



Alexander Sloan
Accountants and Business Advisers

Company Registration No. SC327824 (Scotland)
(a company limited by guarantee)

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Charity Registration No. SC038513 (Scotland)

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	E MacEachen L Mackay C Nelson F Paterson D Sumner L Whiteside J Dymond	(Appointed 19 October 2021)
Secretary	Macleod & MacCallum	
Charity number (Scotland)	SC038513	
Company number	SC327824	
Registered office	28 Queensgate Inverness IV1 1DJ	
Auditor	Alexander Sloan Accountants and Business Advisers 180 St Vincent Street Glasgow G2 5SG	
Bankers	Bank of Scotland Station Road Fort Augustus PH32 4AZ	
	The Royal Bank of Scotland 6 High Street Perth PH33 6AS	

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

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FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) 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 (FRS 102) (effective 1 January 2019)".

Objectives and activities

Our objectives as laid out in our Articles of Association are as follows:

"To promote for the public benefit rural regeneration, following principles of sustainable development, where 'sustainable development' means development which meets the needs of the present without compromising the ability of future generations to meet their own needs, in areas of social and economic deprivation within the Community by all or any of the following means:

- (a) the relief of poverty in such ways as may be thought fit;
- (b) the relief of unemployment in such ways as may be thought fit, including assistance to find employment;
- (c) the advancement of education, training or retraining, particularly amongst unemployed people, and providing unemployed people with work experience;
- (d) the creation of training and employment opportunities by the provision of workspace, buildings and/or land for use on favourable terms;
- (e) the provision of housing for those who are in conditions of need and the improvement of housing in the public sector or in charitable ownership provided that such power shall not extend to relieving any local authorities or other bodies of a statutory duty to provide or improve housing;
- (f) the maintenance, improvement or provision of public amenities;
- (g) the preservation of buildings or sites of historic or architectural importance;
- (h) the provision or assistance in the provision of recreational facilities for the public at large and/or those who, by reasons of their youth, age, infirmity or disablement, poverty or social and economic circumstances, have need of such facilities;
- (i) the protection or conservation of the environment;
- (j) the provision of public health facilities and childcare."

It is easy to copy our objectives from our articles of association but as Trustees of the company how do we turn these objectives into daily activities for the community of Fort Augustus & Glenmoriston. The main role we have been applying for our objectives is as a grant giving charity. We offer grants up to £10,000 to constituted groups under the six headings of: Education & Lifelong Learning, Health & Wellbeing, Heritage & Culture, Transport, Environment, and Regeneration & Housing. We also give out Educational Bursaries for Travel if young people from the community are in College or University whereby they can have a maximum of four bursaries in total whilst studying. We offer large grants over £10,000 and to date we have had 2 applications. Our Grant Making Policy is determined by the terms and conditions of the community benefit funds we receive and has been adapted from that into our own Terms and Conditions for each grant.

The charitable company also runs an apprenticeship scheme in conjunction with two neighbouring trusts to get young people into employment. We look after the environs of the two communities of Fort Augustus & Glenmoriston via the Community Caretakers creating seasonal and year round employment.

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

The charitable company are custodians of the village hall in Fort Augustus and maintain and provide this for the use of individuals and organisations in the community. We own the medical centre and have leased this to the NHS for 15 years.

Achievements and performance

In this financial year we awarded £45,189 in grants to community groups. There were no grants awarded to individuals for community benefit. Educational Travel Bursary grants totalling £2,250 were awarded to 9 individuals. This is less than last year. We have awarded group grants for a considerable time and we are sure that this money will be well spent in the community and therefore ensuring better quality of life for the residents. Covid-19 offered an opportunity to work in partnership with the Glengarry Trust and the two Community Councils and we were able to secure funds to use for Covid-19 related resilience work amounting to £55,972. However, this figure differs from the Accounts due to some parts of grants still waiting to be paid and some refunded as not required.

The groups who received grants this year are Glenmoriston Millennium Hall, Glenmoriston Improvement Group, 3 Glens Community Care, Telford Centre, Fort Augustus & Area Gaelic Group. No Individuals for Community Benefit. Sadly, some of the individual for community use awards have not been claimed down due to Covid-19. Nine individuals had Educational Travel Grants.

We are the custodians of the Village Hall, and we support the Hall by giving it a yearly grant which was not required this year. We continued with the charity's office in the meeting room, so we have a base for our employees who manage the company on our behalf. The number of users is reducing but in the last year we had very few due to Covid-19 fortunately we received a £10,000 grant from the Scottish Government to cover costs during Covid.

The Community Caretakers have been furloughed for part of the last year. Glen, the supervisor, has been ensuring as much as possible could be done as safely as possible due to the pandemic. The cemeteries as always are a priority for the team and they work hard to ensure they are well kept. The litter has not been so difficult due to the small number of tourists. The team have a few projects in hand for when the restrictions are lifted.

The apprenticeships are doing well but again some were furloughed and some worked from home. We spent a total £38,865 directly to the provision of apprenticeships. Some are getting a taster of staying away from home whilst they are in college which is good for them. The apprenticeship this year was for an electrician.

The Medical Centre has continued to challenge us, we handed it over at the end of March 2019 for the GP surgery. However, we have not been able yet to get as many services in as we would like partly due to the NHS, but mainly due to Covid-19 so hopefully in the forthcoming year more services will be delivered from it. The 3 Glens Community Care and Sunflower Care are definitely going to be in the building.

Covid-19 – We worked with the two community councils, 3 Glens Community Care and The Glengarry Trust as the 3 Glens Resilience. We applied for money and received it from Scottish Government via Highland & Island Enterprise, Fern Community Fund, Falck Renewables & Amey. In total between us we raised over £75,100. The money was spent on a variety of things from Hardship Grants, Covid Heating Grants, Covid Larder Boxes, Alternative Larder Boxes, Meals on Wheels and Fish Supper lunches when we were able to meet again to help with social inclusion in a safe environment. We also helped facilitate the Business Forum and managed to get Hand Sanitiser units throughout the 3 areas and businesses were able to get sanitiser for a donation.

Caledonian Court – 12 Affordable Homes

We started the build of Caledonian Court in June 2020. We were delayed slightly due to the pandemic, but we were able to work with the contractors Compass Building & Construction Services Limited. We had to swap a piece of land with SSE and we also sold a small piece of land to Highland Council to allow 6 homes to be built on the Telford Ground. We received a grant of £970,000 from the Scottish Government Rural Housing Fund, drew down 5 years of Stronelaig wind farm community benefit funds, 1 year of Bhlairaidh wind farm community benefit funds, Fern Community Fund awarded us £100,000 and Falck allowed us to take a bank loan and their funds will cover that for the forthcoming years.

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Financial review

The company had an overall income of £2,944,979 in this financial year, this is up by £2,272,224 compared to last year, mainly due to several large grants and an advance from SSE Renewables fund to allow us to build the homes on the old convent land.

We are starting to see the benefits of the investment in the medical centre and the flat at Bunoich Crescent with rental income for the year of £31,203 which is substantially more than we received in bank interest of £1,936. The Housing project commenced and we were in a position to sign the build contract with Compass Building & Construction mid-March with a build value of £2,560,000 with professional fees taking it to £3 million, this is for 8 houses and 4 flats. Unfortunately, the original start date was postponed due to Covid-19. The start date was 22nd June 2020.

Employees

We do an annual budget for the company and staff salaries are part of that budget, we are a living wage employer, and the rate is set in November by the Living Wage Foundation so the lowest rate any of our staff could be paid is currently £9.50 per hour. We also look at the role of the individuals and for those that are on a higher rate of pay than Living Wage, we compare it to other roles in other companies to see if we are being fair. In this financial year everyone received a 2% pay rise apart from the chief officer. In the upcoming year we need to look at not only an inflationary rate but also a performance related or annual increment as it is a few years since any staff member received either. We also require to start a redundancy fund as a number of staff members have now been with us over 5 years and the cost will creep up in the upcoming years.

Reserves policy

The board of Trustees aim to put aside £98,333 which is deemed to be our reserve policy figure for the year. The reserves policy is due for review in December 2021 where we will look and see if we could afford to increase the 25% reserve we make for the future of the company. These funds go into designated funds to allow easier use of the funds and to help set a legacy for when the wind farm and hydro monies finish.

As indicated in the Statement of Financial Activities on page 11, the charity had total funds at 31 March 2021 of £5,348,989 including Restricted Funds of £1,799,539 (33.6%). Excluding the Community Legacy Fund (Designated) and funds not committed or invested in fixed assets or investment properties, the charity had accessible Unrestricted and Designated Revenue Funds of £79,960.

Designated Funds / Investments

The Designated funds are tied to the reserves policy as we put away currently 25% to designated funds for future use of the community for when the wind farm / hydro monies finish. However, we also can use designated funds for projects that would benefit the community by making them more money for example the flat at Bunoich Crescent as it brings in rent which is a better return than bank interest at present i.e., we used approximately £55,000 of our money as we also received a grant but we get approximately £4,400 per annum rent, if no vacancies in the year, so we are getting approximately 8% return but we are also giving a family an affordable home with an affordable rent equivalent to the Highland Council. Till now we have invested in property and the medical centre as bank interest rates are so low but now, we are coming into a quieter period so we need to review if we should be investing in shares as we did many years ago.

Principal risks and uncertainties

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The principal risk going forward is the lack of Trustees coming forward from the community. We now have a Chief Officer in place and two administrative staff members. This will move the board to a far more strategic role in the future and hopefully this will encourage younger members of the community to come forward.

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Covid-19

The risk Covid-19 brings to the company does not have a large impact financially as our funders will still provide the funds, however it may affect our cash flow due to funders being under more pressure on being able to get backs paid on time. We do hold enough reserves though that we can use if required.

Currently our area is not highly affected by Covid 19 but that may change in the future which may have an impact on staffing or Trustees. Neither though will affect the overall running of the company. We have furloughed the five caretakers at 100% salary as our income has not dropped. We brought 3 of the caretakers back on a part time basis and this meant we needed to drop the furlough rate to 80%. The impact Covid has on the house build has been slightly different as it has caused a few delays and also an increase in prices for raw materials which will add a further £100,000 overall to the build.

Going concern

The charitable company has sufficient financial resources. Consequently, the Board members believe that the charitable company is well placed to manage its business risks including any as a result of impact from Covid-19. The company prepared an additional budget to demonstrate this.

The board members have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Plans for future periods

We have finally been able to start the house build of 8 houses and 4 flats which were completed in August 2021. We opened the housing list with an initial interest from 62 people. When we went out to full application, it was 36 people so we had to do a two stage application.

The Apprenticeship scheme is going from strength to strength as is the community caretakers. Their list on how we can improve the community continues to get longer but we must take time to see what work is needed in the Old Convent Woodland and put some money aside for it. The wall will require the team to do a large piece of work on it to put it back to how it was before the suds basin needed to get piping to the river. The company will review the community action plan to see where it needs to go in the future- however the company requires to sit and take stock because we drew down 5 years of Stronelaig money so there will probably be no big project in the forthcoming few years. However we are purchasing a further house with further help from the Rural Housing Fund due to the number of people who applied for the Caledonian Court.

A strategic plan for the company is required and transferred into an operational plan which will help move the organisation forward as there will be a change of leadership in the next financial year.

Structure, governance and management

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

The Trustees, who are also the Directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

D Campbell	(Resigned 27 October 2021)
J Dymond	(Resigned 7 June 2021)
E MacEachen	
L Mackay	
R MacKenzie	(Resigned 2 November 2021)
C Nelson	
F Paterson	
D Sumner	
V Taylor	(Appointed 26 January 2021 and resigned 18 October 2021)
L Whiteside	
J Dymond	(Appointed 19 October 2021)

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees are responsible for the running and decision making of the charitable company. The Trustees meet on a regular basis throughout the year to make strategic decisions and to approve the awarding of grants.

The apprenticeship scheme awards are reviewed and awarded by the Apprenticeship Panel which comprises of 3 trustees from each of the following organisations: Fort Augustus and Glenmoriston Community Company, The Glengary Trust and Stratherick and Foyers Community Trust.

The day to day running of the company is now performed by the Chief Officer Angela Williams overseen by the Board of Directors and line managed by the Chairperson Linda Whiteside who until the appointment of Angela Williams did a lot of the day to day running of the company with the assistance of the administrator and the bookkeeper, but neither of them had managerial control.

Trustees are recruited from the membership of the Fort Augustus & Glenmoriston Community Company and occasionally co-opted if there is a vacancy between the AGM. All Trustees undertake charity compliance training and are aware of their obligations and responsibilities in that regard. This year we lost no Directors. We appointed 1 Director at the AGM. We would like to thank all the Directors for their service and we hope that they will continue to take an interest in the company.

Key Management Personnel and remuneration

The Trustees consider the Board and the Chief Officer as the key management personnel with regard to directing, controlling and running the company's daily activities.

No remuneration was paid to Trustees during the year. Details of the total remuneration paid to the key management personnel are disclosed in Note 11 to the Accounts. The salary of the Chief Officer is reviewed by the Board on an annual basis and assessed according to local market rates.

Auditor

Alexander Sloan, Accountants and Business Advisers, were appointed as auditor in May 2021 in relation to the company's financial statements for the year ended 31 March 2021. In accordance with the company's Articles, a resolution proposing that Alexander Sloan, Accountants and Business Advisers, be reappointed as auditor of the charitable company will be put to the Annual General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The Trustees' report was approved by the Board of Trustees.

Linda Whiteside

L Whiteside

Trustee

Dated: 17 December 2021

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees, who are also the Directors of Fort Augustus & Glenmoriston Community Company for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees 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 incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP FRS102;
- 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 charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 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.

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS AND TRUSTEES OF FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

Opinion

We have audited the financial statements of Fort Augustus & Glenmoriston Community Company (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS AND TRUSTEES OF FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Annual Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the Directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Chapter 3 of Part 16 of the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS AND TRUSTEES OF FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

Extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with Trustees and other management, and from our wider knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities SORP (FRS 102) and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- requesting correspondence with HMRC and OSCR.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS AND TRUSTEES OF FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's Trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body, and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Alan Cunningham

Alan Cunningham BA CA (Senior Statutory Auditor)
for and on behalf of Alexander Sloan

17/12/2021
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Accountants and Business Advisers
Statutory Auditor

Accountants and Business Advisers
180 St Vincent Street
Glasgow
G2 5SG

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

Current financial year

	Notes	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
<u>Income and endowments from:</u>						
Donations and legacies	3	10,000	-	-	10,000	-
Income from charitable activities	4	15,717	979	2,860,824	2,877,520	638,913
Investments	5	-	33,139	-	33,139	32,616
Other income	6	1,286	-	23,034	24,320	1,226
Total income		27,003	34,118	2,883,858	2,944,979	672,755
<u>Expenditure on:</u>						
Cost of charitable activities	7	132,832	2,992	225,100	360,924	313,357
Net income/(expenditure)before transfers		(105,829)	31,126	2,658,758	2,584,055	359,398
Gross transfers between funds	18-19	109,022	2,077,880	(2,186,902)	-	-
Net movement in funds		3,193	2,109,006	471,856	2,584,055	359,398
Fund balances at 1 April 2020		2,899	1,434,352	1,327,683	2,764,934	2,405,536
Fund balances at 31 March 2021		6,092	3,543,358	1,799,539	5,348,989	2,764,934

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 15 to 34 form an integral part of these financial statements.

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

Prior financial year

	Notes	Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Total 2020 £
<u>Income and endowments from:</u>					
Income from charitable activities	4	13,155	965	624,793	638,913
Investments	5	-	32,616	-	32,616
Other income	6	1,226	-	-	1,226
Total income		14,381	33,581	624,793	672,755
<u>Expenditure on:</u>					
Cost of charitable activities	7	90,722	8,631	214,004	313,357
Net income/(expenditure) before transfers		(76,341)	24,950	410,789	359,398
Gross transfers between funds	18	79,240	-	(79,240)	-
Net movement in funds		2,899	24,950	331,549	359,398
Fund balances at 1 April 2019		-	1,409,402	996,134	2,405,536
Fund balances at 31 March 2020		2,899	1,434,352	1,327,683	2,764,934

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 15 to 34 form an integral part of these financial statements.

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	12		2,468,330		660,742
Investment properties	13		1,110,749		1,110,749
			<u>3,579,079</u>		<u>1,771,491</u>
Current assets					
Debtors	14	147,307		136,820	
Investments	15	387,697		385,932	
Cash at bank and in hand		1,795,053		562,156	
		<u>2,330,057</u>		<u>1,084,908</u>	
Creditors: amounts falling due within one year	16	(560,147)		(91,465)	
Net current assets			<u>1,769,910</u>		<u>993,443</u>
Total assets less current liabilities			<u>5,348,989</u>		<u>2,764,934</u>
Income funds					
Restricted funds	18		1,799,539		1,327,683
<u>Unrestricted funds</u>					
Designated funds	19	3,543,358		1,434,352	
General unrestricted funds		6,092		2,899	
		<u>3,549,450</u>		<u>1,437,251</u>	
			<u>5,348,989</u>		<u>2,764,934</u>

The financial statements were approved by the Trustees on 17 December 2021

Felix Paterson

F Paterson
Trustee

Linda Whiteside

L Whiteside
Trustee

Company Registration No. SC327824

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	27		2,619,377		248,926
Investing activities					
Purchase of tangible fixed assets		(1,857,854)		(177,185)	
Proceeds on disposal of tangible fixed assets		40,000		-	
Proceeds on disposal of investment property		-		34,704	
Proceeds on disposal of other investments		(1,765)		(277,181)	
Investment income received		33,139		32,616	
Net cash used in investing activities			(1,786,480)		(387,046)
Financing activities					
Drawdown of borrowings		400,000		-	
Net cash generated from/(used in) financing activities			400,000		-
Net increase/(decrease) in cash and cash equivalents			1,232,897		(138,120)
Cash and cash equivalents at beginning of year			562,156		700,276
Cash and cash equivalents at end of year			<u>1,795,053</u>		<u>562,156</u>

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Fort Augustus & Glenmoriston Community Company is a private company limited by guarantee incorporated in Scotland. The registered office and principal place of business is 28 Queensgate, Inverness, IV1 1DJ, Scotland.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) 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 (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Designated funds are funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations

Donations are recognised when the charity has evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably. Entitlement usually arises immediately upon receipt, however, in the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Grants Receivable

Income from government and other grants, whether 'capital' or 'revenue' in nature, are recognised when the charity has unconditional entitlement to the funds, it is probable that the income will be received, the amount can be measured reliably. Unconditional entitlement will be achieved once any performance or other conditions attached to the grants have been met, or fulfilment of those conditions is wholly within the control of the charity. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Income from Charitable Activities

Income from charitable activities includes income earned both from the supply of goods or services under contractual arrangements and from performance-related grants which have conditions that specify the provision of particular goods or services to be provided by the charity. Income from charitable activities is recognised as earned (as the related goods or services are provided).

Investment Income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Other Income

Other income represents income that cannot be reported under the other analysis headings provided within the Statement of Financial Activities and is recognised when the charity is entitled to the income, it is probable that it will be received and the amount can be measured reliably by the charity.

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured or estimated reliably.

Liabilities are measured on recognition at historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date. The exception is that certain financial instruments must be adjusted to their present value; these include financial liabilities where settlement is deferred for more than 12 months after the reporting date.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Expenditure on Charitable Activities

Expenditure on charitable activities includes all costs incurred by the charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities. The costs of charitable activities presented in the Statement of Financial Activities includes the costs of both direct service provision and the payments of grant awards if applicable.

Governance costs

Governance costs (which are included as a component of support costs in accordance with SORP) comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include those related to constitutional and statutory requirements, external scrutiny (audit or independent examination), strategic management, and other legal and professional fees.

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

VAT

The charitable company is registered for VAT. As the charitable company has partial exemption status, any irrecoverable VAT is charged to the expense code to which it relates.

Activity based reporting

To comply fully with the Statement of Recommended Practice would require income and expenditure to be reported by activity. The Trustees are of the opinion that the activities of the charity are inter-linked, therefore this would be impractical to calculate and would provide no additional benefit to the users of these financial statements. Therefore no further analysis of income and expenditure is provided within these financial statements.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Heritable property	2% straight line
Fixtures, fittings and equipment	10% straight line
Land	Not depreciated

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure.

Investment property is carried at fair value determined annually by the trustees and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary, for any difference in the nature, location, or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Financial Activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation have been applied to the depreciation rates, accruals, and the valuation of investment properties. The estimate of accruals is deemed to be appropriate due to management's understanding of liabilities at the year end. The depreciation rates are deemed to be appropriate based on the expected useful lives for each class of asset. The value of investment properties at the year-end is deemed reasonable based on the Trustees' evaluation of the carrying value.

3 Donations and legacies

	Unrestricted funds general 2021 £	Total 2020 £
Covid-19 Grant (Highland Council)	10,000	-

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

4 Income from charitable activities

	2021 £	2020 £
Housing grants	2,345,325	197,971
Community jobs grants (SCVO)	10,485	1,440
Community challenge service level agreement	28,164	27,323
Community benefit grants	398,910	396,230
Community resilience	88,192	-
Rental income from Village Hall	5,215	11,215
Other income	1,229	4,234
Apprenticeships	-	500
	<u>2,877,520</u>	<u>638,913</u>
Analysis by fund		
Unrestricted funds - general	15,717	13,155
Unrestricted funds - designated	979	965
Restricted funds	2,860,824	624,793
	<u>2,877,520</u>	<u>638,913</u>
Community benefit grants		
Millenium Wind Farm (Falck)	78,831	81,178
SSE Renewables Glendoe	80,521	77,500
SSE Renewables Bhlaraidh	233,892	231,952
Highland Energy	5,666	5,600
	<u>398,910</u>	<u>396,230</u>
Housing grants		
SSE Sustainable Development Fund	115,000	-
Rural Housing Fund (Scottish Government)	970,000	-
Stronelaig Wind Farm - SSE Renewables	916,610	197,971
SSE Renewables Bhlaraidh	238,215	-
Great Glen Energy Co-operative	5,000	-
Albyn Housing Association	500	-
Beinneun Wind Farm	100,000	-
	<u>2,345,325</u>	<u>197,971</u>

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Investments

	Unrestricted funds designated 2021 £	Unrestricted funds designated 2020 £
Rental income from investment properties	31,203	30,233
Interest receivable	1,936	2,383
	<u>33,139</u>	<u>32,616</u>

6 Other income

	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds general 2020 £
Solar income	1,286	-	1,286	1,226
Job Retention Scheme	-	23,034	23,034	-
	<u>1,286</u>	<u>23,034</u>	<u>24,320</u>	<u>1,226</u>

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Cost of charitable activities

	2021 £	2020 £
Staff costs	161,373	137,742
Depreciation and impairment	10,266	10,264
Project and activities costs	51,972	32,584
Premises costs	15,100	21,663
Running costs	13,394	16,280
Motor and travel costs	1,180	1,262
Legal and professional	6,509	8,805
Interest and finance charges	367	166
Governance costs	10,678	7,417
	<u>270,839</u>	<u>236,183</u>
Grant funding of activities (see note 8)	90,085	77,174
	<u>360,924</u>	<u>313,357</u>
Analysis by fund		
Unrestricted funds - general	132,832	90,722
Unrestricted funds - designated	2,992	8,631
Restricted funds	225,100	214,004
	<u>360,924</u>	<u>313,357</u>

8 Grants payable

	2021 £	2020 £
Education and lifelong learning	-	10,867
Health and wellbeing	43,365	42,156
Heritage and culture	1,174	2,546
Travel bursary	1,500	1,500
Community benefit	900	4,839
Community resilience	43,146	15,266
	<u>90,085</u>	<u>77,174</u>

Grants payable of £90,085 include grants to individuals totalling £19,705 (2020 - £19,097).

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. See also Note 26.

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

10 Net income/(expenditure) for the year

	2021	2020
	£	£
Net income/(expenditure) for the year is stated after charging:		
Audit of the annual Accounts	10,400	5,805
Depreciation of owned tangible fixed assets	10,266	10,264
	<u>10,400</u>	<u>10,264</u>

11 Employees

The average monthly number of employees during the year was:

	2021	2020
	Number	Number
	7	7
	<u>7</u>	<u>7</u>

Employment costs

	2021	2020
	£	£
Wages and salaries	148,256	126,036
Social security costs	7,477	6,747
Other pension costs	5,640	4,959
	<u>161,373</u>	<u>137,742</u>

Key Management Remuneration

The remuneration of key management personnel during the year, including wages and salaries, and employer's contributions to national insurance and pensions, was £44,526 (2020 - £35,806).

There were no employees whose annual remuneration was £60,000 or more.

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Tangible fixed assets

	Heritable property	Fixtures, fittings and equipment	Land	Total
	£	£	£	£
Cost				
At 1 April 2020	246,829	61,535	408,884	717,248
Additions	-	-	1,857,854	1,857,854
Disposals	-	-	(40,000)	(40,000)
At 31 March 2021	246,829	61,535	2,226,738	2,535,102
Depreciation and impairment				
At 1 April 2020	36,857	19,649	-	56,506
Depreciation charged in the year	4,937	5,329	-	10,266
At 31 March 2021	41,794	24,978	-	66,772
Carrying amount				
At 31 March 2021	205,035	36,557	2,226,738	2,468,330
At 31 March 2020	209,972	41,886	408,884	660,742

13 Investment properties

	2021
	£
Fair value	
At 1 April 2020 and 31 March 2021	1,110,749

The Trustees are of the opinion that the above represents the fair value of the investment properties at 31 March 2021.

14 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	970	1,369
Other debtors	8,085	1,195
Prepayments and accrued income	138,252	134,256
	<u>147,307</u>	<u>136,820</u>

15 Current asset investments

	2021	2020
	£	£
Short term deposits	<u>387,697</u>	<u>385,932</u>

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 Creditors: amounts falling due within one year

	2021	2020
	£	£
The Highland Council Loan	400,000	-
Other taxation and social security	2,404	2,341
Trade creditors	7,897	15,312
Other creditors	91,812	4,233
Accruals and deferred income	58,034	69,579
	<u>560,147</u>	<u>91,465</u>

17 Securities

The Scottish Ministers hold a Standard Security over the whole of the ground floor flat at 2 Bunoich Crescent, Fort Augustus, PH32 4DX.

The Royal Bank of Scotland registered a bond and floating charge over all assets of the company on 18 March 2021 and registered Standard Securities over the Cill Chuimein Medical Centre, Fort Augustus, PH32 4BH after the year end on 9 April 2021.

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2019 £	Movement in funds			Balance at 1 April 2020 £	Movement in funds			Balance at 31 March 2021 £
		Income £	Expenditure £	Transfers £		Income £	Expenditure £	Transfers £	
Millennium Wind Energy Limited	110,211	81,178	(10,774)	(36,819)	143,796	78,831	(8,290)	(56,771)	157,566
SSE Renewables Glendoe Community Benefit	98,752	77,500	(10,012)	(36,819)	129,421	80,521	(8,153)	(120,897)	80,892
SSE Renewables Bhlairaidh Community Benefit	32,247	231,952	(30,374)	(110,457)	123,368	233,892	(24,603)	(153,382)	179,275
SSE Renewables Stronelaig	381,031	197,971	(17,842)	-	561,160	-	8,202	(110,078)	459,284
Highland Energy	14,995	5,600	(8,172)	-	12,423	91,841	(55,972)	-	48,292
Village Hall	136,609	-	(6,761)	-	129,848	-	-	(129,848)	-
Apprenticeships Scheme	-	-	(22,052)	22,160	108	-	(40,702)	40,594	-
Land Project	212,289	3,061	(1,297)	-	214,053	-	(372)	(213,681)	-
Community Caretakers	10,000	27,323	(106,720)	82,695	13,298	51,448	(94,981)	40,235	10,000
Community Housing	-	208	-	-	208	2,345,325	(229)	(1,483,074)	862,230
Emergency Services	-	-	-	-	-	2,000	-	-	2,000
	996,134	624,793	(214,004)	(79,240)	1,327,683	2,883,858	(225,100)	(2,186,902)	1,799,539

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Restricted funds

(Continued)

Millennium Wind Energy, SSE Renewables Glendoe, SSE Renewables Blairaidh, SSE Renewables Stronelaig and Highland Energy

The Millennium Wind Energy, SSE Renewables Glendoe Community Benefit, SSE Renewables Blairaidh Community Benefit, SSE Renewables Stronelaig and Highland Energy funds are for the benefit of the Fort Augustus and Glenmoriston communities.

Village Hall

The Village Hall Fund formerly related to the building of the extension at the Village Hall.

Apprenticeships Scheme

The Apprenticeship Scheme is available for the Trustees to fund 2/3 apprenticeships per annum for the foreseeable future

Land Project

The Land Project Fund related to the old convent wood and land which the Trustees pursued under the Scottish Government's Community Right to Buy. The Fund was expended at 31 March 2021 on its transfer to the Community Housing Project Land Fund (Designated Asset).

Community Caretakers

The Community Caretaker Fund represented Funds held to better enhance the area which will increase tourism and bring benefits to encourage families to settle in the area. Most importantly it will make the villages more enjoyable to live in.

Community Housing

After completion of the Community Action plan, we found that there was a shortage of affordable housing in the community. We then instructed a housing survey by Rural Housing Scotland and found that we required 24 houses in the area. We also have been encouraging young people to stay in the community by offering apprenticeships which caused us to think we needed to do some house building and address the lack of houses coming on to the market that we could purchase. We spoke with SSE Renewables as we had just started to receive income from Stronelaig Wind Farm Ltd and they were happy for us to draw down the next 5 years' money along with an extra year of SSE Renewables Blairaidh Wind Farm. This allowed us to apply to the Scottish Government Rural Housing Fund from which we were awarded £970,000. This allowed us to get 12 houses designed and started to be built in the old convent land which we had purchased previously. The housing will be a legacy for the community as the rental income which is set at affordable rates will be used for grant giving as well as maintenance in the future when the renewable funds stop. It will also provide 12 well built homes for the community.

Emergency Services

Mrs Marilyn Bannen, wife of the actor Ian Bannen who was killed in a car accident in the area in November 1999, left £2,000 in her Will for the emergency services to use for the community as an expression of gratitude for help provided when the accident happened. The emergency services felt it would be a fitting tribute to Mr and Mrs Bannen to use the money and buy further defibrillator for the village of Fort Augustus whilst any remaining money would be used for the upkeep of the other defibrillators in the communities of Fort Augustus and Glenmoriston. The defibrillator was ordered post year end and will be sited at the West End Garage to cover the South side of the village.

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the Trustees for specific purposes:

	Balance at 1 April 2019		Movement in funds		Balance at 1 April 2020		Movement in funds		Transfers		Balance at 31 March 2021	
	£	£	Income	Expenditure	£	£	Income	Expenditure	£	£	£	£
Community Legacy	291,221	-	-	-	291,221	-	1,936	-	98,333	-	391,490	
Community Housing	78,646	7,733	(807)	(807)	85,572	(642)	5,302	(642)	(74,830)	15,402		
Community Caretakers	18,545	-	(3,744)	(3,744)	14,801	-	-	-	(14,801)	-		
Medical Centre (Revenue)	1,020,990	25,848	(4,080)	(4,080)	1,042,758	(2,350)	26,880	(2,350)	(1,017,822)	49,466		
Heritable Property - Village Hall (Asset)	-	-	-	-	-	-	-	-	205,035	205,035		
Fixtures, Fittings and Equipment (Asset)	-	-	-	-	-	-	-	-	36,557	36,557		
Community Housing Project (Asset)	-	-	-	-	-	-	-	-	1,509,651	1,509,651		
Community Housing Project Land (Asset)	-	-	-	-	-	-	-	-	225,007	225,007		
Investment Property - Medical Centre	-	-	-	-	-	-	-	-	979,711	979,711		
Investment Property - Flat	-	-	-	-	-	-	-	-	131,039	131,039		
	<u>1,409,402</u>	<u>33,581</u>	<u>(8,631)</u>	<u>(8,631)</u>	<u>1,434,352</u>	<u>(2,992)</u>	<u>34,118</u>	<u>(2,992)</u>	<u>2,077,880</u>	<u>3,543,358</u>		

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

19 Designated funds	(Continued)
Community Legacy The Trustees have designated funds from Millennium Wind Energy, SSE Renewables Bhlaraidh Community Benefit Fund, and SSE Renewables Glendoe Community Benefit Fund (Restricted Funds) on the basis that all restrictions have been met. This Fund is to provide a long-term benefit to the community after the 25 year arrangement has expired.	
Community Housing (Revenue) The Trustees have designated funds previously funded from The Scottish Ministers which were awarded to the charitable company to assist in the purchase of the community housing property. As the original restrictions relating to this grant have been met, these funds have now been designated along with any funds generated by the property to use against further costs relating to the property.	
Community Caretakers The Trustees have agreed to fund the Community Caretakers scheme per annum to better enhance the area which will increase tourism and bring benefits to encourage families to settle in the area. Most importantly it will make the villages more enjoyable to live in.	
Medical Centre (Revenue) Represents the net rental income from the Medical Centre.	
Heritable Property - Village Hall (Asset) Represents the net book value of the Village Hall.	
Fixtures, Fittings & Equipment Fund (Asset) Represents the net book value of Fixtures, Fittings & Equipment Fund.	
Community Housing Project (Asset) Represents, excluding land, the net book value of the Community Housing Project less loans and creditors.	
Community Housing Project Land (Asset) Represents the net cost of the land on which the Community Housing Project has been constructed.	
Investment Property - Medical Centre Represents the fair value of the Medical Centre.	
Investment Property - Flat Represents the fair value of the Flat.	

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

22 Transfers - Designated Funds

Community Legacy

Transfers totalling £98,333 representing the charity's allocation of funds in accordance with its 25% Reserves Policy: £19,667 from Millennium Wind Energy (Restricted); £19,667 from SSE Renewables Glendoe (Restricted); £58,999 from SSE Renewables Bhlaraidh (Restricted).

Community Housing (Revenue)

Transfer totalling £85,572 representing the reallocation of capital relating to the Flat: £85,572 to Investment Property Flat Fund (Designated).

Transfer totalling £10,742 to align the net revenue balance on the Flat at 31 March 2021: £10,742 from SSE Renewables Stronelaig (Restricted).

Community Caretakers

Transfer totalling £14,801 representing the reallocation of fixed assets: £14,801 to Fixtures, Fittings & Equipment Fund (Designated Asset).

Medical Centre (Revenue)

Transfers totalling £1,017,822 to reallocate capital relating to the Medical Centre and align the Revenue Fund balance at 31 March 2021: £979,711 to Investment Property – Medical Centre (Designated); £38,111 to Community Housing (Restricted).

Heritable Property – Village Hall (Designated Asset)

Transfers totalling £205,035 to align the net book value of the Village Hall: £129,848 from Village Hall (Restricted); £64,126 from SSE Renewables Glendoe (Restricted); £2,212 Millennium Wind Energy Limited (Restricted); £2,212 SSE Renewables Glendoe (Restricted); £6,637 SSE Renewables Bhlaraidh (Restricted).

Fixtures, Fittings & Equipment Fund (Designated Asset)

Transfers totalling £36,557 to align the net book value of fixed assets: £14,801 from Community Caretaker (Designated); £21,756 from SSE Renewables Stronelaig (Restricted).

Community Housing Project (Designated Asset)

Transfer totalling £1,509,651 representing the capitalised expenditure, less creditors, of the Caledonian Court Housing Project at 31 March 2021: £1,509,651 from Community Housing (Restricted).

Community Housing Project Land (Designated Asset)

Transfers totalling £225,007 to reflect the net book value of the old Convent land at 31 March 2021: £213,681 from Land Project (Restricted); £11,326 from Community Housing (Restricted).

Investment Property - Medical Centre

Transfer totalling £979,711 to reflect the fair value of the Medical Centre: £979,711 from Medical Centre Revenue (Designated).

Investment Property – Flat

Transfers totalling £131,039 to reflect the fair value of the Flat: £85,572 from Community Housing Revenue (Designated); £9,093 from Millennium Wind Energy Limited (Restricted); £9,093 from SSE Renewables Glendoe (Restricted); £27,281 from SSE Renewables Bhlaraidh (Restricted).

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

23 Transfers - Restricted Funds

Millennium Wind Energy Limited

Transfers totalling £56,771 to align the closing balance at 31 March 2021 after the reallocation of Designated and Restricted expenditure: £19,667 to Community Legacy Fund (Designated); £9,093 to Investment Property Flat Fund (Designated); £2,212 to Heritable Property – Village Hall (Designated Asset); £6,404 to Community Caretakers Fund (Restricted); £6,495 to Apprenticeships Scheme Fund (Restricted); £12,900 to General Fund (Unrestricted).

SSE Renewables Glendoe

Transfers totalling £120,897 to align the closing balance at 31 March 2021 after the reallocation of Designated and Restricted expenditure: £19,667 to Community Legacy Fund (Designated); £9,093 to Investment Property Flat Fund (Designated); £66,338 to Heritable Property – Village Hall (Designated Asset); £6,404 to Community Caretakers Fund (Restricted); £6,495 to Apprenticeships Scheme Fund (Restricted); £12,900 to General Fund (Unrestricted).

SSE Renewables Bhlaraidh

Transfers totalling £153,382 to align the closing balance at 31 March 2021 after the reallocation of Designated and Restricted expenditure: £58,999 to Community Legacy Fund (Designated); £27,281 to Investment Property Flat Fund (Designated); £6,637 to Heritable Property – Village Hall (Designated Asset); £10,808 to Community Caretakers Fund (Restricted); £10,960 to Apprenticeships Scheme Fund (Restricted); £38,697 to General Fund (Unrestricted).

SSE Renewables Stronelairg

Transfers totalling £110,078 to align the closing balance at 31 March 2021 after the reallocation of Designated and Restricted expenditure: £10,742 to Community Housing Revenue Fund (Designated); £21,756 to Fixtures, Fittings & Equipment Fund (Designated Asset); £16,411 to Community Caretakers Fund (Restricted); £16,644 to Apprenticeships Scheme Fund (Restricted); £44,525 to General Fund (Unrestricted).

Village Hall

Transfer totalling £129,848 to remove capital element of the Village Hall:
£129,848 to the Village Hall Fund (Designated Asset).

Apprenticeships Scheme

Transfers totalling £40,594 representing the reallocation of funds to finance the Apprenticeships Scheme: £6,495 from Millennium Wind Energy Limited (Restricted); £6,495 from SSE Renewables Glendoe (Restricted); £10,960 from SSE Renewables Bhlaraidh (Restricted); £16,644 from SSE Renewables Stronelairg (Restricted).

Land Project

Transfer totalling £213,681 to remove capital element of the old Convent land:
£213,681 to Community Housing Project Land (Designated Asset).

Community Caretakers

Transfers totalling £40,235 representing the reallocation of Funds to finance the Community Caretakers: £208 from Community Housing Fund (Restricted); £6,404 from Millennium Wind Energy Limited (Restricted); £6,404 from SSE Renewables Glendoe (Restricted); £10,808 from SSE Renewables Bhlaraidh (Restricted); £16,411 from SSE Renewables Stronelairg (Restricted).

Community Housing

Transfers totalling £1,521,185 representing the capitalised expenditure, less creditors, of the Caledonian Court Housing Project at 31 March 2021: £1,509,651 to Community Housing Project (Designated Asset); £208 to Community Caretakers Fund (Restricted); £11,326 to the Community Project Housing Land (Designated Asset).

Transfer totalling £38,111 representing Funds to assist the financing of the Community Housing Project: £38,111 from the Medical Centre Revenue Fund (Designated).

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

24 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	5,130	4,173
Between two and five years	4,703	-
	<u>9,833</u>	<u>4,173</u>

Lessor

At the reporting end date, the charity had contracted with tenants for the following minimum lease payments:

	2021 £	2020 £
Within one year	25,000	25,000
Between two and five years	100,000	100,000
In over five years	200,000	225,000
	<u>325,000</u>	<u>350,000</u>

25 Capital commitments

At 31 March 2021 the charity had capital commitments as follows:

Contracted for but not provided in the financial statements:

Acquisition of property, plant and equipment	843,627	-
	<u>843,627</u>	<u>-</u>

26 Related party transactions

One Trustee was reimbursed for mileage and office expenses paid personally of £1,743 during the year (2020 - one Trustee £1,946).

Goods of £242 were purchased during the year from a supplier with whom a Trustee had a connection.

FORT AUGUSTUS & GLENMORISTON COMMUNITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

27	Cash generated from operations		2021	2020
			£	£
	Net income for the year		2,584,055	359,398
	Adjustments for:			
	Investment income recognised in statement of financial activities		(33,139)	(32,616)
	Depreciation and impairment of tangible fixed assets		10,266	10,264
	Movements in working capital:			
	(Increase)/decrease in debtors		(10,487)	39,800
	Increase/(decrease) in creditors		68,682	(127,920)
	Cash generated from operations		2,619,377	248,926
28	Analysis of changes in net funds			
		At 1 April 2020	Cash flows	At 31 March 2021
		£	£	£
	Cash at bank and in hand	562,156	1,232,897	1,795,053
	Loans falling due within one year	-	(400,000)	(400,000)
		<u>562,156</u>	<u>832,897</u>	<u>1,395,053</u>

29 Covid-19

Having adapted the charity's operational activities during the lockdown restrictions and assessed the possible impact of Covid-19 on the charity's projected income, expenditure and its assets, the Trustees believe that the charity's assets are not impaired.