

Charity number: SC031866
Company number: SC293630

Pennyghael Development Association Ltd
(Formerly the Pennyghael Development Association Limited)
(A company limited by guarantee)

Directors' report and financial statements

for the year ended 30 November 2017

Pennyghael Development Association Ltd
(A company limited by guarantee)

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Pennyghael Development Association Ltd
(A company limited by guarantee)

Legal and administrative information

Charity number SC031866
Company registration number SC293630

Business address Pennyghael Community Hall
Pennyghael
Isle of Mull
Argyll
PA70 6HB

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

Directors Joy Rose Elizabeth Roberts
Emma Louise Morgan

Rebecca Claire Hallam Appointed 23 February 2017
Susan Christine Morgan Appointed 23 February 2017
Helen Mary Wilson Appointed 23 February 2017

Charles Edward Gurney Pease Resigned 23 February 2017
Reginald Morgan Resigned 23 February 2017
Bridget McGillivray Resigned 31 January 2017

Secretary Emma Louise Morgan

Accountants Andy Newiss ACCA of R A Clement
Associates
5 Argyll Square
Oban
Argyll

Pennyghael Development Association Ltd
(A company limited by guarantee)

Report of the directors (incorporating the trustees' report)
for the year ended 30 November 2017

The directors present their report and the financial statements for the year ended 30 November 2017. The directors, who are also trustees of Pennyghael Development Association Ltd 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 published on 16 July 2014 (FRS 102).

Structure, governance and management

The company's directors form the company's board which meets monthly to pursue the operational strategic direction of the company. The board considers financial sustainability and potential funding sources to meet the company's objectives.

Risk

The Trustees have conducted their own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks.

Reserves

The policy of the charity is to retain sufficient funds to meet any ongoing running costs. The Board is of the opinion that the balances held at the year end by the charity were prudent to ensure that these commitments could be met.

Objectives and activities

After achieving our aim of purchasing the Pennyghael Community Hall in 2007, we moved on to seeking funding for refurbishment to enable the objectives of rejuvenating our community to be fulfilled.

Achievements and performance

We have had another very successful year at the hall hosting a variety of functions! All of which have been well attended with ever increasing support from Salen, Craignure, Gribun and Lochbuie to name but a few, as well as the Ross of Mull! We have introduced new ideas including the 'Big Breakfast' which we have tried to carry out once a month on a Sunday morning - this has proven to be very popular and also 'Pop up Cafes' aimed at attracting tourist and passers by. All monies raised, helps with the fund raising and keeping the hall here for the future generations!

Throughout the last year we have had an ever growing team of amazing helpers which has made all of these events possible!

Our income from these events has almost tripled from the previous year.

With the hall now having an excellent heating system and hot water, it is a lovely welcoming venue that brings this wider community together.

Furthermore, this year we started the process of converting to a Scottish Charitable Incorporated Organisation (SCIO) - finally achieving SCIO status from 15th January 2018.

Pennyghael Development Association Ltd
(A company limited by guarantee)

Report of the directors (incorporating the trustees' report)
for the year ended 30 November 2017

Trustees' responsibilities in relation to the financial statements

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

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

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

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

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

Andy Newiss of R A Clement Associates was deemed to be reappointed as independent examiner and the directors recommend that Andy Newiss 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

and signed on its behalf by

.....
Helen Mary Wilson
Director

Pennyghael Development Association Ltd
(A company limited by guarantee)

Independent examiner's report to the directors on the unaudited financial statements of Pennyghael Development Association Ltd.

I report on the accounts for the year ended 30 November 2017 set out on pages 2 to 13.

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.

.....
Andy Newiss
ACCA
Independent examiner

.....
Date

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

Pennyghael Development Association Ltd

(A company limited by guarantee)

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

For the year ended 30 November 2017

	Notes	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
Income from					
Donations and grants	2	571	-	571	2,230
Charitable activities	3	13,605	-	13,605	4,913
Total income		<u>14,176</u>	<u>-</u>	<u>14,176</u>	<u>7,143</u>
Expenditure on					
Purchases		3,947	-	3,947	1,745
Establishment costs		5,510	-	5,510	4,745
Motor and travelling expenses		73	-	73	62
Accountancy fees		600	-	600	600
Legal and professional fees		13	-	13	13
Other office expenses		180	-	180	480
Depreciation and impairment		1,447	1,562	3,009	1,562
Total expenditure		<u>11,770</u>	<u>1,562</u>	<u>13,332</u>	<u>9,207</u>
Net income/(expenditure) for the year		2,406	(1,562)	844	(2,064)
Reconciliation of funds:					
Total funds brought forward		<u>14,275</u>	<u>82,509</u>	<u>96,784</u>	<u>98,848</u>
Total funds carried forward		<u>16,681</u>	<u>80,947</u>	<u>97,628</u>	<u>96,784</u>

The notes on pages 8 to 13 form an integral part of these financial statements.

Pennyghael Development Association Ltd
(A company limited by guarantee)

Balance sheet
as at 30 November 2017

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	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	7		86,735		82,509
Current assets					
Cash at bank and in hand		11,493		14,875	
		<u>11,493</u>		<u>14,875</u>	
Creditors: amounts falling due within one year					
	8	(600)		(600)	
		<u>(600)</u>		<u>(600)</u>	
Net current assets			10,893		14,275
			<u>10,893</u>		<u>14,275</u>
Net assets			97,628		96,784
			<u>97,628</u>		<u>96,784</u>
Funds					
	9				
Restricted income funds			80,947		82,509
Unrestricted income funds			16,681		14,275
			<u>16,681</u>		<u>14,275</u>
Total funds			97,628		96,784
			<u>97,628</u>		<u>96,784</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 8 to 13 form an integral part of these financial statements.

Pennyghael Development Association Ltd
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Balance sheet (continued)

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Directors statements required by the Companies Act 2006
for the year ended 30 November 2017

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 30 November 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 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

and signed on its behalf by

.....
Helen Mary Wilson
Director

The notes on pages 8 to 13 form an integral part of these financial statements.

Pennyghael Development Association Ltd
(A company limited by guarantee)

Notes to financial statements
for the year ended 30 November 2017

Legal Status of the charity

The company is limited by guarantee and is governed by its memorandum and 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. Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the directors have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, a restatement of comparative items was needed. No restatements were required.

1.3. Incoming resources

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

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

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

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

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

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

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Notes to financial statements
for the year ended 30 November 2017

1.4. Resources expended

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

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

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

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

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

The charity is not registered for VAT and accordingly expenditure includes all vat which is irrecoverable.

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 ninety nine years
Plant and machinery	-	20% straight line
Fixtures, fittings and equipment	-	20% straight line

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. Donations and grants

	Unrestricted funds £	2017 Total £	2016 Total £
Donations	571	571	1,730
Mull & Iona Community Trust	-	-	500
	<u>571</u>	<u>571</u>	<u>2,230</u>

All income in 2016 was unrestricted.

Pennyghael Development Association Ltd
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Notes to financial statements
for the year ended 30 November 2017

3. Charitable activities

	Unrestricted funds £	2017 Total £	2016 Total £
Fundraising events	13,605	13,605	4,913
	<u>13,605</u>	<u>13,605</u>	<u>4,913</u>

All income in 2016 was unrestricted.

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

	2017 £	2016 £
Net incoming/(outgoing) resources is stated after charging: Depreciation and other amounts written off tangible fixed assets	<u>3,009</u>	<u>1,562</u>

5. Employees

Employment costs

No wages or salaries have been paid during the year.

Number of employees

There were no employees during the year.

Key Management Personnel

The key management personnel of the charity comprises the Board of Trustees.

Trustees' expenses and remuneration

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

6. Taxation

The charity is a charitable company within the meaning of the Finance Act 2010. Accordingly the charity's activities fall within the exemptions from taxation in respect of income or capital gains afforded by the provisions of the Corporation Taxes Act 2010 and the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes. As a result, there is no taxation charge in these accounts.

Pennyghael Development Association Ltd
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Notes to financial statements
for the year ended 30 November 2017

7. Tangible fixed assets	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 December 2016	89,307	3,300	-	92,607
Additions	-	-	7,235	7,235
At 30 November 2017	<u>89,307</u>	<u>3,300</u>	<u>7,235</u>	<u>99,842</u>
Depreciation				
At 1 December 2016	8,118	1,980	-	10,098
Charge for the year	902	660	1,447	3,009
At 30 November 2017	<u>9,020</u>	<u>2,640</u>	<u>1,447</u>	<u>13,107</u>
Net book values				
At 30 November 2017	<u>80,287</u>	<u>660</u>	<u>5,788</u>	<u>86,735</u>
At 30 November 2016	<u>81,189</u>	<u>1,320</u>	<u>-</u>	<u>82,509</u>

8. Creditors: amounts falling due within one year	2017 £	2016 £
Accruals and deferred income	<u>600</u>	<u>600</u>

Pennyghael Development Association Ltd
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Notes to financial statements
for the year ended 30 November 2017

9. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 30 November 2017 as represented by:			
Tangible fixed assets	5,788	80,947	86,735
Current assets	11,493	-	11,493
Current liabilities	(600)	-	(600)
	<u>16,681</u>	<u>80,947</u>	<u>97,628</u>

Analysis of net assets between funds (prior year)

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 30 November 2016 as represented by:			
Tangible fixed assets	-	82,509	82,509
Current assets	14,875	-	14,875
Current liabilities	(600)	-	(600)
	<u>14,275</u>	<u>82,509</u>	<u>96,784</u>

10. Unrestricted funds

	At 1 December 2016 £	Incoming resources £	Outgoing resources £	At 30 November 2017 £
General Funds	<u>14,275</u>	<u>14,176</u>	<u>(11,770)</u>	<u>16,681</u>

Pennyghael Development Association Ltd
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Notes to financial statements
for the year ended 30 November 2017

11. Restricted funds

	At		At
	1 December	Outgoing	30 November
	2016	resources	2017
	£	£	£
Community Hall Capital Fund	81,189	(902)	80,287
Water Treatment Plant	1,320	(660)	660
	<u>82,509</u>	<u>(1,562)</u>	<u>80,947</u>

Purposes of restricted funds

The community hall capital fund represents the amounts received to fund the purchase of the Hall including legal fees and other outlays. The outgoing resources shown represents the depreciation of the Community Hall charged in the year.

The charity installed a water treatment plant during the year to 30-11-2014 and this was kindly paid by Pennyghael Estate. The outgoing resources shown represents the depreciation of the Water Treatment plant charged in the year.

12. Company limited by guarantee

Pennyghael Community Development Association Limited 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.

Pennyghael Development Association Ltd
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The following pages do not form part of the statutory accounts.

Pennyghael Development Association Ltd
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Detailed statement of financial activities

For the year ended 30 November 2017

	2017		2016	
	£	£	£	£
Incoming resources				
Incoming resources from generating funds:				
<i>Donations and grants</i>				
Donations		571		1,730
Mull & Iona Community Trust		-		500
		<u>571</u>		<u>2,230</u>
<i>Charitable activities</i>				
Fundraising events		13,605		4,913
		<u>13,605</u>		<u>4,913</u>
Total incoming resources from generating funds		<u>14,176</u>		<u>7,143</u>
Total incoming resources		<u>14,176</u>		<u>7,143</u>
Resources expended				
Costs of generating funds:				
Fundraising trading:				
cost of goods sold and other costs				

Pennyghael Development Association Ltd
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Detailed statement of financial activities

For the year ended 30 November 2017

	2017	2016
	£	£
Charitable activities		
Activity 1		
<i>Activities undertaken directly</i>		
Purchases	3,947	1,745
Establishment - Light & heat	1,394	762
Establishment - Rep. & maint.	3,633	3,278
Establishment - Insurance	483	705
Other motor & travel expenses	73	62
Professional - Accountancy	600	600
Professional - Other	13	13
Office expenses	180	480
Depreciation & impairment	3,009	1,562
	<u>13,332</u>	<u>9,207</u>
Activity 1 total expenditure	<u>13,332</u>	<u>9,207</u>
Total charitable activity expenditure	<u>13,332</u>	<u>9,207</u>
Net incoming/(outgoing) resources for the year	<u>844</u>	<u>(2,064)</u>