

## Minutes of AGM

### Morvern Community Development Company and

### Morvern Community Trading Company

Thursday, 12<sup>th</sup> November 2020, 7.30pm, Zoom

#### Present

**Directors:** Jane Stuart-Smith, Sarah Jones, Angus Robertson, Jennie Robertson, Alasdair Firth, Amy Stammers, Morven Gemmill, Lesley Jones, Nick Tordoff, Lilia Dobrokhodova (Development Officer and MCDC/MCTC Co Secretary).

**Members of the public:** Stuart Layton, Sue Layton, Mike Foulis, Gill Foulis, Susan Taylor.

**Proxies:** None received.

**Apologies:** Mark Lawrence.

#### Agenda:

1. Apologies and Proxies.
2. Minutes of the last AGM (28.11.2019)
3. Chairman's Report
4. Treasurer's Report and presentation of Accounts
5. Appointment of Auditors
6. Retirement/Appointment of Directors
7. Election of Office Bearers
8. Subscription fees (proposed to remain @ £1 for life)
9. A.O.B.

**1. Apologies & Proxies:** Jane welcomed everyone to the AGM. Lilia noted that no proxies or new director nominations have been received. MCC emailed with two MCC councillors to join the board of MCDC. Jane noted that the meeting was quorate.

**2. Minutes of the last AGM:** The minutes of the last AGM (28.11.2019) were read and accepted.

Nick proposed, Stuart seconded.

**3. Chairperson's Report:** Jane thanked everyone for coming to the AGM and read out a brief account of companies' activities for the last year. The full Chair's report is attached to the minutes.

#### Treasurer's Report & Presentation of Accounts

**4.** Angus presented MCDC charity accounts and MCTC and MorVolts management accounts to 31.03.2020 to the meeting. MCDC and MCTC accounts are available on [www.morvern.org](http://www.morvern.org) The full Treasurer's report is attached to the minutes. Angus as treasurer recommends approval of the accounts. Mike Foulis raised a question about the very high level of debtors in the Accounts and Angus agreed to find the answer for this and inform Mike and the board. Subject to a clarification on Mike's question, the meeting approved all three sets of accounts. Following the meeting

the question was answered by email on the 17th November to everyone's satisfaction.

**5. Appointment of Auditors:**

R.A.Clement Associates were appointed as Auditors for the time being. The meeting agreed that the board should carry out a review of our accounting requirements during the year and appoint the best team for the job. A change to the Auditor will only be implemented if our Mem & Arts allows, or otherwise following agreement at a future EGM.

**5. Retirement & Appointment of Directors:** Jennie Robertson and Nick Tordoff are standing down as MCDC directors by rotation and are available for re- election. The meeting re – elected Jennie and Nick. Proposed by Sarah, seconded by Mike.

MCC appointed Morven Gemmill and Kenny Maclaughlin to MCDC board. Alasdair Firth is stepping down from MCDC board as MCC representative. Jane thanked Alasdair for his time and all the hard work while on the board.

**6. Election of Office Bearers** – this discussion took place after the AGM. All MCTC directors are happy to stay on as directors for now, people have been asked to think if they would like to join the MCTC board at any time in the year and noted that directors do not have to be directors of MCDC but the appointment must be supported by MCDC board.

MorVolts board are all happy to stay.

Lilia remained the Company Secretary for MCDC, MCTC, MorVolts.

**7. Subscription fee:** to remain £1 for life.

**8. AOB:**

Question was raised why associate members were not invited to the AGM. We will look into that.

Hub progress and various things that need to be done and agreed was discussed. Lease is becoming urgent.

LIFE bid and potential office space requirements have been discussed.

## **Morvern Community Development Company Chair's report for AGM**

2019 seems a long time ago after the year of the COVID-19 pandemic we are going through.

Looking back 2019 was a successful year for MCDC – pipeline projects moved forward and the pontoons had a good year.

### **The Shore facilities**

The shore facilities and marina were well used by locals and visitors. The sailing club was active and the income from visiting and local boat was up approx. £6-8000. The pontoons have a well-deserved reputation for being a friendly place to visit and huge thanks are due to the three harbour masters Chris, Jeremy and Rhian for all the work they put in.

### **The Barr Hydro Scheme**

Worked carried on throughout the year to bring the Barr Hydro Scheme to the point we could start building. The work included creating a subsidiary company wholly owned by MCDC called Morvolts. The reason being is to ring fence the hydro scheme's assets and liabilities so that, in the event that things do not go to plan, all of MCDC's other assets are protected. Sarah Jones, Nick Tordoff and Angus Robertson kindly agreed to be directors and have worked incredibly hard to achieve financial close and to enable us to start construction in 2020. It was a massive achievement to borrow approx. £6.5 million and I want to thank all three directors for their fantastic work.

### **The Hub and Housing**

Work on the hub and three housing units on the site of the Old Scout Hut continued and we managed to raise the funding required. This was with the help of the MCT and we are very grateful for their support.

### **The EV car**

The car club was set up and ran smoothly. The electric car was used regularly by local residents and some visitors.

### **Community Consultation**

MCDC started discussions with MCC and MCT about consulting the community to understand better the community's priorities for the next 5/10 years. The consultation was delayed because MCC went into abeyance and then COVID19. MCC has now taken this on and MCDC look forward to taking part in the consultation.

MCDC and MCTC rely on the time and energy of the volunteer directors supported by our Project Officer. I want to thank everyone on the Board for their time and Lilia for her hard work and unstoppable ability to find funding for our projects -she is outstanding at doing this. I am sure there are times when the Board will have preferred to be elsewhere than at or on a zoom meeting. But we achieved a good deal in 2019. We have much to do and 2020/21 will, hopefully see the completion two of our major projects that have taken up a huge amount of our capacity for the last 2 years – the hydro and the hub/housing.

Jane Stuart-Smith 12 Nov 2020

# Treasurer's Report to MCDC AGM 12/11/2020

I would like to present the accounts for the year to 31<sup>st</sup> March 2020 for MCDC, and its two subsidiaries, MCTC and MorVolts.

Firstly, MCDC, looking first at the Income and Expenditure account (page 7)

**Grant income.** At £125,981 this is down by around £33k on the previous year. It is made up of the HIE's project officer funding for Lilia's post and grants for the Hub and affordable housing.

**Investment Income** of £79 is bank interest

**Other Income,** is very similar to last year. It is largely from rental income from MCTC who pay a rent for the harbour and fuel pumps plus the admin charge we make to MCT for the Shallachain hydro scheme.

**Expenditure on charitable activities** (which includes most of our work) is down by around £65k on last year. Expenditure is largely funded by, and relates closely to, our grant income, which was also down on last year. Note 7 on page 14 usefully details the expenditure on our main charitable activities.

**Other Expenditure** covers non charitable activities like admin and governance costs. This is up by around £3000 due to two things:

1. Increased trustee meeting costs which covered village hall rental and catering for our very successful anniversary celebrations in September last year.
2. Accrued interest on the loans we took out from the Scottish Government's CARES scheme to fund the development of the Barr Hydro scheme. In July 2020, MorVolts reimbursed MCDC for these costs and that will appear in next year's accounts

The net result of all of this in the Income and Expenditure Account is a surplus for the year of £15,339 as against £4,153 in the previous year, which, considering the amount we have achieved in the year, should be considered a good result.

## Looking at the balance sheet page 8

The only significant addition to the tangible fixed assets is £13,293 for the electric car charging point which is to be fitted along with the hub and also £16,636 for additions to the value of the hydro scheme. The addition of £1100 to our investment value represents a loan to MorVolts.

Debtors (money owed to us) are up significantly (by around £112k). This is largely due to the other debtors which are VAT repayments due from HMRC.

Creditors due within 1 year (money we owe to others) are also up significantly (by around £49k). This is largely related to money we owed at the yearend to McGregor's for the major construction projects currently under way.

Creditors due after 1 year. This is up by £25k due to an increase in the amount owed to CARES, which, as stated previously, was refunded to MCDC in July 2020

In summary the Net Asset value of the company has increase from £720,401 up to £735,740, I think that this is something we should be proud of and I recommend the accounts to the board

ANY QUESTIONS?

## MCTC

An examination of the accounts compared to the previous year show that we ended the year with a profit of £6992 as compared to £19608 (before making our donation to MCDC) last year. This is a fall in profits of around £12.5k. Looking at the P&L account on page 8 the main pointers to explain this performance include:

1. A rise of £10.5k in income from the harbour.
2. A fall of nearly £8k in fuel sales
3. A fall of £5.6k in Sundry Receipts due to a one-off grant funded contract to administer the electric car project in 2018/19
4. On the expenditure side we were down by around £7,700 in comparisons with the previous year. The main offenders included Light and Heat (-£1200), Property repairs (-£1400), HM wages (-£1300), Telephone (-£900), Motor expense (-1600) and bank charges (-£350).

The final item to note in the comparison with last year is around the amount of fuel we purchased, and the amount held in stock at the year end. Despite fuel sales falling by £8k we purchased around £6k more fuel. The reason for this is to do with the lengthy piece of work we have been doing to correct our accounting of the fuel stocks over recent years, due to mistakes we made some years ago with our previous bookkeeper. For this year we have had to write off £6468.48 from the value of our fuel stock and this counts as an expense on the P&L and explains why the accounts show us purchasing more fuel than we sold. This process of correction has affected our accounts over a number of years but I am now glad to be able to report that the yearend fuel stock valued in the accounts now represents the actual value of fuel held, based on the actual year end tank dip and the cost per litre of the fuel we purchased, and that is how it should be

The main message from all of this is that our business works to tight margins and we need to manage the finances of the business very well if we are to turn a profit for the community. We had hoped to do that and improve the situation in 2020 but then COVID hit. If and when things recover, on that front, we must remember that message as we go forward.

Apart from all of that gloom and doom, I think the accounts are a fair representation of what happened during the year and I recommend the accounts for approval by the board.

Please have a look at them and then signify your approval (or otherwise) to me asap and in time for me to present them to the AGM tonight.

ANY QUESTIONS?

## MorVolts

The accounts to 31<sup>st</sup> March 2020 cover the short period from our incorporation on the 22<sup>nd</sup> May 2019 and even shorter period of trading from August 2019. The accounts agree pretty closely with our management accounts. We made a trading loss of £3 in the year and invested some £206k in starting the Barr scheme.

ANY QUESTIONS?