

Charity number SC033393
Company Number SC217376

Acharacle Community Company
(A company limited by guarantee)

Directors' Report and Financial Statements

For the year ended 31st March 2017

Acharacle Community Company
(A company limited by guarantee)

Legal and administrative information

The company is constituted as a company limited by guarantee and is governed in accordance with its Memorandum and Articles of Association.

Charity number SC033393
Company Number SC217376

Registered Office

Acharacle Community Company
Acharacle Community Centre
Morrison Place
Acharacle
PH36 4JJ

Trustees

J Claire (Appointed on 5th April 2017)
S Cameron (Appointed on 13th October 2016)
R George (Appointed on 5th April 2017)
J Gillies (Appointed on 17th March 2017)
M LC MacDonald (Appointed 18th January 2017)

Independent examiner

Mrs S R Kennedy FMAAT FCCA
Voluntary Action Lochaber
An Drochaid
Claggan
Fort William
PH33 6PH

Bankers

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

Solicitors

Macleod & MacCallum
28 Queensgate
Inverness
IV1 1YN

Acharacle Community Company
(A company limited by guarantee)

Report of the Directors
For the year ended 31st March 2017

The trustees who served during the year and since the year end were:

S Cameron (Appointed 13th October 2016)
J Claire (Appointed on 5th April 2017)
R George (Appointed on 5th April 2017)
J Gillies (Appointed on 17th March 2017)
M LC MacDonald (Appointed 18th January 2017)
M P King (Resigned 31st March 2017)
I Sharp (Resigned 31st March 2017)
S W Fletcher (Resigned 2nd March 2017)
J I Houston (Resigned 17th November 2016)
A J Hough (Resigned 1st November 2016)
L Marshall (Appointed 5th April 2017 & Resigned 22nd May 2017)

Structure, Governance and Management

GOVERNING DOCUMENT

Acharacle Community Company (ACC) is a Company limited by guarantee and not having a share capital, which was incorporated on 27th March 2001. It is also a registered charity.

The governing document for the period was the Memorandum and Articles of Association as amended by Extraordinary General Meetings held on 17th March 2007 and 10th November 2007 and 9th December 2010. A copy of this document is available to all members upon request, and can be obtained through the registered office. In general terms, the Memorandum of Association outlines what Acharacle Community Company intends to do, and the Articles of Association describe how those activities are to be carried out.

Having undertaken through review and update of the Memorandum and Articles during 2007/8 the Directors are of the opinion that these documents thoroughly and accurately outline the aims and objectives of the Company. The Directors continue to review the documents on an ongoing basis, to ensure that they continue to provide a fair and workable framework from which to operate, and that they meet all current legal requirements of a Company of this sort. It is possible that the legal structure of the Community Company is no longer the most suitable framework from which to operate this type of organisation, and the Directors may review this in the future.

RECRUITMENT AND APPOINTMENT OF MANAGEMENT COMMITTEE

The Members of Acharacle Community Company are responsible for nominating and electing a group of between five and sixteen Directors (Trustees) to form the Management Committee and undertake the day to day management and administration of the Company.

Members of management committee are Directors for the purposes of Company Law and Trustees for the purposes of Charity Law. Members of the committee are elected for a period of three years, after which they must stand down but can put themselves forward for election for a second period of three years. After two (three-year) terms of office a Director/Trustee must step down from the Management Committee for a minimum period of one year.

The directors have worked hard to communicate the aims of the Community Company to its members and the general public which has successfully raised the profile of the Company within the local community. This has also resulted in gaining new members and more volunteers to help with ongoing projects.

DIRECTOR (TRUSTEE) INDUCTION AND TRAINING

New Directors are expected to thoroughly review the Memorandum and Articles of Association to understand the aims, objectives and structure of the Company, and are encouraged to make use of a range of materials held at the office and available on-line which describe the role and responsibilities of a Director within a charitable company of this nature. Directors are also provided with access to reference and training materials by Companies House, when they are registered as a Director. The management committee also undertakes periodic training sessions in order to keep fully up to date with changes in legal requirements and custom and practice.

RISK MANAGEMENT

During the period concerned risk management was undertaken by the management committee on a case by case basis and as part of management of ACC's ongoing activities. Specific examples of issues considered and actions taken can be reviewed in the Minutes of management committee meetings, a complete set of which is held at the registered office.

Acharacle Community Company
(A company limited by guarantee)

Report of the Directors
For the year ended 31st March 2017

The management committee detailed above is responsible for the day to day management of Acharacle Community Company. The group meets periodically (approximately once per month) according to necessity, and a great deal of work is undertaken via email communication in between these meetings.

This is the fifth year of the company running the building leased from the Highland Council, now known as the Community Centre. The lease finishes in December 2017, and the directors are already in negotiations with the Highland Council concerning the future of the building. A new administrator was appointed in April 2016. She is permanently employed by the Company to take care of the running of the centre 4 days a week. The cook is also still employed by the Company (permanent contract) to provide meals for the lunch club 3 days a week. Funding for these positions comes from the NHS Highland/Highland Council package for the Community Centre. The last payment of this funding was received by the Company in Oct 2016.

The post of Administrative Assistant is the only salaried position working directly for Acharacle Community Company (as opposed to a funded project). She is self-employed.

Any other salaried positions are created as a result of the requirements of a particular project, and are governed by the terms of the project concerned, with supervision by ACC management committee.

RELATED PARTIES

Formal agreements with funding partners are developed on a project-by-project basis.

ACC seeks to work in cooperation with any other group or organisation, whether formally recognised or not, that shares the aims and objectives of ACC in serving the local community. Where necessary or appropriate, these arrangements are formally documented.

OBJECTIVES AND ACTIVITIES

The function and objects of the Company are detailed in the current Memorandum and Articles of Association, and include:

Managing land and assets for the benefit of the community with particular attention to the protection and sustainable development of Scotland's natural environment; promoting rural regeneration in areas of need through the relief of poverty and unemployment, assistance with finding work, and the provision of training opportunities; provision, maintenance and improvement of housing, public amenities, sites of special interest, recreational facilities, public health facilities and childcare services.

All of these functions are carried out following the principals of sustainable development.

During the year concerned this was primarily achieved through continued development of volunteering opportunities, social inclusion initiatives, public events, activities and continued development of the Re-Use project.

ACHIEVEMENTS AND PERFORMANCE

The Re-Use project continues to gain strength and recognition within the community. It is continuing to operate well and has been self-sustaining over the period concerned. This would not have happened without the handful of dedicated volunteers who work with the Project. The Directors are keen for the Re-use Project to continue and are seeking funding for re-development on a new site. The landfill tax funding has reduced but donations received have increased over the year. The directors are always looking at ways the project can generate more income.

Local Produce Markets are organised by the Company and run in the village from April to October with an extra Christmas one. They have proved very popular and will continue next year.

The building owned by the Company known as the Post Office Buildings is rented out to 2 tenants who run separate businesses. The Post Office was moved in October 2016 to be included within a nearby business. This was forced upon the tenant by the Post Office. The sorting office which also operated from part of the building was closed down and this operation is now carried out in Fort William. The Royal Mail however, agreed and pay for rental of car parking space at the Community Centre for Postal workers to carry out their duties. New tenants were found for this half of the Post Office building through due process and they have contributed to fairly substantial renovation works. They use the premises to pack (for online sales) and sell superfoods.

The tenant who ran the tearoom unexpectedly closed the operation in March 2017. A new tenant was found by interview from a large number of applicants and the new tenant of the tearoom is to start operations early in April 2017.

The heating system within this building was also replaced due to failings and inefficiency of the old system. This was paid for by the Company. Volunteer work parties successfully repainted the outside of the building (front done and paid for by tenants) and also re-erected interpretation panels originally supplied by the Forestry Commission next to the car park.

Report of the Directors
For the year ended 31st March 2017

FINANCIAL REVIEW

The directors are looking into new income generating projects, which, it is hoped, will make it easier to cover ongoing costs of maintaining its assets and to continue to meet its obligations to the community. These include the possibility of creating an income from either wind or water power within the Company area.

The Post Office closed in October 2016, so the Company sought new tenants to continue the rental income from this property.

The property known as Druim Garbh next to the Company owned 'Post Office Building' continues to be rented out by HSCHT under a lease from the Company which brings in a small amount of income per annum.

FUTURE PLANS

The management committee has maintained its increased level of communication with the community, which has continued to raise awareness about the valuable contribution made by the Company, and challenge the poor reputation the Company has historically held. This has included seeking any opportunities to consult with the community about planned activities and ensuring that all activities are transparent and fully inclusive. The Company now involves many more volunteers in all its activities.

The Management committee are heavily involved in the running of the Community Centre since taking it over, but are also involved in new projects. The Company is also looking into purchasing the woodland at Sgoil na Coille to use for community events, firewood for the community, creation of a natural play area etc.

As always, the Company is looking into ways to ensure the sustainability of the Re-use project and is looking for a new site within the village suitable for redevelopment and expansion of the project.

The Company were approached by the Jetties Trust in October 2016 about possibly passing on the responsibility for running and maintaining the piers/jetties on Loch Shiel to the Company to enable the piers to be in Community ownership. The Company are to pursue this through public meetings with the community and members.

The directors are looking into ways of creating a steady income stream for the Company to ensure its viability in the future.

RESERVES POLICY

The Company has financial reserves of £2542.71 in the savings account which was raised for carrying out repairs to Druim Garbh and improvements to the car park but can be used for any unforeseeable expenses if needed. The policy of the Board is to aim to retain sufficient reserves to meet the cost of any regular commitments as well as a contingency to enable it to continue to develop further projects.

Any underspend in community centre funding received by the Company is being carried forward to the following financial year to ensure the centre remains open for longer into the future, over and above the five years of grant that started in 2012.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company and charity 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 charity and of the surplus or deficit of the charity for that year. In preparing these financial statements, the directors are required to:-

Select suitable accounting policies and then apply them consistently,

Make judgements and estimates that are reasonable and prudent, and

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charity 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. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Board on and signed on its behalf by:-



Marie-Luise MacDonald
Chair
29th November 2017

Acharacle Community Company
(A company limited by guarantee)

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

I report on the financial statements of Acharacle Community Company for the year ended 31st March 2017 which comprise the statement of financial activities, the balance sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for FRS102 (effective January 2016), under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and independent examiner

The charity's directors are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's directors consider that the audit requirement of Regulation 10(1) (a) t (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 was 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 seeking explanations from you as directors 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 connection with my examination, no matter has come to my attention

- (i) 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 Accounts, and

to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations

have not been met, or
- (ii) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached



Mrs S R Kennedy FMAAT FCCA
Chartered Certified Accountant
Voluntary Action Lochaber
An Drochaid
Fort William
PH33 6PH

Date:

29th November

2017

Acharacle Community Company
(A company limited by guarantee)

Statement of financial activities (incorporating the income and expenditure account)
For the year to 31st March 2017

	Note	Unrestricted Funds £	Restricted funds £	Total funds £	2016 £
Income					
Voluntary income	2	608	25	633	273
Investment Income – interest receivable		2	27	29	496
Charitable activities – grants	3	-	25,000	25,000	28,750
Charitable activities – other	4	<u>17,560</u>	<u>8,649</u>	<u>26,209</u>	<u>25,143</u>
Total Income		<u>18,170</u>	<u>33,701</u>	<u>51,871</u>	<u>54,662</u>
Expenditure					
Charitable activities		31,044	23,097	54,141	54,980
Support costs	5	<u>-</u>	<u>420</u>	<u>420</u>	<u>400</u>
Total expenditure		31,044	23,517	54,561	55,380
Net income/expenditure for year before transfers		(12,874)	10,184	(2,690)	(718)
Transfer between funds		<u>4,220</u>	<u>(4,220)</u>	<u>-</u>	<u>-</u>
Net income/expenditure for the year		(8,654)	5,964	(2,690)	(718)
Funds reconciliation					
Total funds brought forward		<u>169,157</u>	<u>45,083</u>	<u>214,240</u>	<u>214,958</u>
TOTAL FUNDS CARRIED FORWARD		<u>160,503</u>	<u>51,047</u>	<u>211,550</u>	<u>214,240</u>

The notes on pages 8 to 11 form part of these financial statements

Balance sheet as at 31st March 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible assets	8	148,239	154,709
CURRENT ASSETS			
Debtors	9	1,650	402
Cash in bank and in hand		<u>82,583</u>	<u>81,413</u>
		84,233	81,815
CREDITORS			
Amounts falling due within one year	10	<u>20,922</u>	<u>22,284</u>
NET CURRENT ASSETS		<u>63,311</u>	<u>59,531</u>
NET ASSETS		<u>211,550</u>	<u>214,240</u>
Funds			
Restricted funds	11	51,047	45,083
Unrestricted funds	12	<u>160,503</u>	<u>169,157</u>
Total funds		<u>211,550</u>	<u>214,240</u>

Directors' statements required by Section 477 of the Companies Act 2006 for the period ended 31st March 2017

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

- a) that for the year ending 31st March 2017 the company was entitled to exemption from audit under 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 31st March 2017.
- 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
 - 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 and in which the methods and principles in the Charities SORP and all applicable UK accounting standards have been followed

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 FRS102 (effective January 2016).



Marie-Luise MacDonald
Director
29th November 2017

The notes on pages 8 to 11 form part of these financial statements

Notes to financial statements
For the year ended 31st March 2017

1. Accounting Policies

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

1.1 Basis of Accounting

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard FRS102 (effective January 2016), the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in July 2014 (SORP 2014) and the Companies Act 2006. Assets and Liabilities are initially recognised at historical cost or transaction valued unless otherwise stated.

1.2 Income Recognition Policies

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.

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 accruals 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

Expenditure on raising funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes

Expenditure on Charitable activities 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 Fund Accounting

Unrestricted funds are those available to use at the discretion of the Directors in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

1.5 Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life as follows:

Land & Buildings	1% Straight Line
Woodchip, boiler & wood school	10% Straight Line
Equipment	25%.Straight Line
Van	25% Straight Line

Acharacle Community Company
(A company limited by guarantee)

Notes to financial statements
For the year ended 31st March 2017

2 Incoming resources from Voluntary Income

	Unrestricted Funds £	Restricted Funds £	2017 Total Funds £	2016 Total Funds £
General donations	<u>608</u>	<u>25</u>	<u>633</u>	<u>273</u>
	<u>608</u>	<u>25</u>	<u>633</u>	<u>273</u>

3 Charitable activities - grants

	Unrestricted Funds £	Restricted Funds £	2017 Total Funds £	2016 Total Funds £
Resource Centre grant	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>28,750</u>
	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>28,750</u>

4 Charitable activities - other

	Unrestricted Funds £	Restricted Funds £	2017 Total Funds £	2016 Total Funds £
Rent receivable and room hire	8,406	4,174	12,580	11,717
Landfill and Tonnage diversion	3,844	-	3,844	2,371
Reuse centre	2,517	-	2,517	2,367
Fireworks display	-	-	-	-
Internet café	765	-	765	545
Lunch club	-	4,466	4,466	5,577
Other	<u>2,028</u>	<u>9</u>	<u>2,037</u>	<u>2,566</u>
	<u>17,560</u>	<u>8,649</u>	<u>26,209</u>	<u>25,143</u>

5 Governance costs

	Unrestricted Funds £	Restricted Funds £	2017 Total Funds £	2016 Total Funds £
Independent Examination	-	420	420	400
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>420</u>	<u>420</u>	<u>400</u>

6 Trustees' remuneration and benefits

No Trustee received any remuneration or benefits in the year. (2016 – Nil)

Acharacle Community Company
(A company limited by guarantee)

Notes to financial statements
For the year ended 31st March 2017

7 Taxation

The charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 1988. Accordingly there is no taxation charge in these accounts.

8 Tangible Fixed Assets

	Property £	Van £	Equipment £	Total £
COST				
At 31 st March 2016	169,459	16,880	28,379	214,718
Additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 st March 2017	<u>169,459</u>	<u>16,880</u>	<u>28,379</u>	<u>214,718</u>
DEPRECIATION				
At 31 st March 2016	23,745	8,440	27,824	60,009
Charge for year	<u>1,695</u>	<u>4,220</u>	<u>555</u>	<u>6,470</u>
At 31 st March 2017	<u>25,440</u>	<u>12,660</u>	<u>28,379</u>	<u>66,479</u>
NET BOOK VALUE				
At 31 st March 2017	<u>144,019</u>	<u>4,220</u>	<u>-</u>	<u>148,239</u>
At 31 st March 2016	<u>145,714</u>	<u>8,440</u>	<u>555</u>	<u>154,709</u>

9 Debtors

Amounts falling due within one year:

	2017 £	2016 £
Prepayments	-	-
Other debtors	<u>1,650</u>	<u>402</u>
	<u>1,650</u>	<u>402</u>

10 Creditors

Amounts falling due within one year:

	2017 £	2016 £
Trade creditors	-	-
Accruals and deferred income	<u>20,922</u>	<u>22,284</u>
	<u>20,922</u>	<u>22,284</u>

Acharacle Community Company
(A company limited by guarantee)

Notes to financial statements
For the year ended 31st March 2017

11 Restricted Funds

	At 31 st March 2016 £	Incoming £	Outgoing £	Transfers £	At 31 st March 2017 £
Van	5,334	-	-	(4,220)	1,114
Resource Centre	<u>39,749</u>	<u>33,701</u>	<u>(23,517)</u>	<u>-</u>	<u>49,933</u>
Total	<u>45,083</u>	<u>33,701</u>	<u>(23,517)</u>	<u>(4,220)</u>	<u>51,047</u>

12 Unrestricted Funds

	At 31 st March 2016 £	Incoming £	Outgoing £	Transfers £	At 31 st March 2017 £
Unrestricted Funds	<u>169,157</u>	<u>18,170</u>	<u>(31,044)</u>	<u>4,220</u>	<u>160,503</u>
Total	<u>169,157</u>	<u>18,170</u>	<u>(31,044)</u>	<u>4,220</u>	<u>160,503</u>

13 Analysis of net assets between funds

	Restricted Funds £	Unrestricted Funds £	Total £
Fixed assets	4,220	144,019	148,239
Current assets	67,749	16,484	84,233
Current liabilities	<u>(20,922)</u>	<u>-</u>	<u>(20,922)</u>
	<u>51,047</u>	<u>160,503</u>	<u>211,550</u>

14 Company limited by guarantee

Acharacle 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.

15 Directors' expenses

No directors were reimbursed for expenses during the year. (2016 – nil)