Charity number: SC043681
Company number: SC200325

The Morvern Community Development Company
(A company limited by guarantee)

Directors' report and financial statements

for the year ended 31 March 2016

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The Morvern Community Development Company
(A company limited by guarantee)

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The Morvern Community Development Company
(A company limited by guarantee)

Legal and administrative information

Charity number	SC043681	
Company registration number	SC200325	
Business address/ Registered Office	Lochaline Harbour Office Lochaline Morvern Argyll PA80 5XT	
Directors	Clare Holohan	
	John Alfred Hodgson	
	Jenni Hodgson	
	Angus Robertson	
	Malcolm Burge	
	Mike Foulis	
	James Watt Bolton	
	Dr Susan Taylor	Appointed 14 April 2016
	Samantha Joy Firth	Resigned 24 April 2016
	Jane Stuart Smith	Resigned 12 November 2015
	Lesley Joy Jones	Resigned 12 November 2015
	Tracy Lawes	Resigned 20 April 2015
Secretary	Angus Robertson	Resigned 12 November 2015
	Lilia Dobrokhodova	Appointed 12 November 2015
Accountants	R A Clement Associates Chartered Accountants 5 Argyll Square Oban Argyll PA34 4AZ	

The Morvern Community Development Company
(A company limited by guarantee)

Report of the directors (incorporating the trustees' report)
for the year ended 31 March 2016

The directors present their report and the financial statements for the year ended 31 March 2016. The directors, who are also trustees of The Morvern Community Development Company for the purposes of charity law and who served during the year and up to the date of this report are set out on page 1.

Structure, governance and management

Constitution

The company is constituted as a company limited by guarantee and was incorporated on 28th September 1999. The company was registered as a Scottish charity on 4th January 2013.

The company is managed by a Board of directors which is made up of those with a keen interest in furthering the aims of the company and are representative of the different sectors of interest within the community.

The company was formed to benefit the community of Morvern, Argyll following the principles of sustainable development;

* *to manage community land and associated assets for the benefit of the Community and the public in general*
* *to provide, or assist in providing, recreational facilities, and/or organising recreational activities, which will be available to members of the Community and public at large with the object of improving the conditions of life of the Community.*
* *To advance community development, including urban or rural regeneration within the Community*
* *To advance the education of the Community about its environment, culture, heritage and/or history*
* *To advance environmental protection or improvement including preservation, sustainable development and conservation of the natural environment, the maintenance, improvement or provision of environmental amenities for the Community and/or the preservation of buildings or sites of architectural, historic, or other importance to the Community.*

Structure of the Company

The company membership is made up of:

Ordinary Members

Ordinary Members have the right to attend the AGM and any EGM and have powers to elect people directors and take decisions in relation to any changes to the constitution of the company. Ordinary members must be over 18, ordinarily resident in the community and entitled to be on the electoral register. Individuals who are either under 18, or not resident in the area, may become Junior, or Association members respectively but are not voting members. The company must maintain a minimum membership of 20 at any one time.

Directors

Directors who hold the meetings once a month, are responsible for the strategy and policy of the company, monitoring its financial position and generally controlling and supervising the activities of the company. The directors have appointed a manager who is responsible for the day to day management of the company's affairs.

The board of directors or trustees shall consist of up to 7 individual persons elected as Directors by the Ordinary Members in terms of Article 33 ("the Elected Directors"), who must themselves be Ordinary Members, and up to 2 individual persons appointed by the Morvern Community Council or its successors in terms of Article 34 ("the Appointed Directors"). At the second and each subsequent AGM, one- third of the Elected Directors (or the nearest number upwards) shall retire from office. Directors who retire from office are eligible for to stand for a second term, but thereafter must stand down for a minimum of one year.

Risk policy
The directors have assessed the major risks to which the charity is exposed, and in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to mitigate any exposure to these risks.

Reserves policy
The policy of the trust 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. The company has built up considerable assets in terms of property and has some liquid reserves. However, at this stage, all reserves are earmarked for reinvestment in achieving further objectives.

Objectives and activities

The following activities were undertaken in the year to 31 March 2016:

* Work continued on Morvern Hydro Project
* Work continued on affordable housing project
* Work continued on plans for Old Scout Hut site and around
* Developing other activities in line with its charitable activities

Achievements

The company has achieved the following;

* The shore facilities enjoy the third full year of operation
* The community website has become a useful community tool
* Secured some funding for pontoons expansion and applied for more funding
* Secured funding and installed 10 swinging moorings in Loch Aline to complement the Harbour
* Completed feasibility study on affordable/sheltered housing
* Purchased land through National Forest Land Scheme for affordable housing
  Purchased land from a private individual for sheltered housing
* Applied for planning permissions for affordable, sheltered housing and community building on the site of the Old Scout Hut
* Provided support with revival of Morvern Sailing Club

Donated facilities and services
The directors (trustees) provide their time and effort free of charge. Many members of MCDC and the community in general have donated time and money to help during the year. Several individuals and companies, charities and government agencies have been generous in providing financial support to restricted funds for various projects.

The Morvern Community Development Company
(A company limited by guarantee)

Report of the directors (incorporating the trustees' report) for the year ended 31 March 2016

Statement of directors' responsibilities

The directors (who are also trustees of The Morvern Community Development Company under charity law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Duncan Grout of R A Clement Associates was deemed to be reappointed as independent examiner and the directors recommend that Duncan Grout 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 12.12.2016 and signed on its behalf by

Clare Holohan.

Clare Holohan
Director

The Morvern Community Development Company
(A company limited by guarantee)

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

I report on the accounts for the year ended 31 March 2016 set out on pages 2 to 19.

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 Regulations

   have 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.

..... 12/12/16

Duncan Grout
ACCA
Independent examiner

Date

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

The Morvern Community Development Company
(A company limited by guarantee)

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

For the year ended 31 March 2016

	Notes	Unrestricted funds £	Restricted funds £	Designated funds £	2016 Total £	2015 Total £
Income from						
Grants, donations & legacies	2	16,965	196,512	-	213,477	35,322
Investment income	3	25	-	-	25	46
Income from trading subsidiaries	4	27,327	-	-	27,327	21,680
Other incoming resources	5	7,457	-	-	7,457	6,544
Total income		51,774	196,512	-	248,286	63,592
Expenditure on						
Charitable activities	6	29,894	89,932	-	119,826	103,111
Total expenditure		29,894	89,932	-	119,826	103,111
Net incoming/(outgoing) resources before transfers		21,880	106,580	-	128,460	(39,519)
Transfer to designated fund		(1,751)	-	1,751	-	-
Transfer to capital assets		(1,629)	1,629	-	-	-
Net movement in funds/Net income/(expenditure) for the year		18,500	108,209	1,751	128,460	(39,519)
Total funds brought forward		72,526	520,584	9,670	602,780	642,299
Total funds carried forward		91,026	628,793	11,421	731,240	602,780

The notes on pages 9 to 19 form an integral part of these financial statements.

The Morvern Community Development Company
(A company limited by guarantee)

Balance sheet
as at 31 March 2016

SC200325

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	12		648,286		566,329
Investments	13		9,400		9,400
Programme related investments	14		21,000		21,000
			678,686		596,729
Current assets					
Debtors	15	48,463		20,719	
Cash at bank and in hand		33,315		26,988	
		81,778		47,707	
Creditors: amounts falling due within one year	16	(8,224)		(11,656)	
Net current assets			73,554		36,051
Total assets less current liabilities			752,240		632,780
Creditors: amounts falling due after more than one year	17		(21,000)		(30,000)
Net assets			731,240		602,780
Funds	18				
Designated funds			11,421		9,670
Restricted income funds			628,793		520,584
Unrestricted income funds			91,026		72,526
Total funds			731,240		602,780

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 19 form an integral part of these financial statements.

Balance sheet (continued)

SC200325

Directors' statements required by the Companies Act 2006 for the year ended 31 March 2016

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 March 2016.

(c) that we acknowledge our responsibilities for:

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

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

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the board on 12.12.2016 and signed on its behalf by

Clare Holohan

Clare Holohan
Director

The notes on pages 9 to 19 form an integral part of these financial statements.

1. Accounting policies

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

1.1. Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16/07/14, the Financial Reporting Standard for Smaller Entities (effective January 2015) Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1.2. Incoming resources

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

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

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

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

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

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

1.3. Resources expended

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

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

1.4. 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:

Shore facilities and petrol station	-	Straight line over twenty five years (excluding land which is not depreciated)
Land & housing	-	Will be depreciated at 4% straight line on completion (excluding land which is not depreciated)
Plant and machinery (includes pontoons, ATV, machinery and petrol pump terminal)	-	7.5% Straight line & 25% Reducing balance
Fixtures, fittings and equipment (includes shed, tools and allotments)	-	25% reducing balance

Depreciation is charged from the year following completion of major projects.

1.5. Investments

Investments held as fixed assets consist of shares held and loans made to an unlisted energy company. These are stated at cost at the balance sheet date and are not revalued each year. Any gain or loss arising in the future will be taken to the statement of financial activities.

1.6. Programme related investments

Programme related investments are included in the balance sheet at the amount invested less any impairments and any amounts repaid. Impairments are charged to resources expended on charitable activities in the statement of financial activities. Similarly, a loan subsequently converted into a grant is charged to charitable activities.

Where a gain is made on disposal of a programme related investment, then the gain is either set off against any prior impairment loss or included as a gain on disposal of fixed assets for the charity's own use and recorded under other incoming resources in the statement of financial activities.

2. Grants, donations & legacies

	Unrestricted funds £	Restricted funds £	2016 Total £	2015 Total £
Donations	-	-	-	3
Highlands & Islands Enterprise	-	11,378	11,378	-
HIE - LDO/Project	-	34,302	34,302	32,299
HIE - Allotments/Marketing	960	-	960	1,810
CARES	-	12,350	12,350	-
Big Lottery Fund	-	88,620	88,620	-
Morvern Community Trust	16,000	5,850	21,850	560
Scottish Sea Farms	-	782	782	-
HIE - Ballot for Renewables	-	-	-	650
Scottish Land Fund	-	38,380	38,380	-
HIE - Fuel Pumps contribution	-	4,850	4,850	-
Membership subscriptions	5	-	5	-
	16,965	196,512	213,477	35,322

Income in 2015 was £653 unrestricted and £34,669 restricted.

3. Investment income

	Unrestricted funds £	2016 Total £	2015 Total £
Bank interest receivable	25	25	46
	25	25	46

All investment income in 2015 was unrestricted.

4. Trading subsidiaries

The charity controls the company listed below either by virtue of holding a controlling interest in the equity share capital: -

Name of subsidiary	Country of incorporation	% of equity share capital held
Morvern Community Trading Company Ltd	Scotland	100

Morvern Community Trading

The company was incorporated on 22 January 2013 and was dormant throughout the period to 31 March 2013. It commenced trading on 1 April 2013.

Summary of trading results

	2016 £	2015 £
Turnover	131,581	49,566
Total expenditure	(106,688)	(30,089)
Other income	2,434	2,303
Net profit for the year	27,327	21,780
Amount gift-aided to the charity	(27,327)	(21,680)
Surplus to Retained Reserves	-	100

The assets and liabilities of Morvern Community Trading were:

Assets	40,506	10,518
Liabilities	(40,406)	(10,418)
Funds	100	100

5. Other incoming resources

	Unrestricted funds £	2016 Total £	2015 Total £
Other income	1,404	1,404	437
Rental income	5,553	5,553	6,107
EEL Administration fee	500	500	-
	7,457	7,457	6,544

All other income in 2015 was unrestricted.

6. Costs of charitable activities - by fund type

	Unrestricted funds £	Restricted funds £	2016 Total £	2015 Total £
Core development activities	10,737	34,801	45,538	43,238
Marina & Pontoons	5,072	34,200	39,272	42,794
Other Property/Assets (incl depreciation)	12,189	6,181	18,370	14,181
CARES Project	-	13,000	13,000	-
Fuel Pumps	-	1,750	1,750	-
	27,998	89,932	117,930	100,213

Expenditure in 2015 was £21,256 unrestricted, and £78,957 restricted.

7. Costs of charitable activities - by activity

	Activities undertaken directly £	Grant funding activities £	2016 Total £	2015 Total £
Core development activities	45,333	205	45,538	43,238
Marina & Pontoons	39,272	-	39,272	42,794
Other Property/Assets (incl depreciation)	18,370	-	18,370	14,181
CARES Project	13,000	-	13,000	-
Fuel Pumps	1,750	-	1,750	-
	117,725	205	117,930	100,213

8. Professional Fees & Cost of Trustee Meetings

	Unrestricted funds £	2016 Total £	2015 Total £
Professional - Accountancy -Advisory	1,773	1,773	2,490
Cost of trustees' meetings	123	123	408
	1,896	1,896	2,898

All governance costs are unrestricted.

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

	2016	2015
	£	£
Net incoming/(outgoing) resources is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	45,893	48,946

10. Employees

Employment costs	2016	2015
	£	£
Wages and salaries	24,967	24,974
Social security costs	2,326	2,348
Other costs	2,273	-
	29,566	27,322

No employee received emoluments of more than £60,000 (2015 : None).

Number of employees

The average monthly numbers of employees (excluding the directors) during the year, was as follows:

	2016	2015
	Number	Number
	2	2

11. Taxation

The charity's activities fall within the exemptions afforded by the provisions of the Corporation Taxes Act 2010. Accordingly, there is no taxation charge in these accounts.

12. Tangible fixed assets

	Land, Petrol Station and Shore Facilities £	Land & Property incl Housing £	Plant and machinery incl Pontoons £	Sheds, tools Allotments & equipment £	Total £
Cost					
At 1 April 2015	331,358	-	369,908	52,470	753,736
Additions	3,639	124,211	-	-	127,850
At 31 March 2016	334,997	124,211	369,908	52,470	881,586
Depreciation					
At 1 April 2015	46,659	-	110,937	29,811	187,407
Charge for the year	12,756	-	27,472	5,665	45,893
At 31 March 2016	59,415	-	138,409	35,476	233,300
Net book values					
At 31 March 2016	275,582	124,211	231,499	16,994	648,286
At 31 March 2015	284,699	-	258,971	22,659	566,329

13. Fixed asset investments

	Subsidiary undertakings shares £	Other unlisted investments £	Total £
Valuation			
At 1 April 2015 and At 31 March 2016	100	9,300	9,400
Historical cost as at 31 March 2016	100	9,300	9,400

All fixed asset investments are held within the United Kingdom.

The £9,000 investment represents 29,832 "B" Ordinary shares in Elementary Energy Limited, the company which is developing the Abhainn Shalachain Hydro Scheme. Any dividends declared will be retained by MCDC. No dividends were decalred in the year.

The additional investment of £300 represents shares in the Sunart Community Hydro Scheme.

14. Other investments

	Loans	Total
	£	£
Cost		
At 1 April 2015 and		
At 31 March 2016	21,000	21,000
Net book values		
At 31 March 2016	21,000	21,000
At 31 March 2015	21,000	21,000

This inviestment consists of a secure loan of £21,000 to Elementary Electric Limited for investment in the Abhainn Shalachain Hydro Scheme. This investment was funded by Morvern Community Trust (MCT), and repayments and interst on the loan will be passed on to the Trust (MCT). MCDC charges an annual administration fee of £500 to MTC.

Interest of £4,151 on the loan received during the year was passed on to MCT.

15. Debtors

	2016	2015
	£	£
Trade debtors	3,698	557
Amounts due from subsidiary and associated undertakings	29,327	9,036
Other debtors	15,438	11,126
	48,463	20,719

16. Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	4,547	8,680
Other taxes and social security	670	674
Other creditors	705	-
Accruals and deferred income	2,302	2,302
	8,224	11,656

17. Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Morvern Community Trust	21,000	30,000

The loan of £30,000 from the Morvern Community Trust was made to enable MCDC to invest in Elementary Electric Limited. The loan was invested partly in shares (£9,000) and partly as a secure loan (£21,000). Interest and capital repayments on the loan received by MCDC will be paid to the Trust. Any community fund payments or royalties paid by Elementary Energy Limited will be paid via MCDC to the Trust. Dividends received will be retained by MCDC who will also charge the Trust an annual fee of £500 for managing the investments.

The £9,000 which was invested in shares was incorrectly shown as a loan in 2015 but is non repayable and has been reclassified and shown as a grant in the current year.

18. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Designated funds	Total funds
	£	£	£	£
Fund balances at 31 March 2016 as represented by:				
Tangible fixed assets	46,428	601,858	-	648,286
Investment assets	30,400	-	-	30,400
Current assets	43,422	26,935	11,421	81,778
Current liabilities	(8,224)	-	-	(8,224)
Long-term liabilities	(21,000)	-	-	(21,000)
	91,026	628,793	11,421	731,240

19. Unrestricted funds

	At 1 April 2015	Incoming resources	Outgoing resources	Transfers	At 31 March 2016
	£	£	£	£	£
Unrestricted funds	72,526	51,774	(29,894)	(3,380)	91,026

20. Restricted funds

	At 1 April 2015 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2016 £
Capital/Asset Funds					
Pontoons (Asset)	243,244	-	(23,540)	-	219,704
Shore Facilities & Road (Asset)	248,061	-	(10,660)	1,629	239,030
Land & Housing (capital & cash)	-	141,579	-	-	141,579
Allotments - (capital & cash)	25,791	-	(5,665)	-	20,126
Fuel Pumps	2,120	-	(200)	-	1,920
Revenue Funds					
Other balances	1,368	782	(816)	-	1,334
Project/Development Officer	-	34,302	(34,302)	-	-
Other revenue funds - CARES and Fuel Pumps	-	19,850	(14,750)	-	5,100
	520,584	196,513	(89,933)	1,629	628,793

Purposes of restricted funds

General Note

Depreciation on restricted assets has been charged directly to the restricted fund and is shown under outgoing resources. Capital Funds consist mainly of assets which have been funded by external grants. Any funds which also include cash or current assets are noted below.

Allotments and Other Balances

The Allotments fund is made up of assets of £16,995 and a cash balance of £3,131

Other balances

The closing balance includes £852 for the Hazelwood project and £482 in respect of the Shore Base for which a grant of £782 was received from Scottish Sea Farms v expenditure of £300. The £516 b/fwd for the Scout Hut was fully spent in the year.

Land & Housing (capital & cash)

Grants were received from the Big Lottery, HIE, Morvern Community Trust and the Scottish Land Fund for the purchase of land for affordable housing. The funds were spent on purchase of land, architects fees, feasibility studies and planning and legal costs - expenditure of £124,211 has been capitalised in the accounts, leaving a cash balance of £17,368 carried forward.

Other Revenue Funds

Grants totalling £7,500 were received from HIE towards costs rclating to thc fuel pumps.

A grant of £12,350 was received from CARES to fund various studies costing £13,000 relating to energy usage and efficiency.

21. Designated funds

	At 1 April 2015 £	Transfers £	At 31 March 2016 £
Fuel Pump Renewal Fund	9,670	1,751	11,421

Purposes of designated funds

A fund is being accumulated towards the renewal of the fuel pumps. A transfer is made each year of 50% of the rental income charged.

22. Company limited by guarantee

The Morvern Community Development 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.