

Carradale Community Trust Board Meeting **Tuesday 29 March 2022 via Zoom link 7pm**

In attendance: Tony Leighton (Chair); Jenn Lee (minutes); Ian McGhie; Roy Martine; Hamish Hunter; Alasdair Bennett.

1. Apologies - Malcolm Trott, Margaret Richardson
2. Minutes from last meeting held on 22 February 2022 approved.
3. Treasurer's Report: MT circulated his report prior to the meeting.

After reviewing MT's Report and asking for clarifications from RM, Trustees concluded that the Shop & PO needed to be separated from the CCT. JL shared the history as to why this was not done at the outset: inter alia, CCT would not have been able to purchase current property using SLF monies, nor was there the capacity to rectify this or devise another approach.

CCT agreed to highlight the following exchanges for DWS, supplemental to the Treasurer's Report and to be read after understanding the Report's content:

RM reported his serious concerns regarding CCT and the Shop's VAT situation; the complexity surrounding accounting for cash flow as opposed to financial reporting. The VAT on income is not correctly accounted for in relation to what we own, and there are numerous adjustments and clarifications required. Because of the complexity involved, the bill for the accountants is escalating, could eliminate this year's shop surplus - and will only get bigger in the future. His view is that CCT should not be VAT registered in future to keep it simple or obtain the necessary resources to support the complexity.

TL asked if CCT should move the Shop into a separate legal entity. RM agreed that it should, as the Shop will always have a VAT issue, but CCT need not. He recommended that we get expert opinion as it is a complex issue. The complexity for CCT stems from its status as a charity, and the complications surrounding accounting for grant monies and donations. RM explained that HMRC deems monies received as VAT payable if given for a specific purpose, which covers almost all grant funding we currently have as they are matched against specific projects and outcomes. Accordingly the exact nature and terms of each grant or donation received needs to be considered before applying VAT.

RM stated that CCT have not heretofore been aware of the variety of incomes we have, nor what is recoverable and what is not. CCT are VAT registered, and yet we do not currently have sufficient VATable income in non-shop activities to reclaim VAT and may be required to apportion the input claim. Moreover, there is no indication that in future we will be able to match expense to revenue, therefore to claim it back on VAT. Our accountants, William Duncan, are helping us to work through it all this year, but it is a very, very expensive process and we cannot afford this annual expense in future.

HH asked for clarification about donations. RM explained that donations freely given are free of VAT; but where they are for goods & services that are subject to VAT.

AB raised the issues surrounding CHEL and the slip, and queried that CHEL would have to pay VAT and claim it back? RM noted that this depended upon the details of any grant funding it received.

JL noted that this Shop and the PO may have to be treated differently, since CCT is the Postmaster. It is not clear how it would sit within the Shop's separate legal entity, nor how it would impact the above discussion should it remain part of CCT.

Action: JL to write up discussion, cross-check with Roy and report to DWS; AB provided audio recording for support. JL and TL to ensure the above (and audio) is shared with Malcolm asap for his input.

4. Finance and Structure Review

4.1 Accountants and VAT - as reported above.

4.2 DWS and Grant Funding

JLL reported CCT has secured grant funding now through to 2024, but that CCT will need to plan and report quarter by quarter. In response to the issues above, DWS have asked for an activity inception meeting at the shop on 8 April, to begin work on disentangling the shop from the CCT and setting it onto a sustainable footing. In the absence of Malcolm, it is hoped that if Roy can't attend, he brief JLL/DWS prior to the meeting, so that the accountancy and financial issues are put into the correct context.

Action: JL/DWS to arrange meeting and invitations for 8 April and report back to Trustees on arrangements.

4.3 Administration Support

TL suggested that CCT needs administrative support for the increasing amounts of paperwork and bureaucracy, including report writing and book-keeping.

Action: JL to raise with DWS in the first instance, as this has implications following on from item 3.

4.4 Unified Email and usage

Action: TL to continue to monitor carradalect@gmail.com until such time as 4.3 in place.

5. Survey and Open Day - PG Report

JL reported that Survey is on-going but that PG will have to organise distribution once the tourist season commences. Open Day will be planned in due course, but almost certainly not until end summer.

Actions: JL to raise with PG; DWS to report latest data on or before 12 April.

6. Trust Projects

6.1 Shop & PO

IM reported for the MC.

6.1.1 PO - IM reported on a few issues ongoing at PO. Trustees agreed to share information with DWS as part of CCT/Shop & PO review.

6.1.2 Manager Salary - JL reported that Robertson Trust grant clear for next year.

6.1.3 Solar Panels update - TL expects installation to begin in April.

6.1.4 Alcohol Sales update - training for April 7th.

Actions: IM to report back to MC expressing gratitude for the hard work they are doing and to arrange for a meeting to discuss ongoing issues, Terms of Reference for MC and Manager; AB to secure a projector screen for alcohol training day.

6.2 Bench purchases

CCT to purchase bench with Duncan Murchie's gift; SSE to replace Maurice's bench.

Action: TL to ask SSE that bench be in recycled plastic.

6.3 Network Centre

6.3.1 Old Schoolhouse

HH reported on a free-cycling idea for using the empty space. All Trustees agreed that it was a good idea to trial and that the proposer was experienced in delivering such projects. However, they asked for a few clarifications before proceeding (**Action HH**):

- whether D & S at Blackbird's would like to be part of the project, as an enticement to the cafe. There can be no obligation for them to open and close the building, and no responsibility incurred when they do so.
- that there will be strict control of items that are accepted into the space, so that no unwanted or unacceptable items were 'dumped' there and that all Fire and Safety requirements were met.
- that electricity and other costs to CCT were kept to a minimum and that donations from users be solicited to pay for any resulting overheads.

6.3.2 Blackbird's

Trustees spoke very positively about the cafe and its improving speed of service, but expressed a desire that it be open more than four days a week once the tourist season is underway. AB suggested that CCT encourage

better advertising, and AB/HH offered to help repair the signage at the cafe, but that the signage on the B842 needed addressing.

6.3.3 Heritage Centre

AM has asked for permission for additional displays, and will seek funds from EKWFT for this purpose. Plan is to open revamped Heritage Centre in May.

6.4 Seneval

Long-range development of site are still needed, but will be part of project planning for Open Day. MT has agreed to assist with this once his term as Treasurer is over.

JL suggested that, in the interim, CCT and EKCC maintenance contractors be preferred users of the facilities. **Action: JL to follow up.**

6.5 Abbeyfield Trust

JL reported a suggestion that the fund be opened for fuel relief. AB/TL noted this suggestion.

6.6 EKREG/EKCBF

TL asked about subsidised electricity for the community from the wind farm companies. AB reported that EKREG is pursuing this, and that these extremely complicated negotiations are ongoing.

AB also reported that, as expected, the new wind farms are looking for a massive increase in the height of the turbines (185 metres to 220 metres) and that the Scottish Government will likely force these through.

7 AOB

7.1 FLS Report

7.2 RM asked about scheduling additional training for Trustees. JL will re-send materials training from DTAS, and CCT will ensure a full training session for the next cohort of Trustees.

Actions: JL to resend DTAS Trustee training materials; all Trustees to ensure that they have read and understood the materials and to verify this at the next meeting.

7.3 CCT expressed its continuing gratitude to RM for his presence and hard work in spite of his illness. We wished him the very best on his continuing treatment and assured him that he would remain in our thoughts over the coming weeks.

8. DONM : April 2022 at 7pm via Zoom

Meeting closed at 20:45