>10,408</u>	<u>219,497</u>	<u>229,905</u>	<u>242,805</u>

The notes on pages 9 to 14 form an integral part of these financial statements.



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

**Balance sheet**  
**as at 31 October 2018**

**SC348354**

	Notes	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Intangible assets	7		8,400		8,960
Tangible assets	8		210,879		222,222
			<u>219,279</u>		<u>231,182</u>
<b>Current assets</b>					
Debtors	9	1,824		1,979	
Cash at bank and in hand		<u>9,735</u>		<u>10,517</u>	
		11,559		12,496	
<b>Creditors: amounts falling due within one year</b>	10	<u>(933)</u>		<u>(873)</u>	
<b>Net current assets</b>			<u>10,626</u>		<u>11,623</u>
<b>Net assets</b>			<u>229,905</u>		<u>242,805</u>
<b>Funds</b>	11				
Restricted income funds			219,497		231,337
Unrestricted income funds			<u>10,408</u>		<u>11,468</u>
<b>Total funds</b>			<u>229,905</u>		<u>242,805</u>

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The directors' statements required by s475(2) and s475(3) are shown on the following page which forms part of the Balance Sheet.

The notes on pages 9 to 14 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 2018**

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by section 477 of the Companies Act 2006 ;

(b) that no notice has been deposited at the registered office of the company pursuant to section 476 of the Companies Act 2006 requesting that an audit be conducted for the year ended 31 October 2018.

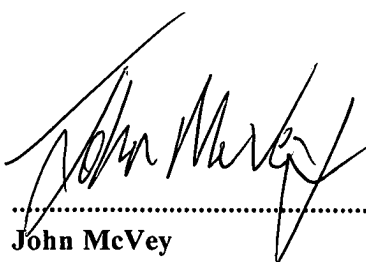
(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps proper accounting records which comply with section 386 of the Companies Act 2006, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its surplus or deficit for the year then ended in accordance with the requirements of sections 394 and 395, and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the board on 7th May 2019 and signed on its behalf by

  
.....  
**John McVey**  
**Director**

**The notes on pages 9 to 14 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 2018**

**Legal Status of the charity**

The charity is operated in accordance with its Memorandum & Articles of Association.

**1. Accounting policies**

The principal accounting policies adopted are summarised below.

**1.1. Basis of preparation and assessment of going concern.**

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) as well as the Companies Act 2006, and the Statement of Recommended Practice (SORP)- Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (issued on 16 July 2014 and effective January 2015).

The charity meets the definition of a public benefit entity as defined by FRS 102.

The directors, who are the trustees of the charity under charity law, consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

**1.2. Incoming resources**

Income is recognised in the statement of financial activities when the charity is entitled to the income, any performance conditions attached have been met, it is probable that the income will be received and the amount can be quantified with reasonable accuracy. Such income is only deferred when the donor specifies performance conditions which must be met before the charity has unconditional entitlement. The following specific policies are applied to particular categories of income:

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

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

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

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

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

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

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

**1.3. Resources expended**

Expenditure is recognised when there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be reliably measured.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated on an appropriate basis to the various activities of the charity. Where costs cannot be allocated directly, they are apportioned to categories on the basis of a reasonable estimate of the costs.

Fundraising costs are those incurred in generating income from various activities and do not include the costs of disseminating information in support of the charitable activities.

Governance costs include those costs necessary for the board to fulfil its constitutional and statutory obligations and are now included as support costs included in charitable activities.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

The charity is registered for VAT and accordingly expenditure excludes all vat which is recoverable.

**1.4. Goodwill**

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

**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	-	Straight line over twenty five years

**1.6. Financial Instruments**

The charity has only financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and are subsequently measured at their settlement value with the exception of bank loans which are measured at amortised cost using the effective interest rate method.

**2. Voluntary income**

	<b>2018</b>	<b>2017</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
Carsaig Donations	-	24,752
	-	24,752

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

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

**3. Investment income**

	Unrestricted funds £	2018 Total £	2017 Total £
Income from UK investment properties	3,088	3,088	2,756
	<u>3,088</u>	<u>3,088</u>	<u>2,756</u>

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

	2018 £	2017 £
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	12,743	14,195
Examiner's/Auditors' remuneration	<u>580</u>	<u>583</u>

**5. Employees**

**Employment costs**

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

**Number of employees**

There were no employees during the year.

**Key Management Personnel**

The key management personnel is comprised of the Board of Trustees who were not remunerated

**Trustees' expenses and remuneration**

The charity trustees, who are the directors of the company, were not paid and did not receive any remuneration, benefits in kind or reimbursement of expenses in their capacity as trustee during the year. No trustee received payment for professional or other services supplied to the charity.

**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.

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

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

**7. Intangible fixed assets**

	<b>Goodwill</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
At 1 November 2017 and		
At 31 October 2018	14,000	14,000
	<u>14,000</u>	<u>14,000</u>
<b>Provision for diminution in value</b>		
At 1 November 2017	5,040	5,040
Charge for the year	560	560
At 31 October 2018	5,600	5,600
	<u>5,600</u>	<u>5,600</u>
<b>Net book values</b>		
At 31 October 2018	8,400	8,400
	<u>8,400</u>	<u>8,400</u>
At 31 October 2017	8,960	8,960
	<u>8,960</u>	<u>8,960</u>

**8. Tangible fixed assets**

	<b>Land and</b>		<b>Fixtures, Improvements</b>		
	<b>buildings</b>	<b>Plant and</b>	<b>fittings and</b>	<b>to</b>	
	<b>freehold</b>	<b>machinery</b>	<b>equipment</b>	<b>property</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
At 1 November 2017	163,151	7,219	20,247	133,904	324,521
Additions	-	-	1,400	-	1,400
At 31 October 2018	163,151	7,219	21,647	133,904	325,921
	<u>163,151</u>	<u>7,219</u>	<u>21,647</u>	<u>133,904</u>	<u>325,921</u>
<b>Depreciation</b>					
At 1 November 2017	50,722	6,941	18,490	26,146	102,299
Charge for the year	5,627	278	1,485	5,353	12,743
At 31 October 2018	56,349	7,219	19,975	31,499	115,042
	<u>56,349</u>	<u>7,219</u>	<u>19,975</u>	<u>31,499</u>	<u>115,042</u>
<b>Net book values</b>					
At 31 October 2018	106,802	-	1,672	102,405	210,879
	<u>106,802</u>	<u>-</u>	<u>1,672</u>	<u>102,405</u>	<u>210,879</u>
At 31 October 2017	112,429	278	1,757	107,758	222,222
	<u>112,429</u>	<u>278</u>	<u>1,757</u>	<u>107,758</u>	<u>222,222</u>

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

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

**9. Debtors**

	2018	2017
	£	£
Trade debtors	812	812
Other debtors & prepayments	1,012	1,167
	<u>1,824</u>	<u>1,979</u>

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

	2018	2017
	£	£
Other taxes and social security	69	9
Accruals and deferred income	864	864
	<u>933</u>	<u>873</u>

Morag MacLaurin and The Big Lottery Fund have standard securities over the village shop for all sums due or to become due.

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

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 31 October 2018 as represented by:			
Intangible fixed assets	-	8,400	8,400
Tangible fixed assets	1,673	209,206	210,879
Current assets	9,668	1,891	11,559
Current liabilities	(933)	-	(933)
	<u>10,408</u>	<u>219,497</u>	<u>229,905</u>

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

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 31 October 2017 as represented by:			
Intangible fixed assets	-	8,960	8,960
Tangible fixed assets	1,736	220,486	222,222
Current assets	10,605	1,891	12,496
Current liabilities	(873)	-	(873)
	<u>11,468</u>	<u>231,337</u>	<u>242,805</u>

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

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

12. Unrestricted funds	At 1 November 2017 £	Incoming resources £	Outgoing resources £	At 31 October 2018 £
Unrestricted funds	<u>11,468</u>	<u>3,088</u>	<u>(4,148)</u>	<u>10,408</u>

13. Restricted funds	At 1 November 2017 £	Outgoing resources £	At 31 October 2018 £
<b>Asset Funds</b>			
Purchase of shop	89,954	(5,627)	84,327
Purchase of goodwill	8,960	(560)	8,400
Purchase of fixtures/fittings	300	(300)	-
Improvements to shop	107,757	(5,353)	102,404
Plot 1 Carsaig - Asset held	22,475	-	22,475
<b>Revenue Fund</b>			
Plot 1 Carsaig Revenue Account	<u>1,891</u>	<u>-</u>	<u>1,891</u>
	<u>231,337</u>	<u>(11,840)</u>	<u>219,497</u>

**Purposes of restricted funds**

**Purchase of shop and Purchase of goodwill**

The restricted funds represent the cost of the purchase of the shop, fixtures and fittings and goodwill. The outgoing resources in the year represent the depreciation of the assets.

**Improvements to shop**

Improvements to property were funded partly by the Big Lottery Fund, and partly from general reserves.

**Plot 1 Carsaig Revenue Account**

The Revenue accounts represents the amounts raised towards the purchase of the Carsaig Land. The amount transferred to the capital account is the asset purchased, leaving a small amount of liquid funds carried forward.

**14. 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.