

**Report of the Directors and  
Unaudited Financial Statements for the Year Ended 31 July 2019  
for  
Kyle & Lochalsh Trading Limited**

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**Kyle & Lochalsh Trading Limited**

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for the Year Ended 31 July 2019**

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**Kyle & Lochalsh Trading Limited**

**Company Information  
for the Year Ended 31 July 2019**

**DIRECTORS:** D C Finlayson  
M A Murphy  
M MacRae  
M Henderson  
N Finlayson

**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 2019**

The directors present their report with the financial statements of the company for the year ended 31 July 2019.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of managing pontoon and toilets.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 August 2018 to the date of this report.

D C Finlayson  
M A Murphy

Other changes in directors holding office are as follows:

H B Paul - resigned 29 March 2019  
M MacRae - appointed 4 December 2018  
M Henderson - appointed 3 October 2018  
N Finlayson - appointed 3 October 2018  
T Reilly - appointed 3 October 2018 - resigned 3 April 2019

**CHARITABLE DONATION**

At the year end, the company accrued a donation of £6,594 (2018 - £14,966) to be paid to the charitable parent company, Kyle & Lochalsh Community Trust.

**PONTOON INCOME**

The company experienced administrative problems during the prior accounting period up to March 2019, which resulted in incomplete accounting records, as referred to in note five to the financial statements. 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 2019 is a balance of £1,838 of estimated pontoon income due to be paid to the company. This has been carried forward at 31 July 2019.

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**

**Income Statement  
for the Year Ended 31 July 2019**

	31/7/19 £	31/7/18 £
<b>TURNOVER</b>	29,351	46,382
Cost of sales	<u>1,672</u>	<u>1,987</u>
<b>GROSS PROFIT</b>	27,679	44,395
Administrative expenses	<u>27,645</u>	<u>44,395</u>
<b>OPERATING PROFIT and PROFIT BEFORE TAXATION</b>	34	-
Tax on profit	<u>34</u>	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<u><u>-</u></u>	<u><u>-</u></u>

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**Balance Sheet  
31 July 2019**

	Notes	31/7/19 £	31/7/18 £
<b>CURRENT ASSETS</b>			
Debtors	5	1,910	3,117
Cash at bank and in hand		<u>24,516</u>	<u>26,699</u>
		26,426	29,816
<b>CREDITORS</b>			
Amounts falling due within one year	6	<u>24,924</u>	<u>28,229</u>
<b>NET CURRENT ASSETS</b>		<u>1,502</u>	<u>1,587</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,502	1,587
<b>ACCRUALS AND DEFERRED INCOME</b>		<u>1,500</u>	<u>1,585</u>
<b>NET ASSETS</b>		<u><u>2</u></u>	<u><u>2</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		<u>2</u>	<u>2</u>
		<u><u>2</u></u>	<u><u>2</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2019 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 applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue 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 2019

#### 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 2 (2018 - 3).

**Kyle & Lochalsh Trading Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 July 2019**

**4. PONTOON INCOME**

The accounting records of the company are incomplete with regard to pontoon income for the 2018 season. The person responsible for maintaining records reported that they were destroyed when the boat they were kept on was flooded. Some deposits from the season had been made directly into an external bank account outwith the company's control. The company has lodged a Simple Procedure Claim to recover the outstanding amount but this process has been paused as a result of the coronavirus situation.

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.

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 2019 is a balance of £1,838 of estimated pontoon income due to be paid to the company. This balance has been carried forward at 31 July 2019.

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. This was rectified for the 2019 summer season.

**5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31/7/19	31/7/18
	£	£
Other debtors	1,910	3,117
	<u>          </u>	<u>          </u>

**6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31/7/19	31/7/18
	£	£
Trade creditors	323	324
Amounts owed to group undertakings	24,519	26,344
Taxation and social security	82	1,433
Other creditors	-	128
	<u>          </u>	<u>          </u>
	<u>24,924</u>	<u>28,229</u>

**7. RELATED PARTY DISCLOSURES**

During the year, the company operated a service level agreement with H B Paul, director (resigned - 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 £250 (2018 - £1,500).

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

**8. 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 2019 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 four in the financial statements which discloses and explains the inadequately of the records maintained for the pontoon income in the 2018 summer season.

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: .....

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**Kyle & Lochalsh Trading Limited**  
**Trading and Profit and Loss Account**  
**for the Year Ended 31 July 2019**

	31/7/19	£	31/7/18	£
	£		£	
<b>Turnover</b>				
WC & shower income	28,945		32,899	
Pontoon income	406		13,483	
	<u>          </u>	29,351	<u>          </u>	46,382
<b>Cost of sales</b>				
Purchases		1,672		1,987
		<u>          </u>		<u>          </u>
<b>GROSS PROFIT</b>		27,679		44,395
<b>Expenditure</b>				
Rent	1,000		-	
Rates and water	-		899	
Insurance	-		1,747	
Light and heat	5,356		5,919	
Wages	8,797		8,897	
Post and stationery	-		787	
Travelling & conferences	-		297	
Repairs and renewals	826		2,371	
Recharge for bookkeeping & admin	1,515		-	
Subscriptions	-		280	
Sundry expenses	13		38	
Bookkeeping	290		441	
Accountancy	1,967		2,083	
Pontoon management	550		4,470	
Donations	6,594		15,216	
Advertising	216		165	
Entertainment	-		261	
Protective clothing	-		146	
	<u>          </u>	27,124	<u>          </u>	44,017
		555		378
<b>Finance costs</b>				
Bank charges	339		346	
Credit card	32		32	
Late filing penalties	150		-	
	<u>          </u>	521	<u>          </u>	378
<b>NET PROFIT</b>		<u>          </u> <u>          </u>		<u>          </u> <u>          </u>
		34		-