

**Report of the Directors and
Unaudited Financial Statements for the Year Ended 31 July 2018
for
Kyle & Lochalsh Trading Limited**

Kyle & Lochalsh Trading Limited

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for the Year Ended 31 July 2018**

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Kyle & Lochalsh Trading Limited

**Company Information
for the Year Ended 31 July 2018**

DIRECTORS:	D C Finlayson M A Murphy
SECRETARY:	B Easter
REGISTERED OFFICE:	c/o Brian Easter Kyle Cottage Main Street Kyle of Lochalsh IV40 8BY
REGISTERED NUMBER:	SC478979 (Scotland)
ACCOUNTANTS:	Campbell Stewart MacLennan & Co Chartered Accountants 8 Wentworth Street Portree Highland IV51 9EJ

Kyle & Lochalsh Trading Limited

**Report of the Directors
for the Year Ended 31 July 2018**

The directors present their report with the financial statements of the company for the year ended 31 July 2018.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2017 to the date of this report.

D C Finlayson
M A Murphy

Other changes in directors holding office are as follows:

R W J Wilson - resigned 24 October 2017

H B Paul ceased to be a director after 31 July 2018 but prior to the date of this report.

CHARITABLE DONATION

At the year end, the company accrued a donation of £14,966 (2017 - £10,439) to be paid to the charitable parent company, Kyle & Lochalsh Community Trust.

A donation of £250 was paid to a local charity during the year.

PONTOON INCOME

The company experienced administrative problems during the current accounting period, which resulted in incomplete accounting records, as referred to in note five to the financial statements, and the preparation of the 2018 accounts being delayed. The board of directors has since reorganised its role and structure to help fulfil its responsibilities and feel that improved transparency, communication and mentoring should ensure that future administration is kept up to date.

Included in other debtors for the period ended 31 July 2018 is a balance of £3,117 of estimated pontoon income due to be paid to the company.

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

ON BEHALF OF THE BOARD:

.....
D C Finlayson - Director

Date:

Kyle & Lochalsh Trading Limited

**Statement of Income and Retained Earnings
for the Year Ended 31 July 2018**

	Notes	31.7.18		31.7.17 as restated	
		£	£	£	£
TURNOVER			46,382		41,253
Cost of sales			<u>1,987</u>		<u>2,034</u>
GROSS PROFIT			44,395		39,219
Distribution costs		-		1,140	
Administrative expenses		<u>44,395</u>	<u>44,395</u>	<u>38,077</u>	<u>39,217</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION			-		2
Tax on profit			<u>-</u>		<u>-</u>
PROFIT FOR THE FINANCIAL YEAR			-		2
Retained earnings at beginning of year			-		(2)
			<u><u> </u></u>		<u><u> </u></u>

The notes form part of these financial statements

Kyle & Lochalsh Trading Limited (Registered number: SC478979)

Balance Sheet
31 July 2018

	Notes	31.7.18 £	31.7.17 as restated £
CURRENT ASSETS			
Debtors	6	3,117	-
Cash at bank and in hand		26,699	26,467
		<u>29,816</u>	<u>26,467</u>
CREDITORS			
Amounts falling due within one year	7	28,229	23,897
		<u>1,587</u>	<u>2,570</u>
NET CURRENT ASSETS			
		<u>1,587</u>	<u>2,570</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		1,587	2,570
ACCRUALS AND DEFERRED INCOME			
		1,585	2,568
		<u>2</u>	<u>2</u>
NET ASSETS		<u>2</u>	<u>2</u>
CAPITAL AND RESERVES			
Called up share capital		2	2
		<u>2</u>	<u>2</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2018 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on and were signed on its behalf by:

.....
D C Finlayson - Director

Kyle & Lochalsh Trading Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

1. STATUTORY INFORMATION

Kyle & Lochalsh Trading Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Preparation of consolidated financial statements

The financial statements contain information about Kyle & Lochalsh Trading Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 3 (2017 - 3).

4. PRIOR YEAR ADJUSTMENT

In preparing the financial statements, the directors decided to apply FRS102 Section 1A to ensure the circumstances mentioned in note four to the accounts are fully disclosed.

After applying FRS102 Section 1A no prior year adjustments were required.

Kyle & Lochalsh Trading Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2018**

5. PONTOON INCOME

The accounting records of the company are incomplete. A spreadsheet recording pontoon income was not maintained after 10 June 2018 and it is not therefore possible to verify the actual income earned by the pontoons from this date onwards. The person responsible for the maintenance of the records has reported that that these were destroyed as they were kept on a boat which was flooded.

Cash receipts for the pontoons were not lodged in the trading company's bank account as required under the service level agreement and these receipts should have been deposited in the bank account of the company with a separate commission payment being made to the person responsible for income collection. However it appears that cash deposits have been made net of commission, with some online payments being made directly into an external bank account outwith the company's control. The matter has now been reported to Police Scotland.

it is not therefore possible to verify pontoon income from bank account receipts either.

We have calculated the company's pontoon income on the following basis:

1. Income lodged within the bank account.
2. Reversal of any debtors balances relating to the prior period.
3. Enquiries with staff and directors to determine any other known balances paid to the pontoon co-ordinator.
4. Adjusting for the free berthing and 25% commission agreed within the service level agreement.

The directors do not have access to all income records to confirm the completeness of the pontoon income figure included in these accounts.

Included in other debtors for the period ended 31 July 2018 is a balance of £3,117 of estimated pontoon income due to be paid to the company.

The inadequacy of income recording occurred over the 2018 summer and continued after the year ended 31 July 2018 and the directors are reviewing systems and procedures to ensure that adequate records are maintained and appropriately monitored going forward.

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.18	31.7.17 as restated
	£	£
Other debtors	3,117	-
	<u>3,117</u>	<u>-</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.18	31.7.17 as restated
	£	£
Trade creditors	324	-
Amounts owed to group undertakings	26,344	23,267
Taxation and social security	1,433	630
Other creditors	128	-
	<u>28,229</u>	<u>23,897</u>

8. RELATED PARTY DISCLOSURES

During the year, the company operated a service level agreement with H B Paul, director (removed from office 29/03/19). In return for duties outlined in the agreement, H B Paul received a free berthage which had been estimated at a value of £1,500 (2017 - £1,500) and 25% of the pontoon fees collected.

Circumstances relating to the collection of 2018 pontoon fees and maintenance of these records is disclosed in note five to the accounts.

9. POST BALANCE SHEET EVENTS

The impact of the exceptional item in note five to the accounts occurred over the 2018 summer season and continued to impact after the year end 31 July 2018.

Kyle & Lochalsh Trading Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2018**

10. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Kyle & Lochalsh Community Trust.

**Chartered Accountants' Report to the Board of Directors
on the Unaudited Financial Statements of
Kyle & Lochalsh Trading Limited**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Kyle & Lochalsh Trading Limited for the year ended 31 July 2018 which comprise the Statement of Income and Retained Earnings, Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of ICAS, we are subject to its ethical and other professional requirements which are detailed at <http://www.icas.com/accountspreparationguidance>.

This report is made solely to the Board of Directors of Kyle & Lochalsh Trading Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Kyle & Lochalsh Trading Limited and state those matters that we have agreed to state to the Board of Directors of Kyle & Lochalsh Trading Limited, as a body, in this report in accordance with the requirements of ICAS as detailed at <http://www.icas.com/accountspreparationguidance>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Kyle & Lochalsh Trading Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Kyle & Lochalsh Trading Limited. We draw your attention to note five in the financial statements which discloses and explains the inadequacy of the records maintained for the pontoon income in the year to 31 July 2018.

You consider that Kyle & Lochalsh Trading Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Kyle & Lochalsh Trading Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Campbell Stewart MacLennan & Co
Chartered Accountants
8 Wentworth Street
Portree
Highland
IV51 9EJ

Date:

Kyle & Lochalsh Trading Limited
Trading and Profit and Loss Account
for the Year Ended 31 July 2018

	31.7.18		31.7.17 as restated	
	£	£	£	£
Turnover				
WC & shower income	32,899		24,872	
Pontoon income	13,483		16,381	
	<u> </u>	46,382	<u> </u>	41,253
Cost of sales				
Purchases		1,987		2,034
		<u> </u>		<u> </u>
GROSS PROFIT		44,395		39,219
Expenditure				
Haulage	-		1,140	
Rates and water	899		1,017	
Insurance	1,747		802	
Light and heat	5,919		3,080	
Wages	8,897		7,985	
Hire of plant and machinery	-		816	
Post and stationery	787		456	
Travelling & conferences	297		-	
Repairs and renewals	2,371		8,902	
Subscriptions	280		135	
Sundry expenses	38		206	
Bookkeeping	441		-	
Accountancy	2,083		1,726	
Pontoon management	4,470		1,500	
Donations	15,216		10,439	
Advertising	165		388	
Entertainment	261		250	
Protective clothing	146		-	
	<u> </u>	44,017	<u> </u>	38,842
		378		377
Finance costs				
Bank charges	346		343	
Credit card	32		32	
	<u> </u>	378	<u> </u>	375
NET PROFIT		<u> </u> <u> </u>		<u> </u> <u> </u>
		-		2

Kyle & Lochalsh Trading Limited

**Notes wholly REPLACED
and/or accounting policies totally IGNORED
and/or accounting policies with text REPLACED
by user's choice on client screen entries
for the Year Ended 31 July 2018**

The following note has been REPLACED completely by user entries.

PONTOON INCOME

None of the standard accounting policies has been ignored.

None of the standard accounting policies has been replaced.

PLEASE CHECK THAT THIS CHOICE IS CORRECT - all changes that would automatically be made to notes generated by IRIS as a result of posting amendments etc WILL NOT BE AMENDED where REPLACEMENT notes have been selected.

Kyle & Lochalsh Trading Limited

**Non-Mandatory Notes
for the Year Ended 31 July 2018**

The following data screens have been completed by user entry resulting in the relevant notes appearing within the financial statements. However, these are not required in accordance with The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015.

PRIOR YEAR ADJUSTMENT
PONTOON INCOME

PLEASE CHECK THAT THESE ENTRIES ARE CORRECT.