

Charity number: SC037018
Company number: SC292902

Tiree Community Development Trust
(A company limited by guarantee)

Directors' report and financial statements

for the year ended 31 December 2008

Tiree Community Development Trust
(A company limited by guarantee)

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Legal and administrative information

Status

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

Charity number SC037018
Company registration number SC292902

Business address An Talla
Crossapol
Isle of Tiree
PA77 6UP

Registered office An Talla
Crossapol
Isle of Tiree
Scarinish
PA77 6UP

Directors

Jonathan Bowler	
Rosaleen Campbell	
Angus MacKechnie	Resigned 9 September 2008
Isabella MacKinnon	
Neil MacPhail	
Fiona Munn	
Mark Vale	Appointed 3 October 2007
Roger Jarvis	Appointed 18 June 2008
Kathryn MacCallum	Appointed 18 June 2008

Secretary Rosaleen Campbell

Auditors R A Clement Associates
5 Argyll Square
Oban
Argyll
PA34 4AZ

Tiree Community Development Trust (a company limited by guarantee)

Report of the directors for the year ended 31 December 2008

The directors present their report and the financial statements for the year ended 31 December 2008. The directors who served during the year and up to the date of this report are set out on page 1.

Structure, governance and management

Organisational Structure

Membership of the Trust is open to any individual over the age of 16 who has their main residence in the area in which the Trust operates. Members pay an annual subscription of £1 and have the right to attend the annual general meeting and to elect the directors of the Trust.

The directors of the Trust are elected each year by the membership and hold regular meetings to carry out the overall supervision of the activities of the company, including monitoring the financial position. A maximum of twelve directors may serve at any one time, of which no more than 3 should be co-opted. There must be a minimum of three directors on the Board, and elected directors must be a member of the company.

Co-opted directors are those appointed to the Board by the directors on the basis that they have specialist skills or experience which will assist the successful operation of the company. All such directors retire from the Board at the annual general meeting, but are then eligible for re-appointment. One third of the directors retire at the annual general meeting each year.

Operational Structure

Project Development in the year has been carried out by a Project Officer, under the direction of the Board.

Staffing

Two new directors were appointed at the last AGM and brought a fresh influx of enthusiasm and ideas with a renewed focus on harbours, transport, youth and the elderly.

Having advertised for staff as part of our development plan in accordance with the BLF grants, a new Trust Manager Lloyd Gudgeon was appointed and a new project officer, Liz Lapsley. With Jane Isaacson moving on to other pastures, we also appointed a new finance officer, Trish O'Neill.

Objectives and activities

Charitable objects

The objects of the charity are the promotion, for the public benefit, of urban/rural regeneration in areas of social and economic deprivation within the Isle of Tiree by a variety of means, including promoting and assisting business development, education, training, public amenities and housing, and working for the protection and conservation of both the natural environment and the historical and cultural fabric of the island.

Achievements and performance

Major project

Our major project during 2008 and into 2009 was progressing plans for our wind turbine. With a BLF award in place for over £885,000 and matching funding from the Co-op Bank, we started paying out initial capital costs from October 2008, with major payments due in the months following the end of December. We hope to have the turbine in place for November 2009 if all goes well, although it has taken almost a year for all the legal paperwork to be put in place, as in this project we were breaking new ground for many of the major funders. However, ground works are now out to tender and due to start in the next few months.

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Report of the directors
for the year ended 31 December 2008

Housing

Despite the size and complexity of the wind turbine project, other projects have continued with the WHHA Affordable Housing now completed and most of the houses allocated to local people, with several young local families taking up housing and returning to Tiree. Grants are still available for rural housing from WHHA and from the Crofters Commission.

Transport

The Trust has set up a transport forum to gather local opinion on our transport problems, and enable us to lobby for better links both by air and sea. As changes take time to be agreed and implemented, we are lobbying now for changes that might be made in 2011. Anyone interested in contributing to this forum is invited to join. Our meeting with Calmac resulted in the Sunday service being extended from December to June and this proved very successful.

Wave Classic

The Trust supported this event, and it was very successful. The Trust hopes to continue to see this event taking place on Tiree.

CEZ/CAMP

The Trust has spent a number of years looking into this, but WHHA is not in a position to progress any projects due to a lack of funding, and the planning department has indicated that industrial or commercial premises would not be allowed in close proximity to housing. The Trust continues to believe that some industrial/commercial property should be available to encourage new business and business growth and will continue to pursue this.

RENEWABLES

We applied for funding for a dedicated "Powerdown" officer to manage a project dedicated to energy efficiency, recycling, fuel efficiency etc, and now have an officer in place for a two year project, being run by Tiree Rural Development.

ACCESS

Our joint "access" project was managed by Tiree Rural Development last year and funded a conservation officer to act as liaison between crofters and visitors/tourists. Funding has also been secured to run this project again for 2009 and interviews will be carried out at the end of June.

OFFSHORE WIND FARM

Scottish Power Renewables (SPR) contacted the Trust in February to inform us that they had been given permission to explore an area off Tiree. A public meeting was well attended and very informative. The Trust has been asked to represent the islands interests and communicate and liaise with SPR on behalf of the community. Lloyd has also met with community representatives from Islay and Kintyre who are in the same position to share information and views. We believe the Trust is well placed to be the lead organisation in dealing with SPR to obtain the best outcome for the island, if a significant development goes ahead.

YOUTH WORKER

The Trust has worked for several years to get funding for a youth worker, and this year Argyll & Bute Council has funded a youth worker position for 20 hours a week for at least a year to work with all youth groups on the island

TRUST OPEN DAY

We held an open day in March 2009 which was extremely successful and we will report more on this next year

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Report of the directors
for the year ended 31 December 2008

Statement as to disclosure of information to auditors

In so far as the directors are aware:

- there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the charity's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company and charity law requires the directors 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 surplus or deficit of the charity for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 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.

Auditors

A resolution proposing that R A Clement Associates be reappointed as auditors of the charity will be put to the Annual General Meeting.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

This report was approved by the Board on

and signed on its behalf by

Rosaleen Campbell
Secretary

Tiree Community Development Trust
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Independent auditor's report to the members of Tiree Community Development Trust

This report is issued in respect of an audit carried out under section 235 of the Companies Act 1985 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

We have audited the financial statements of Tiree Community Development Trust for the year ended 31 December 2008 which comprise the statement of financial activities, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities.

This report is made exclusively to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985, and to the directors of the company, as a body, who are the trustees of the charity, in accordance with S44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the company's members and directors those matters we are required to state to them in an auditor's 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 company, the company's members as a body, and the directors as trustees of the charity, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006, and whether the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, the information given in the directors' annual report is consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the directors' annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the directors' report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Tiree Community Development Trust
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Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charitable company's affairs as at 31 December 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and

- the information given in the directors' report is consistent with the financial statements.

R A Clement Associates
Chartered Accountants and
Registered auditors

5 Argyll Square
Oban
Argyll
PA34 4AZ

Tiree Community Development Trust
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Statement of financial activities (incorporating the income and expenditure account)

For the year ended 31 December 2008

	Notes	Unrestricted funds £	Restricted funds £	2008 Total £	2007 Total £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	2	27,053	128,904	155,957	74,678
Investment income		61	-	61	175
Other incoming resources		52	-	52	102
Total incoming resources		<u>27,166</u>	<u>128,904</u>	<u>156,070</u>	<u>74,955</u>
Resources expended					
Charitable activities	3	30,241	12,065	42,306	66,378
Governance costs	4	1,882	-	1,882	2,093
Total resources expended		<u>32,123</u>	<u>12,065</u>	<u>44,188</u>	<u>68,471</u>
Net incoming/(outgoing) resources before transfers		(4,957)	116,839	111,882	6,484
Transfer to clear deficits		484	(484)	-	-
Net movement in funds/Net income/(expenditure) for the year		(4,473)	116,355	111,882	6,484
Total funds brought forward		9,828	484	10,312	3,828
Total funds carried forward		<u>5,355</u>	<u>116,839</u>	<u>122,194</u>	<u>10,312</u>

The notes on pages 9 to 14 form an integral part of these financial statements.

Tiree Community Development Trust
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Balance sheet
as at 31 December 2008

	Notes	2008		2007	
		£	£	£	£
Fixed assets					
Investments	8		122,100		100
Current assets					
Debtors	9	26,367		10,337	
Cash at bank and in hand		101,029		1,475	
		<u>127,396</u>		<u>11,812</u>	
Creditors: amounts falling due within one year	10	<u>(127,302)</u>		<u>(1,600)</u>	
Net current assets			94		10,212
Net assets			<u>122,194</u>		<u>10,312</u>
Funds	11				
Restricted income funds			116,839		484
Unrestricted income funds			5,355		9,828
Total funds			<u>122,194</u>		<u>10,312</u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the Board on

and signed on its behalf by

Isabella MacKinnon
Director

The notes on pages 9 to 14 form an integral part of these financial statements.

Tiree Community Development Trust
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Notes to financial statements
for the year ended 31 December 2008

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

1.1. Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007), the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005) and the Companies Act 1985.

1.2. Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

Gifts donated for resale are included as incoming resources within activities for generating funds when they are sold.

Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable.

Income from investments is included in the year in which it is receivable.

1.3. Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

1.4. Investments

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the statement of financial activities.

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Notes to financial statements
for the year ended 31 December 2008

2. Voluntary income

	Unrestricted funds £	Restricted funds £	2008 Total £	2007 Total £
Donations in kind	-	-	-	8,955
Highlands & Islands Community Energy	2,403	7,237	9,640	2,274
Community Economic Development (AIE)	-	-	-	3,594
BLF/HIE	6,481	107,526	114,007	24,505
Community Energy Scotland	8,738	11,141	19,879	-
Scottish Executive	3,000	-	3,000	-
Argyll & the Isles Enterprise	-	-	-	8,047
Scottish Natural Heritage	6,431	-	6,431	13,475
Argyll & Bute Council	-	-	-	11,828
HIE - Start up grant	-	-	-	2,000
Other grants receivable	-	3,000	3,000	-
	<u>27,053</u>	<u>128,904</u>	<u>155,957</u>	<u>74,678</u>

3. Costs of charitable activities - by activity

	Activities undertaken directly £	2008 Total £	2007 Total £
Core Activities	40,510	40,510	27,427
Renewable Energy	1,744	1,744	18,298
Turbine Development	-	-	16,498
Harbour Development	-	-	3,222
Tiree Wave Classic	52	52	790
Enterprise Facilities	-	-	143
	<u>42,306</u>	<u>42,306</u>	<u>66,378</u>

4. Governance costs

	Unrestricted funds £	2008 Total £	2007 Total £
Auditor remuneration	1,725	1,725	-
Office expenses	126	126	2,024
Other charges	31	31	69
	<u>1,882</u>	<u>1,882</u>	<u>2,093</u>

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Notes to financial statements
for the year ended 31 December 2008

5. Net incoming resources for the year

	2008	2007
	£	£
Net incoming resources is stated after charging:		
Auditors' remuneration	1,725	-
	<u>1,725</u>	<u>-</u>

6. Employees

Employment costs	2008	2007
	£	£
Wages and salaries	21,339	20,222
Social security costs	1,741	1,618
Other costs	630	-
	<u>23,710</u>	<u>21,840</u>

No employee received emoluments of more than £60,000 (2007 : None).

Number of employees

The average monthly numbers of employees (excluding the directors) during the year, was as follows:

	2008	2007
	Number	Number
Full Time	-	1
Part Time	2	1
	<u>2</u>	<u>2</u>

No trustees received any remuneration, or benefits in kind during the year. For details of expenses reimbursed see note on related party transactions.

7. Taxation

The charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 1988. Accordingly, there is no taxation charge in these accounts.

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Notes to financial statements
for the year ended 31 December 2008

8. Fixed asset investments	Subsidiary	Subsidiary	Total
	undertakings	undertakings	
	shares	loans	
	£	£	£
Valuation			
At 1 January 2008	100	-	100
Additions	-	122,000	122,000
At 31 December 2008	<u>100</u>	<u>122,000</u>	<u>122,100</u>
Historical cost as at 31 December 2008	<u>100</u>	<u>-</u>	<u>100</u>

All fixed asset investments are held within the United Kingdom.

8.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Subsidiary undertaking	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
Tiree Renewable Energy Company Limited	Scotland	Renewable Energy	Ordinary	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit/(loss) for the year
	£	£
Tiree Renewable Energy Company Limited	9,939	(10,039)
		-

9. Debtors

	2008	2007
	£	£
Amounts due from subsidiary	26,367	-
Other debtors	-	10,337
	<u>26,367</u>	<u>10,337</u>

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Notes to financial statements
for the year ended 31 December 2008

10. Creditors: amounts falling due within one year

	2008	2007
	£	£
Other taxes and social security	474	-
Other creditors	122,000	100
Accruals and deferred income	4,828	1,500
	<u>127,302</u>	<u>1,600</u>

11. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 31 December 2008 as represented by:			
Investment assets	100	122,000	122,100
Current assets	10,557	116,839	127,396
Current liabilities	(5,302)	(122,000)	(127,302)
	<u>5,355</u>	<u>116,839</u>	<u>122,194</u>

12. Unrestricted funds

	At 1 January 2008	Incoming resources	Outgoing resources	Transfers	At 31 December 2008
	£	£	£	£	£
Unrestricted Fund	<u>9,828</u>	<u>27,166</u>	<u>(32,123)</u>	<u>484</u>	<u>5,355</u>

13. Restricted funds

	At 1 January 2008	Incoming resources	Outgoing resources	Transfers	At 31 December 2008
	£	£	£	£	£
Harvesting the Wind	-	95,000	-	-	95,000
Administration Grants	484	-	-	(484)	-
Turbine Development projects	-	21,839	-	-	21,839
Growing Community Assets	-	12,065	(12,065)	-	-
	<u>484</u>	<u>128,904</u>	<u>(12,065)</u>	<u>(484)</u>	<u>116,839</u>

**Tiree Community Development Trust
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**Notes to financial statements
for the year ended 31 December 2008**

14. Related party transactions

During the year, no transactions were made by the Trust with businesses in which Board members had a direct interest.

Conflicts of Interest

The Trust operates a policy to deal with potential conflicts of interest. This includes maintaining a register of board members/directors interests, which details any contractual or financial relationship or position of authority with outside companies, firms or organisations. Whenever a board member/director has an interest in any item discussed by the Board, he/she takes no part in the discussions or decision making process.

15. Post balance sheet events

After the year end, the Tiree Community Development Trust agreed to convert the balance owed by its subsidiary, Tiree Renewable Energy Company Limited, amounting to £26,367 into ordinary share capital..

The amounts shown as owed to the Tiree Trust by its subsidiary trading company, Tiree Renewable Energy Company Limited, were originally funded by a grant to the Trust from the Big Lottery Fund (BLF).

In April 2009, the BLF was granted a standard security in respect of these amounts by Tiree Renewable Energy Company Limited over the company's interest as a tenant in the lease of the turbine site on Tiree. The security is in respect of all sums due, or becoming due, in terms of the agreement between the company, the Tiree Community Development Trust and the BLF.

16. Company limited by guarantee

Tiree Community Development Trust is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.