

Charity number: SC037018
Company number: SC292902

Tiree Community Development Trust
(A company limited by guarantee)

Group report and financial statements

for the year ended 31 December 2009

Tiree Community Development Trust (Group)
(A company limited by guarantee)

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Tiree Community Development Trust (Group)
(A company limited by guarantee)

Legal and administrative information

Charity number SC037018
Company registration number SC292902

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

Directors Jonathan Bowler
Roger Jarvis
Rosaleen Campbell
Isabella MacKinnon
Kathryn MacCallum
Fiona Munn
Mark Vale
Sheena MacKenzie Co-opted 16 June 2009
Samuel Bouchnak Appointed 16 June 2009
Ross MacLennan Appointed 16 June 2009
Neil MacPhail Resigned 16 June 2009

Secretary Rosaleen Campbell

Auditors R A Clement Associates
Chartered Accountants & Statutory
Auditors
5 Argyll Square
Oban
Argyll
PA34 4AZ

Tiree Community Development Trust (Group)
(A company limited by guarantee)

Report of the directors (incorporating the trustees' report)
for the year ended 31 December 2009

The directors present their report and the financial statements for the year ended 31 December 2009. The directors, who are also trustees of Tiree Community Development Trust (Group) for the purposes of charity law and 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 a 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. 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 Development Manager and Project officers, under the direction of the Board.

Risk Policy

The directors have assessed the major risks to which the charity is exposed, and in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to mitigate any exposure to these risks.

Reserves Policy

The policy of the Trust is to retain sufficient reserves to meet the cost of salaries, insurances, and other regular commitments, as well as a contingency to enable it to continue to develop further projects.

Related parties

The Trust owns 100% of the ordinary share capital of Tiree Renewable Energy Company Limited which is constructing, and will operate the Wind Turbine on Tiree.

Objectives and activities

Charitable objectives

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.

Tiree Community Development Trust (Group)
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Report of the directors (incorporating the trustees' report)
for the year ended 31 December 2009

Achievements and performance

Turbine and Renewables

Our turbine, Tilly, is now up and running, after a great deal of hard work from all involved. The Trust must now follow its remit to spend the funds generated by the turbine wisely and in line with the communities needs and wishes. A windfall fund will be launched in the Autumn with the first payments from the fund at the end of 2010. We are aware that there will be limited funds in the first few years, but hope to have £5,000 available for this year. Applications for grants will be submitted to the Board for approval. Aside from the obvious success in getting our own turbine up and running, the Trust also assisted Tiree Rural Development in securing funding for a Powerdown Officer to work with the community in dealing with energy, recycling and fuel efficiency issues. Tiree Rural Development has been managing the posts of the Powerdown Officer and Access Officer throughout the year.

Housing

Unfortunately, despite the obvious need, there is no public funding available to assist Community organisations to develop new housing. There are still, however, sources of assistance for individuals such as the Rural Housing Grants, and the Crofters Commission.

Transport

The transport forum continues to lobby for improvements to our ferry service and air links for 2011 including a higher ferry capacity. The year round Sunday boat service has been very successful.

Youth Worker

Sophie has been in post since October and has been working with children and young people of all ages, running a Friday youth café, music sessions for toddlers and the youth club. She has organised first aid training, a dance weekend, and a golf tournament. She has also been involved with the Young Farmers Group, the Duke of Edinburgh Scheme and has enlisted a number of slightly older volunteers to ensure that everything runs smoothly. She has done some excellent work and our priority now is to find funding to ensure that the post can continue. Applications have been made and the outcome is awaited.

Swimming Pool

Our open day survey highlighted this as top of the community "wish list". As a result, Lloyd attended a meeting for Argyll Swimming Pools and has reported that funding, constructing and running a swimming pool is both expensive and time-consuming and many community pools are struggling. As a pool was seen as so highly desirable, the Trust will continue to investigate potential means of pursuing this, perhaps through tying it in with other projects or renewables, although this should perhaps be considered a long term goal

Harbours

The harbour group is looking for funding for a feasibility study for a potentially large scale project. If the offshore wind farm comes to fruition, however, harbour facilities will be on the agenda and could also be a potential source of income generation.

Progressive Care Centre for Elderly

The Trust is looking to work with the Health Board, Social Work and Council to review the provision of care for elderly residents, especially in light of the Council's proposal to look at closing Tigh a Rudha, which would mean that elderly residents may have to leave the island. The Council must also take into account the poor state of school buildings and restrictions on the availability of funding and therefore has difficult decisions to make. One idea which is being investigated is a "one stop shop", a building which would provide services and facilities for all sections of the community. This idea is at a very early stage, and would be a large and expensive project, but all ideas must be considered to provide the best outcome for the island

Tiree Community Development Trust (Group)
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Report of the directors (incorporating the trustees' report)
for the year ended 31 December 2009

Offshore Wind Farm

It is very important that we continue to press for information and involvement in the early stages of this proposed development, and the Trust has been in close contact with Scottish Power Renewables and has been receiving regular updates. The development appears to be progressing relatively quickly, and the Trust has joined with Islay and Kintyre to form ARC - Argyll Renewable Consortium - to share information and ideas, and to give us all a stronger voice.

Staffing

Two new directors joined the Board at the last AGM and have brought with them some new ideas, opinions & interests, and youthful enthusiasm .

Our Staff throughout the year consisted of Lloyd as manager, Liz as project officer for the turbine, Trish as finance officer and Sophie as youth worker. There will be some changes in the coming year, with Liz leaving and the staffing structure being updated to reflect the continuing development of the Trust. We have BLF funding for another 18 months to cover our staffing needs.

We co-opted two special advisors during the year; Ann Kirby to add to the Boards financial expertise, knowledge of the Renewable Energy project, tax and management accounting, and Trudy MacKenzie to bring on board business and legal expertise, and it was also useful that she was able to attend meetings off island without incurring substantial costs.

All of the staff have done a great job in managing the Trust through these early stages and laying good foundations for the future.

Statement as to disclosure of information to auditors

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company'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.

Tiree Community Development Trust (Group)
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Report of the directors (incorporating the trustees' report)
for the year ended 31 December 2009

Statement of directors' responsibilities

The directors (who are also trustees of Tiree Community Development Trust under charity law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company 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 charitable company and group, and of the incoming resources and application of resources, including the income and expenditure, of the group and charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

R A Clement Associates are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

This report was approved by the Board on _____ and signed on its behalf by

Roger Jarvis
Director

Tiree Community Development Trust (Group)
(A company limited by guarantee)

Independent auditor's report to the trustees and members of Tiree Community Development Trust (Group)

We have audited the financial statements of the group and parent company for the year ended 31 December 2009 which comprise the consolidated statement of financial activities, the group and parent balance sheets 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 (effective April 2008).

This report is made exclusively to the charitable company's members, as a body, in accordance with the Companies Act 2006, and to the directors of the company, as a body, who are the trustees of the charity, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, 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 the 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 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 trustees' (who are also directors of the company for the purposes of company law) responsibilities for preparing the Annual Report, the group financial statements and the parent company financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the statement of directors' responsibilities.

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with those Acts. 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 United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether the information given in the directors' annual report is consistent with those financial statements.

We also report to you if, in our opinion, the charity has not kept adequate and proper accounting records, if the charity's financial statements are not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made.

We read the directors' report, and consider the implications for our report if we become aware of any apparent misstatements within it or material inconsistencies with the financial statements.

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.

Tiree Community Development Trust (Group)
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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.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in the notes to the Financial Statements.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2009 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 and
- and the information given in the directors' report is consistent with the financial statements.

5 Argyll Square
Oban
Argyll

PA34 4AZ

Fiona McGlynn
Senior Statutory Auditor

For and on behalf of
R A Clement Associates
Chartered Accountants & Statutory Auditors

(Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006)

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

For the year ended 31 December 2009

	Notes	Unrestricted funds £	Restricted funds £	2009 Total £	2008 Total £
Incoming resources					
Incoming resources from generating funds:					
Voluntary income	2	2,725	697,041	699,766	155,957
Investment income		2	-	2	61
Subsidiary trading income	3	-	5,000	5,000	-
Other incoming resources	4	-	-	-	52
Total incoming resources		<u>2,727</u>	<u>702,041</u>	<u>704,768</u>	<u>156,070</u>
Resources expended					
Charitable activities	5	1,110	64,916	66,026	51,314
Governance costs	7	1,727	2,000	3,727	2,913
Total resources expended		<u>2,837</u>	<u>66,916</u>	<u>69,753</u>	<u>54,227</u>
Net incoming/(outgoing) resources for the year /					
Net income/(expenditure) for the year		(110)	635,125	635,015	101,843
Total funds brought forward		<u>5,355</u>	<u>106,800</u>	<u>112,155</u>	<u>10,312</u>
Total funds carried forward		<u>5,245</u>	<u>741,925</u>	<u>747,170</u>	<u>112,155</u>

The statement of financial activities includes all gains and losses in the year and therefore a separate statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 11 to 22 form an integral part of these financial statements.

Tiree Community Development Trust (Group)
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Consolidated Balance sheet
as at 31 December 2009

SC292902

	Notes	2009		2008	
		£	£	£	£
Fixed assets					
Tangible assets	11		2,087,163		152,066
Current assets					
Debtors	12	116,438		18,047	
Cash at bank and in hand		30,887		104,243	
		<u>147,325</u>		<u>122,290</u>	
Creditors: amounts falling due within one year	13	<u>(266,506)</u>		<u>(162,201)</u>	
Net current liabilities			<u>(119,181)</u>		<u>(39,911)</u>
Total assets less current liabilities			1,967,982		112,155
Creditors: amounts falling due after more than one year	14		<u>(1,220,812)</u>		-
Net assets			<u><u>747,170</u></u>		<u><u>112,155</u></u>
Funds	15				
Restricted income funds			741,925		106,800
Unrestricted income funds			5,245		5,355
Total funds			<u><u>747,170</u></u>		<u><u>112,155</u></u>

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the board on

and signed on its behalf by

Roger Jarvis
Director

The notes on pages 11 to 22 form an integral part of these financial statements.

Tiree Community Development Trust (Group)
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Balance sheet (company)
as at 31 December 2009

	Notes	2009		2008	
		£	£	£	£
Fixed assets					
Investments			698,448		122,100
Current assets					
Debtors	12	65,342		26,367	
Cash at bank and in hand		22,863		101,029	
		<u>88,205</u>		<u>127,396</u>	
Creditors: amounts falling due within one year	13	<u>(19,390)</u>		<u>(127,302)</u>	
Net current assets			68,815		94
Net assets			<u>767,263</u>		<u>122,194</u>
Funds					
Restricted income funds			753,652		106,800
Unrestricted income funds	17		<u>13,611</u>		<u>5,355</u>
Total funds			<u>767,263</u>		<u>112,155</u>

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The notes on pages 11 to 22 form an integral part of these financial statements.

Tiree Community Development Trust (Group)
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Notes to financial statements
for the year ended 31 December 2009

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 April 2008), the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005) and the Companies Act 2006.

1.2. Basis of consolidation

The consolidated accounts incorporate the accounts of the Trust and its subsidiary Tiree Renewable Energy Company Limited which will operate a Wind Turbine to generate funds in support of the Trust's objectives. The Trust is exempt from the requirement to present its own income and expenditure accounts. The results of the financial year dealt with in the financial statements of the Trust, are disclosed in the notes to the accounts.

1.3. Cashflow

The charity has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement on the grounds that the group qualifies as a small group.

1.4. 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.

Tiree Community Development Trust (Group)
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Notes to financial statements
for the year ended 31 December 2009

1.5. 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.

1.6. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation will only be charged following completion of the construction phase, once the turbine has been brought into use. The Board of Tiree Renewable Energy Limited have assessed the useful economic life of the turbine and installation and have decided to write down the assets straight line over 20 years.

Installation and Grid	-	Depreciation will be charged following completion of the construction phase
Wind Turbines	-	Depreciation will be charged following completion of the construction phase

1.7. Capitalisation of interest

The interest accrued on both the loan from the Tiree Community Development Trust, and the Co-operative Bank have been capitalised as part of the construction costs of the asset, and will continue to be capitalised for the period up to the date when the turbine is commissioned and operational. As the interest charged is an intercompany transaction, the amount of interest accrued is excluded from the consolidated fixed assets balance.

2. Voluntary income

	Unrestricted funds £	Restricted funds £	2009 Total £	2008 Total £
Highlands & Islands Community Energy	-	-	-	9,640
BIG Lottery Fund - GCA Capital Element	-	606,348	606,348	114,007
Community Energy Scotland	609	15,000	15,609	19,879
Scottish Executive	1,162	-	1,162	3,000
Scottish Natural Heritage	-	-	-	6,431
Argyll & Bute Council	-	7,356	7,356	-
BIG/HIE Revenue Grant	-	58,207	58,207	-
Other grants receivable	-	-	-	3,000
GIFREC	-	10,130	10,130	-
Tiree Rural Development	954	-	954	-
	<u>2,725</u>	<u>697,041</u>	<u>699,766</u>	<u>155,957</u>

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Notes to financial statements
for the year ended 31 December 2009

3. Trading subsidiaries

The charity controls the company listed below by virtue of holding a controlling interest in the ordinary share capital: -

Name of subsidiary	Country of incorporation	% of equity share capital held
Tiree Renewable Energy Company Limited	Scotland	100

Tiree Renewable Energy Company Limited

The company is constructing, and will operate, a wind turbine on the Isle of Tiree in order to generate funds to support the sustainability of the Trusts activities

Summary of trading results

	2009 £	2008 £
Total expenditure	(6,688)	(10,039)
Other income	5,000	-
Net loss for the year	<u>(1,688)</u>	<u>(10,039)</u>
Retained loss	<u><u>(1,688)</u></u>	<u><u>(10,039)</u></u>

The assets and liabilities of Tiree Renewable Energy Company Limited were:

Assets	2,219,991	295,327
Liabilities	<u>(2,231,618)</u>	<u>(305,266)</u>
Deficit of funds	<u><u>(11,627)</u></u>	<u><u>(9,939)</u></u>

4. Other incoming resources

	2009 Total £	2008 Total £
Other income	-	52
	<u>-</u>	<u>52</u>

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Notes to financial statements
for the year ended 31 December 2009

5. Costs of charitable activities - by fund type

	Unrestricted funds £	Restricted funds £	2009 Total £	2008 Total £
Core Activities	1,110	60,228	61,338	40,510
Renewable Energy	-	-	-	1,744
Tiree Wave Classic	-	-	-	52
Tiree Renewable Energy Company Limited	-	4,688	4,688	9,008
	<u>1,110</u>	<u>64,916</u>	<u>66,026</u>	<u>51,314</u>

6. Costs of charitable activities - by activity

	Activities undertaken directly £	2009 Total £	2008 Total £
Core Activities	61,338	61,338	40,510
Renewable Energy	-	-	1,744
Tiree Wave Classic	-	-	52
Tiree Renewable Energy Company Limited	4,688	4,688	9,008
	<u>66,026</u>	<u>66,026</u>	<u>51,314</u>

7. Governance costs

	Unrestricted funds £	Restricted funds £	2009 Total £	2008 Total £
Auditor remuneration- Group	1,725	2,000	3,725	2,725
Office expenses - Other	-	-	-	126
Other charges	2	-	2	62
	<u>1,727</u>	<u>2,000</u>	<u>3,727</u>	<u>2,913</u>

8. Net incoming resources for the year

	2009 £	2008 £
Net incoming resources is stated after charging:		
Auditors' remuneration	<u>3,725</u>	<u>2,725</u>

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Notes to financial statements
for the year ended 31 December 2009

9. Employees

Employment costs	2009	2008
	£	£
Wages and salaries	27,612	21,339
Social security costs	1,720	1,741
Other costs	-	630
	<u>29,332</u>	<u>23,710</u>

All of the above employees were employed by the Tiree Community Development Trust. No employee received emoluments of more than £60,000 (2008 : None).

Number of employees

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

	2009	2008
	Number	Number
Employees	<u>2</u>	<u>1</u>

No trustee received any remuneration or benefits in kind in respect of their role as directors. For details of expenses reimbursed, see below Note 18.

10. 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 in respect of the Trust.

No liability to UK corporation tax arose on the ordinary activities of the trading subsidiary for the year ended 31 December 2009, nor for the year ended 31 December 2008.

Any deferred tax asset arising as a result of accelerated capital allowances, or trading losses carried forward has not been recognised.

Tiree Community Development Trust (Group)
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Notes to financial statements
for the year ended 31 December 2009

11. Tangible fixed assets (Group)	Turbine Plant & machinery £	Turbine Grid & installation £	Total £
Cost			
At 1 January 2009	45,426	106,640	152,066
Additions	948,556	986,541	1,935,097
At 31 December 2009	<u>993,982</u>	<u>1,093,181</u>	<u>2,087,163</u>
Net book values			
At 31 December 2009	<u>993,982</u>	<u>1,093,181</u>	<u>2,087,163</u>
At 31 December 2008	<u>45,426</u>	<u>106,640</u>	<u>152,066</u>

All of the fixed assets of the group are owned by the subsidiary Tiree Renewable Energy Company Limited. As a result, a separate fixed asset note has not been produced for the Trust.

12. Debtors

	Group		Company	
	2009 £	2008 £	2009 £	2008 £
Other debtors	115,913	18,047	65,342	26,367
Prepayments and accrued income	525	-	-	-
	<u>116,438</u>	<u>18,047</u>	<u>65,342</u>	<u>26,367</u>
Other debtors				
Amounts due from subsidiary undertakings	-	-	41,976	26,367
Other debtors	115,913	18,047	15,000	-
Prepayments and accrued income	525	-	8,366	-
	<u>116,438</u>	<u>18,047</u>	<u>65,342</u>	<u>26,367</u>

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Notes to financial statements
for the year ended 31 December 2009

13. Creditors: amounts falling due
within one year

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Bank overdraft	73,013	-	-	-
Bank loan	106,578	-	-	-
Trade creditors	12,172	124,710	300	-
Other taxes and social security	564	474	564	474
Other creditors	-	-	15,000	122,000
Accruals and deferred income	74,179	37,017	3,526	4,828
	<u>266,506</u>	<u>162,201</u>	<u>19,390</u>	<u>127,302</u>

Tiree Community Development Trust (Group)
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14. Creditors: amounts falling due after more than one year

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Bank loan	1,220,812	-	-	-
	<u>1,220,812</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loans				
Repayable in five years or more	840,903	-	-	-
	<u>840,903</u>	<u>-</u>	<u>-</u>	<u>-</u>

Secured Debts

The following secured debts are included within creditors:

	2009	2008
	£	£
Bank Loans	<u>1,327,390</u>	<u>-</u>

In April 2009, BIG (Big Lottery Fund) was granted a standard security in respect of the amounts owed 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, Tiree Community Development Trust and BIG.

A bond and floating charge, and standard security, were also registered in April 2009 in favour of the Co-operative Bank plc in respect of the provision of a revolving credit facility, overdraft facility and a term loan.

The Co-operative Bank's securities, both floating and fixed, rank first in the order of priorities.

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15. Analysis of net assets between funds (Group)

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2009 as represented by:			
Tangible fixed assets	-	2,087,163	2,087,163
Current assets	9,635	137,690	147,325
Current liabilities	(4,390)	(262,116)	(266,506)
Long-term liabilities	-	(1,220,812)	(1,220,812)
	<u>5,245</u>	<u>741,925</u>	<u>747,170</u>

Analysis of net assets between funds (company)

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2009 as represented by:			
Investment assets	100	698,348	698,448
Current assets	17,901	70,304	88,205
Current liabilities	(4,390)	(15,000)	(19,390)
	<u>13,611</u>	<u>753,652</u>	<u>767,263</u>

16. Unrestricted funds

	At 1 January 2009 £	Incoming resources £	Outgoing resources £	At 31 December 2009 £
Unrestricted Funds	<u>5,355</u>	<u>2,727</u>	<u>(2,837)</u>	<u>5,245</u>

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17. Restricted funds (Group)

	At 1 January 2009 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 December 2009 £
Havesting the Wind	95,000	606,348	-	(3,000)	698,348
Turbine Development Projects	21,839	15,000	-	3,000	39,839
Growing Community Assets	-	58,207	(58,207)	-	-
GIFREC/Argyll & Bute Council	-	17,486	(2,021)	-	15,465
Tiree Renewable Energy Company Ltd	(10,039)	5,000	(6,688)	-	(11,727)
	<u>106,800</u>	<u>702,041</u>	<u>(66,916)</u>	<u>-</u>	<u>741,925</u>

17. Restricted funds (company)

	At 1 January 2009 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 December 2009 £
Havesting the Wind	95,000	606,348	-	(3,000)	698,348
Turbine Development Projects	21,839	15,000	-	3,000	39,839
Growing Community Assets	-	58,207	(58,207)	-	-
GIFREC/Argyll & Bute Council	-	17,486	(2,021)	-	15,465
	<u>116,839</u>	<u>697,041</u>	<u>(60,228)</u>	<u>-</u>	<u>753,652</u>

18. Transactions with trustees (directors)

Four directors on the Board of TREL received reimbursement of expenses totalling £2,182 in respect of travel relating to work carried out on behalf of the company.

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19. Related party transactions

During the year, the Tiree Community Development Trust loaned a further £606,348 to the subsidiary TREL, of which £30,000 was dealt with in the previous year's accounts. This loan was funded by a grant from the Big Lottery Fund for the purposes of investing in the Renewable Energy company to generate sustainable income for the Trust.

The loan carries an interest rate of 1.5% over the base rate of the Co-operative Bank and is repayable by 31 December 2025, unless otherwise agreed. At the end of the year, interest of £8,366 had been accrued.

During the year, one transaction amounting to £300 was made by the Trust with a business in which a Board member had a direct interest. This transaction was carried out at arm's length and in accordance with the policy stated below.

Conflicts of Interest

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

Any declarations of interest are recorded in the minutes of the appropriate board meetings. The register of interests is available to any member of the company who wishes to examine it.

20. Income and Expenditure Account - Trust

In accordance with the exemption allowed by section 408 of the Companies Act 2006, the company has not presented its own income and expenditure account or Statement of Financial Activities. The net incoming resources for the financial period attributable to the parent company dealt with in the accounts was £645,069 (2008 - £111,882).

21. APB Ethical Standards - Provisions available for small entities

In common with many charities of our size and nature, we use our auditors to assist in the preparation of financial statements. During the year under review, our auditors also provided assistance and advice on general accounting and business matters.

22. Post balance sheet events

The Trust intended to convert the intercompany balance with its subsidiary Tiree Renewable Energy Company Limited as at 31 December 2008 into ordinary shares. This did not take place due to the priority work being done to construct and commission the turbine. However, the Trust still intends to convert a significant proportion of the intercompany balance, which stands at £41,976, into ordinary shares, and this will be carried out during the year to 31 December 2010.

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23. Company limited by guarantee

Tiree Community Development Trust (Group) 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.