

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 2020

FRIDAY



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23/07/2021
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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 Taigh Aighearach
Tayvallich
Argyll
PA31 8PW

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

Directors	Mary Fraser McNeill	Chair	Appointed 4 September 2020
	Amanda Jane Crompton	Treasurer	Appointed 31 August 2020
	Jillian Anne Louise Wilson		
	John McVey	Former treasurer	
	Charles Lawrence Silverton		Appointed 26 February 2020
	David Alexander Shand		Resigned 12 July 2020
	Clare Elizabeth Cross		Resigned 24 August 2020
	Kevin John Williams	Former chair	Resigned 26 February 2021

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 2020

The directors present their report and the financial statements for the year ended 31 October 2020. 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

It has been a most challenging year since our last AGM in February 2020. At that meeting I reported that the lessee of the Shop, Abigail Haworth, had given notice that she was giving up the tenancy of the shop at the end of July 2020. I would have to say that the difficulties in attracting a new operator for our community owned shop that we anticipated at that time were dwarfed by what we actually went through due to Covid 19 Coronavirus and, to some extent, by what we are still experiencing.

The lockdown that followed shortly afterwards jeopardised the whole recruitment procedure and the only realistic applicants that we were in discussion with when the Covid restrictions began in earnest withdrew shortly afterwards. This left us with the very real prospect of the shop closing altogether part way through the summer.

At that point Abi Haworth began a most remarkable community support effort by undertaking a grocery ordering and delivery service which was a lifeline to those of us who could not, or did not wish to, leave our homes. Not only did Abi provide such an outstanding service through the first lockdown but she also committed to staying on beyond the period of her notice to give us a chance to find a new operator. For these actions we should extend to Abi a formal thanks on behalf of our community and I am sure that you will agree to this.

Following a community appeal and further advertisement we received a flurry of preliminary interest in the tenancy of the shop and coffee shop. It is uncertain why this second round produced far more interest than the first, but I can only assume that far more people were facing an uncertain future and saw running a village shop as a life changing opportunity. In the event, however, the final number of actual definite applicants was only three with one of these pulling out even before any interview stage.

Tayvallich Community Company
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Report of the directors (incorporating the trustees' report)
for the year ended 31 October 2020

Following his successful interview with the TCC and his negotiations with Abi regarding the handover of the shop, Nicholas Mes took over the lease of the shop at the beginning of September and has been running it single handed since then. I would like to welcome Nicholas to our community. I am sure that you will agree that the friendly service he has provided and the range of goods available in the shop are more than acceptable. I wish to thank Nicholas for all the hours that he has put in and the effective way in which the shop is being run.

There is a downside, however. The interior of the coffee shop is too small to accommodate socially distanced seating and once the Autumn weather deteriorated the outside seating was not viable. This has meant that the coffee shop has been closed since September. It is, however, Nicholas's firm intention to reopen it once the conditions allow and, in the meantime, he is investigating the possibility of setting up a takeaway facility.

The TCC's only other piece of land ownership is Carsaig Green and there remains differing views regarding how we should manage it. It was used extensively by campervans after the first lockdown lifted a little in July. Some would say that it was overused. The question remains open as to how this should be dealt with. Any changes can only be in the form of physical features such as timber edging and signage and this is a matter that the TCC Board will consider during 2021. In the meantime, I would like to thank Colin Barr who, without being asked, mowed the Green several times in 2020.

There have been some changes in the TCC Board during the year. Firstly, we lost David Shand who helped greatly during the shop recruitment process. We also lost Liz Cross, one of the longstanding original Directors. I would like to thank both Liz and David on behalf of the TCC for their significant contributions. We were then glad to appoint Mandy Crompton and Mary McNeill who will, I am sure, be valuable Board members.

John McVey, our Treasurer, wishes to stand down and I thank John for looking after our financial affairs so effectively for a number of years. I would also like to thank Jilly Wilson and Morag Rea for their very active ongoing contributions to the TCC.

Finally, I wish to confirm that, as I intimated a year ago, I am resigning at this point. I have enjoyed seeing the shop buyout by our community mature and prosper as well as the physical improvements which the TCC has brought about. I am extremely glad that we have, thanks to a massive team effort, survived the last year with our shop intact and I have high hopes for its future.

Kevin Williams (Chair until February 2021)

Financial Position

At the beginning of this financial year in November 2019 the lessee was having cash flow difficulties, prior to submitting her notice, and it was agreed that she should be given a rent holiday. Her notice was received prior to the Covid 19 restrictions, which further exacerbated the situation. The rent holiday continued during Covid 19 as she was making a great effort to support the community. To attract a new lessee mid Covid 19 restrictions an incentive of a rent holiday for the first year of operation was offered and the lease was taken up by Nicholas Mes as from 1st September 2020. Rental income will recommence on 1st September 2021.

The lack of income for this sustained period has resulted in the use of cash reserves and disappointing trading results, but the Directors are confident that an appeal to the community for additional funds will be successful if necessary.

Mandy Crompton (Treasurer from February 2021)

Tayvallich Community Company
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Report of the directors (incorporating the trustees' report)
for the year ended 31 October 2020

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 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.

This report was approved by the Board on 14/07/21 and signed on its behalf by


Amanda Jane Crompton
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 2020 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


.....
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 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total £	2019 Total £
Income from					
Investment income	2	(164)	-	(164)	3,780
Total income		<u>(164)</u>	<u>-</u>	<u>(164)</u>	<u>3,780</u>
Expenditure on					
Establishment costs		2,806	-	2,806	2,823
Accountancy fees		631	-	631	611
Amortisation and impairment		-	560	560	560
Depreciation and impairment		210	10,980	11,190	11,458
Other costs		812	-	812	-
Total expenditure		<u>4,459</u>	<u>11,540</u>	<u>15,999</u>	<u>15,452</u>
Net income/(expenditure) for the year		(4,623)	(11,540)	(16,163)	(11,672)
Reconciliation of funds:					
Total funds brought forward		10,276	207,957	218,233	229,905
Total funds carried forward		<u>5,653</u>	<u>196,417</u>	<u>202,070</u>	<u>218,233</u>

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

Tayvallich Community Company
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Balance sheet
as at 31 October 2020

SC348354

	Notes	£	2020	£	£	2019	£
Fixed assets							
Intangible assets	6		7,280			7,840	
Tangible assets	7		188,231			199,421	
			<u>195,511</u>			<u>207,261</u>	
Current assets							
Debtors	8	-			1,910		
Cash at bank and in hand		7,459			10,148		
		<u>7,459</u>			<u>12,058</u>		
Creditors: amounts falling due within one year	9	(900)			(1,086)		
Net current assets			<u>6,559</u>			<u>10,972</u>	
Net assets			<u>202,070</u>			<u>218,233</u>	
Funds	10						
Restricted income funds			196,417			207,957	
Unrestricted income funds			5,653			10,276	
Total funds			<u>202,070</u>			<u>218,233</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
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Balance sheet (continued)

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Directors statements required by the Companies Act 2006
for the year ended 31 October 2020

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 2020.

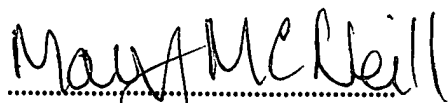
(c) that we acknowledge our responsibilities for:

(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 14/07/2021 and signed on its behalf by



Mary Fraser McNeill
Director

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

Tayvallich Community Company
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Notes to financial statements
for the year ended 31 October 2020

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. Income

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 income 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
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Notes to financial statements
for the year ended 31 October 2020

1.3. Expenditure

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. Investment income

	Unrestricted funds £	2020 Total £	2019 Total £
Income from UK investment properties	(164)	(164)	3,780
	<u>(164)</u>	<u>(164)</u>	<u>3,780</u>

Tayvallich Community Company
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Notes to financial statements
for the year ended 31 October 2020

3. Net movement in funds for the year

	2020	2019
	£	£
Net movement in funds is stated after charging:		
Amortisation and other amounts written off intangible fixed assets	560	560
Depreciation and other amounts written off tangible fixed assets	11,190	11,458
Examiner's/Auditors' remuneration	<u>631</u>	<u>611</u>

4. Employees

Employment costs

No employee received emoluments of more than £60,000 (2019 : None).

Number of employees

There were no employees during the year.

Key Management Personnel

The key management personnel comprises 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.

5. 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
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Notes to financial statements
for the year ended 31 October 2020

6. Intangible fixed assets

	Goodwill	Total
	£	£
Cost		
At 1 November 2019 and		
At 31 October 2020	14,000	14,000
	<u>14,000</u>	<u>14,000</u>
Provision for diminution in value		
At 1 November 2019	6,160	6,160
Charge for the year	560	560
At 31 October 2020	6,720	6,720
	<u>6,720</u>	<u>6,720</u>
Net book values		
At 31 October 2020	7,280	7,280
	<u>7,280</u>	<u>7,280</u>
At 31 October 2019	7,840	7,840
	<u>7,840</u>	<u>7,840</u>

7. Tangible fixed assets	Land and buildings freehold	Plant and machinery	Fixtures, Improvements fittings and equipment	to property	Total
	£	£	£	£	£
Cost					
At 1 November 2019 and					
At 31 October 2020	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>
Depreciation					
At 1 November 2019	61,976	7,219	20,453	36,852	126,500
Charge for the year	5,627	-	210	5,353	11,190
At 31 October 2020	67,603	7,219	20,663	42,205	137,690
	<u>67,603</u>	<u>7,219</u>	<u>20,663</u>	<u>42,205</u>	<u>137,690</u>
Net book values					
At 31 October 2020	95,548	-	984	91,699	188,231
	<u>95,548</u>	<u>-</u>	<u>984</u>	<u>91,699</u>	<u>188,231</u>
At 31 October 2019	101,175	-	1,194	97,052	199,421
	<u>101,175</u>	<u>-</u>	<u>1,194</u>	<u>97,052</u>	<u>199,421</u>

8. Debtors

	2020	2019
	£	£
Trade debtors	-	812
Other debtors & prepayments	-	1,098
	<u>-</u>	<u>1,910</u>
	<u>-</u>	<u>1,910</u>

Tayvallich Community Company
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Notes to financial statements
for the year ended 31 October 2020

9. Creditors: amounts falling due within one year

	2020	2019
	£	£
Other taxes and social security	36	222
Accruals and deferred income	864	864
	<u>900</u>	<u>1,086</u>

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

10. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 31 October 2020 as represented by:			
Intangible fixed assets	-	7,280	7,280
Tangible fixed assets	985	187,246	188,231
Current assets	5,568	1,891	7,459
Current liabilities	(900)	-	(900)
	<u>5,653</u>	<u>196,417</u>	<u>202,070</u>

Analysis of net assets between funds (prior year)

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 31 October 2019 as represented by:			
Intangible fixed assets	-	7,840	7,840
Tangible fixed assets	1,195	198,226	199,421
Current assets	10,167	1,891	12,058
Current liabilities	(1,086)	-	(1,086)
	<u>10,276</u>	<u>207,957</u>	<u>218,233</u>

11. Unrestricted funds

	At 1 November 2019	Income	Expenditure	At 31 October 2020
	£	£	£	£
Unrestricted funds	<u>10,276</u>	<u>(164)</u>	<u>(4,459)</u>	<u>5,653</u>

Tayvallich Community Company
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Notes to financial statements
for the year ended 31 October 2020

12. Restricted funds

	At 1 November 2019 £	Income	Expenditure	At 31 October 2020 £
		£	£	
Asset Funds				
Purchase of shop	78,700	-	(5,627)	73,073
Purchase of goodwill	7,840	-	(560)	7,280
Improvements to shop	97,051	-	(5,353)	91,698
Plot 1 Carsaig - Asset held	22,475	-	-	22,475
Revenue Fund				
Plot 1 Carsaig Revenue Account	1,891	-	-	1,891
	<u>207,957</u>	<u>-</u>	<u>(11,540)</u>	<u>196,417</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.

13. Post balance sheet events

The Directors have reviewed both the financial and business risks that the current COVID crisis presents for the charity and are satisfied that all threats have been adequately identified as far as reasonably possible. As at the date the accounts were signed, there are no going concern indications and the Directors are confident that the charity has sufficient resources to emerge from the COVID hibernation period to continue providing services in accordance with any applicable restrictions.

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.