

## Director-Trustees' Report and Financial Statements for the year ended

31 March 2020

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# Acharacle Community Company

(a company limited by guarantee)

charity number SC 033393  
company number SC 217376

## Legal and administrative information

### Business address & registered office

Acharacle Community Centre  
Morrison Place  
Acharacle  
PH36 4JJ

### Director-Trustees

DavidJohn Cameron		<i>elected</i>	
Fiona Cameron		<i>elected</i>	
Rodney George		<i>elected</i>	
Marie-Luise MacDonald	(chair)	<i>elected</i>	
David Kirkham		<i>elected</i>	
Angela Williams		<i>appointed</i>	21/03/2020

*The charitable company's constitution provides for a minimum of 5 Director-Trustees of whom the majority must be members.*

### Independent Examiner

Andy Newiss of  
RA Clement Associates  
Argyll Square  
Oban  
PA34 4AZ

### Bankers

The Co-operative Bank  
PO Box 250  
Skelmersdale  
WN8 6WT

## Independent Examiner's report

I report on the unaudited Financial Statements and the Director-Trustees' report for the year ended 31 March 2020 set out on pages 4 to 12.

My work has been undertaken to enable me to examine the financial statements on behalf of the charity's board and for no other purpose and has been conducted in accordance with the terms of my firm's engagement.

To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and its board of Director-Trustees, as a body, for my work or this report.

### Respective responsibilities of the Director-Trustees and the Independent Examiner

The charity's Director-Trustees 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).

It is my responsibility to examine the accounts and report as required under section 44(1) (c) of the Act, and to state whether particular matters should be brought to the members' 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) and includes a review of the accounting records and comparison with 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 which gives me reasonable cause to believe that in any material respect the requirements to

- (a) keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Regulations
- (b) prepare accounts which agree with the accounting records, and
- (c) to comply with Regulation 8 of the 2006 Regulations

have not been met.

In my opinion there are no matters that should be additionally drawn to the reader's attention in order to be able to reach a proper understanding of the report and the financial statements.



17/12/20

Andy G Newiss

Chartered Accountant  
Independent Examiner  
of R A Clement Associates  
5 Argyll Square  
Oban  
PA34 4AZ

17 December 2020

## Director-Trustees' report

### Structure, governance and management

The company was established on 27 March 2001 as an incorporated entity without share capital, limited by guarantee and it was registered as a Scottish charity on 9 July 2002. At the date of this report the company has 82 members. The liability of each member in the event of a winding up is limited to £1.

Our constitution provides for a minimum of 5 directors of whom the majority must also be members. The persons who served during the year and up to the date of this report are set out on page 2.

The Board understands that this charitable company is entitled to the exemption conferred by section 477 of the Companies Act 2006 and that it qualifies as a public benefit entity as defined by FRS 102.

The Board controls the activities of management and advisory sub-committees (who handle the day-to-day operations and provide support) under the provisions of the Memorandum of Association, the latest version of which was approved by the members on 30 January 2020. It is the Trustees' policy to meet formally on at least a bi-monthly basis.

### Objectives and activities of the charity

The main objectives are to manage land and assets for the benefit of the local community with particular attention to the protection and sustainable development of Scotland's natural environment; rural regeneration in areas of need through the relief of poverty and unemployment and the provision, maintenance and improvement of housing, public amenities, sites of special interest, recreational and public health facilities.

### Financial Review

The policy of the Board to retain sufficient reserves to meet the cost of all regular commitments (as well as a contingency to enable to continue develop projects) has been comfortably met.

This year's planned shortfall is met from those reserves and this is expected to be the pattern for the short-term as we move to secure control of the Acharacle Community Centre and thus be able to better manage its costs and generate new revenues.

### Restricted and Designated Funds

At the balance sheet date we held only a modest amount of restricted funds, being monies raised and designated for the Defibrillator project that had not been expended within the financial year.

### Achievements and performance

The results for the year are in accordance with the Board's expectations, as more particularly detailed below:

#### *Investment properties*

Our three heritable properties continue to generate a comfortable and generally predictable surplus under formal lease contracts at a level that is in accordance with our expectations.

The bungalow "Druim Garbh" is let to the Communities Housing Trust at a nominal rent until 2035 under arrangements involving that trust commissioning a substantial renovation of the property. The other two properties are let on martret terms to locally based commercial tenants.

#### *Acharacle Community Centre facility*

Throughout the year under review, we have continued to occupy the Centre on a rent-free basis using pre-designated funds that have now been fully spent.

By the balance sheet date, the facility was locked-down and therefore, pending further developments, and now incurring a much reduced ongoing cost.

## Director-Trustees' report (continued)

### Achievements and performance (continued)

#### *Re-use project*

The project has operated successfully for most of the year but the Covid-19 restrictions caused a March 2020 closure and have caused us to now adopt a new business model for the future.

We are in the process of relocating all these activities to the Community Centre and to an on-line platform to enable a greater focus on the more desirable items that we receive.

### Plans for future periods

#### *Covid-19 response*

We have been actively involved in a range of grant-aided initiatives to support the local community which continue into and perhaps throughout the following year. We have sought to harness all available grant aid for these initiatives which are therefore self-financing.

The Community Centre and the Reuse project have been almost entirely closed and will remain so until social-distancing rules are relaxed.

#### *Acharacle Community Centre facility*

Highland Council and the Scottish Land Fund have now formally authorised the 100%-funded transfer of the Acharacle Community Centre from council ownership to this charity and negotiations are now underway to fine-tune the legal agreements with a view to completion within the 2020/21 year and a reopening in 2021/22 on a sustainable financial basis.

#### *Re-use project*

The enforced closure of the Re-use project's shed has led to a re-appraisal of the charity's business model and notice has now been given to vacate those premises.

#### *Acharacle Play Park project*

The Board (acting with the assistance of its dedicated sub-committee) are working to achieve a transfer of the ownership of the Acharacle Children's Play Park area and are actively planning its modernisation and refurbishment.

#### *Wood School*

For some years, our accounts have incorrectly referred to us holding some legal rights over this facility. Some 10 years ago we did make donations, including to pay for the installation of light and power.

Although the expenditure has been completely written off to a net zero value, references to this historical expenditure have unnecessarily lingered on in our accounting disclosures - which has been corrected this year without any impact upon the financial results.

### Risk identification & management

The Board monitors the charitable company's exposure to strategic, financial, business and operational risks on an ongoing basis and is satisfied that adequate systems and procedures are in place through that continuous review. It is confirmed that we currently have no exposure to risk in relation to any ownership or lease of the Wood School property).

The charity maintains insurance against Public & Employer's Liability and Property Loss risks and provides Trustee Indemnity cover in the normal manner.

## Director-Trustees' report (continued)

### Volunteers

Without our volunteers, few of the charity's activities would happen. This includes the Re-use project, activities in the centre, activities at the Wood School and Community Garden & Produce Markets. They provide invaluable help to us and we extend our thanks to them all.

### Director-Trustees recruitment & training

Director-Trustees are recruited from the membership. Our subcommittees serve as a pathway for potential new appointees to become familiar with the Charity's affairs. A body of compliance and advisory literature is being built up on a continuous basis to act as a reference database for acting, and potential future board members.

### Director-Trustees responsibility for the Annual Report and the Financial Statements

The Director-Trustees confirm that they are responsible for preparing the Report and the Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice [UKGAP].

Company law requires the Trustees, in their capacity as 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 incomings and applications of resources (including all income and expenditure) of the charitable company for that period.

In preparing these financial statements, the trustee-directors are acknowledge that they are required to:

- a] keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company,
- b] select suitable accounting policies and then apply them consistently,
- c] prepare the Financial Statements on a going concern basis unless it is not appropriate to do so,
- d] make judgments and estimates that are reasonable and prudent in the circumstances,
- e] state whether applicable UK Accounting Standards have been followed (subject to any material departures that are disclosed and explained in the Financial Statements),
- f] comply with the provisions of the Charities and Trustee Investment (Scotland) Act 2005; the Charities Accounts (Scotland) Regulations 2006 (as amended); the Companies Act 2006; the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended),
- g] follow the provisions of 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 published on 16 July 2014 (FRS 102), and
- h] observe the methods and principles set out in in the Charities' Statement of Recommended Practice [SORP] with due consideration of the recommendations to maximise clarity for the reader by not unnecessarily disclosing information that is outwith the definition of "material" [3.2 & 3.15 - 3.19].

### Director-Trustees further responsibilities.

The Director-Trustees confirm that they are also responsible for:

- i] safeguarding the assets of the charitable company,
- ii] taking reasonable steps for the prevention of fraud and other irregularities, and
- ii] the maintenance and integrity of the corporate and financial information included on the Charity's website.

**This report was approved by the Board on 17 Dec 2020 and signed on its behalf by**



Marie-Luise MacDonald  
(chair)

# Acharacle Community Company

(a company limited by guarantee)

charity number SC 033393  
company number SC 217376

## Statement of Financial Activities (unaudited) for the year ended 31 March 2020 (incorporating the income and expenditure account)

	note	current year			prior year		
		restricted £	unrestricted £	total £	restricted £	unrestricted £	total £
<b>income from</b>							
Donations, grants & legacies	2	1,186	1,757	<b>2,943</b>	-	10,592	10,592
Resource-generating activities	3	-	20,581	<b>20,581</b>	-	18,763	18,763
Investment Property rents (net)	4	-	8,494	<b>8,494</b>	-	10,240	10,240
<b>total income</b>		<b>1,186</b>	<b>30,832</b>	<b>32,018</b>	-	39,595	39,595
<b>expenditure on</b>							
Fundraising activities		-	260	<b>260</b>	-	1,199	1,199
Charitable activities	5	486	37,310	<b>37,796</b>	-	52,942	52,942
Governance costs	6		3,989	<b>3,989</b>	-	5,230	5,230
		486	41,559	<b>42,045</b>	-	59,371	59,371
<b>Net income/(expenditure)</b>		<b>700</b>	<b>(10,727)</b>	<b>(10,027)</b>	-	(19,776)	(19,776)
Net gains/(losses) on investments		-	-	-	-	-	-
Write back of depreciation on reclassified assets					-	27,135	27,135
<b>Net movement in funds</b>		<b>700</b>	<b>(10,727)</b>	<b>(10,027)</b>	-	7,359	7,359
<b>Reconciliation of funds</b>							
funds brought forward			218,430	<b>218,430</b>	-	211,071	211,071
<b>Total funds carried forward</b>		<b>700</b>	<b>207,703</b>	<b>208,403</b>	-	218,430	218,430
<b>designation of funds:</b>							
defibrillator project		700		<b>700</b>	-	-	-
undesignated		-	207,703	<b>207,703</b>	-	218,430	218,430

# Acharacle Community Company

(a company limited by guarantee)

charity number SC 033393  
company number SC 217376

## Balance Sheet as at 31 March 2020

	note	current year			prior year		
		restricted £	unrestricted £	total £	restricted £	unrestricted £	total £
<b>Tangible Fixed Assets</b>							
Investments	9	-	169,459	<b>169,459</b>	-	169,459	169,459
Other tangible assets	10	-	132	<b>132</b>	-	265	265
		-	169,591	<b>169,591</b>	-	169,724	169,724
<b>Current Assets</b>							
Stocks		-	500	<b>500</b>	-	500	500
Debtors		-	1,306	<b>1,306</b>	-	467	467
Bank		700	37,146	<b>37,846</b>	-	49,937	49,937
		700	38,952	<b>39,652</b>	-	50,904	50,904
<b>Creditors &amp; Accrued Expenses</b> <i>(falling due within 1 year)</i>		-	(840)	<b>(840)</b>		(2,198)	(2,198)
<b>Net Current Assets</b>		700	38,112	<b>38,812</b>	-	48,706	48,706
<b>Net Assets and Total Funds</b>		<b>700</b>	<b>207,703</b>	<b>208,403</b>	-	218,430	218,430

The notes on pages 9 to 12 together with the statement of the structure of the company and Director-Trustees' responsibilities as set out on pages 4 & 6 form an integral part of these Financial Statements.

*Certificate required for Companies House filing:-*

- For the year ended 31/03/2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies
- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts
- These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

These Financial Statements were approved by the Board on 17 Dec 2020 and signed on its behalf by



Marie-Luise MacDonald  
(chair)

## Notes to the Financial Statements for the year ended 31 March 2020

### 1 Accounting policies

These Financial Statements have been prepared under the historical cost convention with, unless otherwise stated, items recognised at cost or transaction value and in accordance with the detailed regulatory obligations set out on page 6.

The Director-Trustees (who are the trustees of the charity under the relevant law) consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

#### Income

is recognised when the charity becomes unconditionally entitled and the Board is confident that it will be received. Such income is treated as 'Restricted' and potentially as 'Designated' when the donor specifies performance conditions which must be met before the charity has unconditional entitlement.

#### Expenditure

is recognised when Expenditure is recognised when there is a legal or constructive obligation committing the charity to make a payment to a third party. All expenditure is accounted for on an accruals basis. The charity is not registered for VAT and accordingly expenditure includes all irrecoverable vat.

All expenses including support costs and governance costs are appropriately allocated to the various activities of the charity on the basis of a reasonable estimate of such costs if multiple purposes are involved.

Fundraising costs do not include the costs of disseminating general information in support of charitable activities.

Governance costs include those costs necessary for the board to fulfil its constitutional and statutory

#### Tangible Fixed Assets - Investments

(which constitute Heritable Property) are carried at cost. The Director-Trustees do not consider that the value of the investments is so significantly different to book value as to justify the incurring of the expense of a professional valuation.

#### Tangible Fixed Assets - Other

are carried at cost less accumulated depreciation which is calculated on an asset-by-asset basis to spread the expenditure over the expected useful life of each asset, allowing for the increased maintenance costs that are expected to be incurred over time.

#### Stock

consists of catering supplies held at estimated cost.

	current year			prior year		
	<i>restricted</i>	<i>unrestricted</i>	<i>total</i>	<i>restricted</i>	<i>unrestricted</i>	<i>total</i>
	£	£	£	£	£	£
<b>2 Donations, grants &amp; legacies</b>						
Donations	1,186	1,757	<b>2,943</b>	-	1,702	1,702
The National Lottery Community Fund	-	-	-	-	8,640	8,640
Other grants	-	-	-	-	250	250
	<b>1,186</b>	<b>1,757</b>	<b>2,943</b>	-	<b>10,592</b>	<b>10,592</b>

## Notes to the Financial Statements for the year ended 31 March 2020 (continued)

	current year			prior year		
	restricted £	unrestricted £	total £	restricted £	unrestricted £	total £
<b>3 Resource-generating activities</b>						
Fundraising events	-	370	<b>370</b>	-	1,464	1,464
Room hire	-	8,730	<b>8,730</b>	-	7,049	7,049
Re-use Project	-	5,507	<b>5,507</b>	-	2,999	2,999
Catering	-	5,539	<b>5,539</b>	-	4,753	4,753
Other income	-	435	<b>435</b>	-	2,498	2,498
	-	20,581	<b>20,581</b>	-	18,763	18,763
<b>4 Investment Property rents (net)</b>						
UK property rents	-	9,872	<b>9,872</b>	-	10,240	10,240
less expenses	-	(1,378)	<b>(1,378)</b>	-	-	-
	-	8,494	<b>8,494</b>	-	10,240	10,240
<i>Note: the expenses for the prior year were netted against other rents generated at the Community Centre.</i>						
<b>5 Costs of charitable activities</b>						
General	-	37,310	<b>37,310</b>	-	44,302	44,302
Defibrillator Project (designated)	486	-	<b>486</b>	-	-	-
Community Asset Transfer (grant aided)	-	-	-	-	8,640	8,640
	486	37,310	<b>37,796</b>	-	52,942	52,942
<b>6 Governance costs</b>						
Accountancy & Independent Examiner	-	1,020	<b>1,020</b>	-	1,480	1,480
Administration & compliance	-	2,969	<b>2,969</b>	-	3,750	3,750
	-	3,989	<b>3,989</b>	-	5,230	5,230
<b>7 Net outgoing include:</b>						
depreciation	-	133	<b>133</b>	-	(27,002)	(27,002)
<i>Note: the credit for the prior year included a writeback of accumulated depreciation on re-classified assets.</i>						
<b>8 Employees</b>						
Employment costs	-	23,154	<b>23,154</b>	-	17,201	17,201

*Note: no employee received emoluments of more than £60,000 (prior year - none); the average number of employees (excluding the directors) was 3 (prior year - 3).*

*The Director-Trustees did not receive any remuneration, benefits in kind or reimbursement of expenses in their capacity as trustee during either year. No trustee received payment for professional or other services supplied to the charity.*

## Notes to the Financial Statements for the year ended 31 March 2020 (continued)

	current year			prior year		
	restricted	unrestricted	total	restricted	unrestricted	total
	£	£	£	£	£	£
<b>9 Tangible Fixed Assets - UK investment properties</b>						
<b>cost</b>						
brought forward	-	169,459	<b>169,459</b>	-	-	-
reclassification	-	-	-	-	169,459	169,459
additions	-	-	-	-	-	-
eliminated on disposals	-	-	-	-	-	-
	<b>-</b>	<b>169,459</b>	<b>169,459</b>	<b>-</b>	<b>169,459</b>	<b>169,459</b>

*Note: whilst these assets were originally acquired as Social Investments [as defined by Charities SORP (FRS 102)] their retention is now justified on purely financial grounds.*

## 10 Tangible Fixed Assets (other)

	Van	Equipment	total	Van	Equipment	total
	£	£	£	£	£	£
<b>cost</b>						
brought forward	16,880	5,000	<b>21,880</b>	16,880	5,000	21,880
additions	-	-	-	-	-	-
eliminated on disposals	-	-	-	-	-	-
	<b>16,880</b>	<b>5,000</b>	<b>21,880</b>	<b>16,880</b>	<b>5,000</b>	<b>21,880</b>
<b>depreciation</b>						
brought forward	16,880	4,868	<b>21,748</b>	16,880	4,735	21,615
charge for year	-	133	<b>133</b>	-	133	133
eliminated on disposals	-	-	-	-	-	-
	<b>16,880</b>	<b>5,001</b>	<b>21,881</b>	<b>16,880</b>	<b>4,868</b>	<b>21,748</b>
<b>net book values</b>						
brought forward	-	132	<b>132</b>	-	265	265
carried forward	<b>-</b>	<b>132</b>	<b>132</b>	<b>-</b>	<b>265</b>	<b>265</b>

*Note: the Charity has not previously kept a detailed asset register so that the cost (and corresponding equal amount of depreciation) relating to scrapped equipment has not been annually removed from this tabulation.*

*This has now been corrected, making a reasonable estimate of the original cost of the retained equipment by reference to current insurance declarations and writing out the excess.*

*Because these assets were held at a zero net value, this correction has had no impact on the net resources of the*

*The Charity has previously disclosed an additional asset "Wood School" (carried at a zero value) which has been found to be expenditure incurred many years ago to install solar-powered lighting and power.*

*Investigations have revealed that the charity did not hold the required legal title to the Wood School and therefore the asset has now been removed from the records as a "Fixed Asset".*

# Acharacle Community Company

(a company limited by guarantee)

charity number SC 033393  
company number SC 217376

## Notes to the Financial Statements for the year ended 31 March 2020 (continued)

	current year			prior year		
	<i>restricted</i>	<i>unrestricted</i>	<i>total</i>	<i>restricted</i>	<i>unrestricted</i>	<i>total</i>
	£	£	£	£	£	£
<b>11 summary analysis of net assets between funds</b>						
<b>Tangible Fixed Assets</b>						
Heritable Property investments	-	169,459	<b>169,459</b>	-	169,459	169,459
Other assets	-	132	<b>132</b>	-	265	265
<b>Current Assets</b>						
Stock	-	500	<b>500</b>	-	500	500
Debtors	-	1,306	<b>1,306</b>	-	467	467
Bank	700	37,146	<b>37,846</b>	-	49,937	49,937
<b>Creditors &amp; Accrued Expenses</b>	-	(840)	<b>(840)</b>	-	(2,198)	(2,198)
	<b>700</b>	<b>207,703</b>	<b>208,403</b>	<b>-</b>	<b>218,430</b>	<b>218,430</b>
<b>12 Designation of funds</b>						
Undesignated	-	207,703	<b>207,703</b>	-	218,430	218,430
Defibrillator project	700	-	<b>700</b>	-	-	-
	<b>700</b>	<b>207,703</b>	<b>208,403</b>	<b>-</b>	<b>218,430</b>	<b>218,430</b>
<b>13 Related Party transactions</b>						

There were no related party transactions during the period (prior year - none) and no outstanding balances due to or by related parties at the year end (prior year - £nil).