

Charity number: SC037018
Company number: SC292902

Tiree Community Development Trust
Directors' report and financial statements
for the period ended 31 December 2006

Tiree Community Development Trust

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Tiree Community Development Trust

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

Directors	Jonathan Bowler Patrick Boyd Rosaleen Campbell Angus MacKechnie Isabella MacKinnon William MacLean Neil MacPhail Fiona Munn Ian Mark Jennison George Campbell Iain MacLean George Malcolm Colin Woodcock	Appointed 23 August 2006 Appointed 23 August 2006 Appointed 17 May 2006 Appointed 23 August 2006 Appointed 17 May 2006 Appointed 17 May 2006 Appointed 23 August 2006 Appointed 23 August 2006 Resigned 1 June 2006 Resigned 23 August 2006 Resigned 28 November 2006 Resigned 23 August 2006 Resigned 23 August 2006
Secretary	Rosaleen Campbell	
Company number	SC292902	
Charity number	SC037018	
Registered office	The Rural Centre Crossapol Isle of Tiree PA77 6UP	
Accountants	R A Clement Associates 5 Argyll Square Oban Argyll PA34 4AZ	
Business address	The Rural Centre Crossapol Isle of Tiree PA77 6UP	

Tiree Community Development Trust

Directors' report for the period ended 31 December 2006

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.

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.

Related parties

To date this issue has not arisen and as yet no policy or register has been put in place. This is something that the Trust Directors intend to address in the near future.

Operational Structure

Day to day management of the Trust in its first fifteen months has been carried out by a Project Manager employed by the agency partners (Scottish Natural Heritage (SNH), Argyll & Bute Council, Argyll & the Islands Enterprise (AIE) and the Crofters Commission) for two years in order to set up and support the new Trust. The post was overseen and administered by SNH local area advisor acting as line manager.

The Trust employs a full time Project Officer to progress the various projects taken on by the Trust. The Trust's Administration is sub contracted to local business Paperworks on the basis of 18.75 hours per week. The Project Officer and Administration contract are overseen by the Project Manager and team meetings are held weekly. The Project Officer and Administrator produce reports for monthly Directors meetings. The Project Manager is responsible to the Directors and reports at monthly Directors meetings.

Review of activities and achievements

The Trust has progressed ten projects during the period relating to a five year Community Development Plan adopted from the Trust's predecessor Tiree Development Partnership. This plan was prepared over a three year period in close consultation with the community on Tiree as part of the development process.

Trust Administration

Grant aided by the local authority Community Economic Development Programme and Argyll & the Isles Enterprise (AIE) this fifteen month contract successfully provides support to the Directors and staff in the development of the Trust and the various projects undertaken on behalf of the community.

Tiree Community Development Trust

Directors' report for the period ended 31 December 2006

Renewable Energy

REN01 - Establishment and management of full time Renewable Energy Officer services for a period of fifteen months. Grant aided by Highlands and Islands Community Energy Company (HICEC) and WHELK Leader+, this has allowed the charity to progress a community wind turbine project along with various projects described below.

REN02 - Renewable Energy Fair: A successful 1 day event grant aided by HICEC aimed at individuals, businesses and community organisations highlighting and demonstrating various renewable energy options for Tiree.

REN03 - Renewable Energy Initiative: An ongoing small award project grant aided by HICEC with the purpose of investigating some of the initiatives highlighted at the Renewable Energy Fair and providing support to individuals, businesses and community organisations in pursuing some of these options.

Crossapol Enterprise Zone

CEZ01 - Feasibility Study: A feasibility study relating to the potential loss of the existing dilapidated enterprise facilities and potential options for the development of replacement facilities elsewhere. This feasibility study has been paid for by AIE and is ongoing in consultation with the users of the existing enterprise facilities.

Wind Turbine

Community consultation has resulted in the development of plans for the erection of a community owned wind turbine to create revenue for the community for long-term investment in development projects relating to sustainable development on Tiree.

TUR01 - Bird Survey: This survey was grant aided by HICEC as part of a package of pre-development support for a community wind turbine for Tiree. The survey was carried out by a qualified ecologist living on Tiree and is now complete, the report having been presented to the Trust in November 2006.

TUR02 - Community Engagement: Grant aided by HICEC this has formed the basis for community consultation for the turbine project. It has taken the form of continuous information through the local newsletter, production of a colour information leaflet, photo montages and three public events including a community vote resulting in strong support for the project and a mandate for the Trust to progress.

TUR03 - Technical Assistance: Grant aided by HICEC this project has covered the completion of all technical preparation to take the project to the stage of a planning application. It has included the initial feasibility study, site option appraisal, erection of a met mast to collect wind data, negotiations for the site, surveys, financial and logistical planning, travel and subsistence for conferences and meetings relating to the project.

TUR04 - Grid Connection: Funding has been awarded by HICEC for the grid connection. The project is not yet at this stage.

Tiree Wave Classic

TWC01 - 2006 Wave Classic. This international week long wind-surfing competition and fringe event has been held on Tiree for many years. For the first time the community of Tiree were involved in 2006 represented by the Trust with the vision of this becoming a community lead event. The event was a great success.

TWC02 - 2007 Wave Classic. It is anticipated that community involvement will grow towards the event becoming an exclusively community lead project.

Access Project

In response to issues arising on the island relating to access, camping, coastal erosion etc the Trust are discussing how these issues can be addressed in partnership with land users on Tiree. A sub group has been set up to take this forward.

Harbours Project

HAR01 - A feasibility study has been carried out relating to the potential up-grade of the island's harbours for health and safety, environmental and heritage reasons. The study was commissioned by AIE and has been presented to the Trust and is now under discussion with regard to implementation.

Tiree Community Development Trust

Directors' report for the period ended 31 December 2006

General Trust Projects

TRUST01: Start-Up: A small grant has been received from the Community Land Unit for costs associated with running the Trust such as office costs, membership communication, and accountancy and governance expenses.

TRUST02: Gigha Trip: Grants have been awarded by WHELK Leader+ and Community Scotland Seeing is Believing fund to organise a fact finding trip for twelve people from the community to visit the Isle of Gigha to learn from the experiences of the Gigha Community Trust. The trip is planned for late spring 2007.

Tiree Design Guide

The Trust has been actively involved in the production of a housing design guide for Tiree by Argyll & Bute Council and SNH. This has provided an opportunity for the community to be involved with and influence this important piece of work.

Affordable Housing

The Trust have worked in partnership with West Highland Housing Association, Community Scotland and Rural Housing Service to secure funding and establish a post for a Housing Development Officer on Tiree to address the housing need on the island.

Commitments

From the projects listed above contractual obligations of the Trust are to complete the administration contract which ends June 30th, to complete the Renewable Energy Officer provision which ends July 31st, to complete the Crossapol Enterprise Zone feasibility study and to carry out the trip to Gigha.

Statement of directors responsibilities

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 those 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;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any 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 charity will continue in business.

The directors have overall responsibility for ensuring that the charity has appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

R A Clement Associates were appointed accountants during the period and the directors recommend that R A Clement Associates remain in office until further notice.

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

Tiree Community Development Trust

Reporting accountants' report to the directors on the unaudited financial statements of Tiree Community Development Trust.

We report on the financial statements of Tiree Community Development Trust for the period ended 31 December 2006 which comprise the statement of financial activities, the balance sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (issued January 2005), under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and accountants

As described in the statement of directors responsibilities the directors are responsible for the preparation of the financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- i the financial statements are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985.
- ii having regard only to, and on the basis of, the information in those accounting records:
 - a those financial statements have been drawn up in a manner consistent with the provisions of the Act as specified in Section 249C(6), so far as applicable to the company.
 - b the company satisfied the requirements of Section 249A(4), for the financial year in question, and did not fall within Section 249B(1)(a) to (f) at any time within that financial year.

**R A Clement Associates
Chartered Accountants
Registered Auditors**

**5 Argyll Square
Oban
Argyll

PA34 4AZ**

Tiree Community Development Trust

Statement of financial activities

For the period ended 31 December 2006

	Notes	Unrestricted funds £	Restricted funds £	Period ended 31/12/06 Total £
Incoming resources				
Incoming resources from generated funds				
Grants	2	6,916	53,519	60,435
Subscriptions		199	-	199
Income from investments		65	-	65
Income from charitable activities	3	1,560	-	1,560
Other incoming resources - refunds		-	192	192
Total incoming resources		8,740	53,711	62,451
Costs of generating funds				
Charitable Expenditure	4	(3,215)	(55,385)	(58,600)
Governance costs	5	(23)	-	(23)
Total resources expended		(3,238)	(55,385)	(58,623)
Transfers between funds		(1,564)	1,564	-
Net movement in funds		3,938	(110)	3,828
Total funds carried forward		3,938	(110)	3,828

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing operations.

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

Tiree Community Development Trust

Balance sheet as at 31 December 2006

	Notes	31/12/06	
		£	£
Fixed assets			
Investments	7		100
Current assets			
Debtors	8	2,777	
Cash at bank and in hand		3,610	
		<u>6,387</u>	
Creditors: amounts falling due within one year	9	<u>(2,659)</u>	
Net current assets			<u>3,728</u>
Net assets			<u>3,828</u>
Funds			
Unrestricted funds	11		3,938
Restricted funds	12		(110)
			<u>3,828</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 2005).

The directors statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

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

Tiree Community Development Trust

Balance sheet (continued)

Directors statements required by Section 249B(4) for the period ended 31 December 2006

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the period stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the period ended 31 December 2006 and

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its surplus or deficit for the period then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These 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 2005).

The financial statements were approved by the Board on

and signed on its behalf by

Director

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

Tiree Community Development Trust

Notes to the financial statements for the period ended 31 December 2006

1. Accounting policies

1.1. Accounting convention

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

1.2. Incoming resources

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

Resources expended are recognised in the year in which they are incurred.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

1.4. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

2. Grant income

	Unrestricted funds £	Restricted funds £	Period ended 31/12/06 £
Community Economic Development (AIE)	-	7,961	7,961
Highlands & Islands Enterprise	-	6,846	6,846
ALLenergy	-	4,254	4,254
Leader Plus	-	5,985	5,985
Highlands & Islands Community Energy Company	-	26,415	26,415
Argyll & The Isles Enterprise	6,916	-	6,916
SNH	-	2,058	2,058
	<u>6,916</u>	<u>53,519</u>	<u>60,435</u>

Tiree Community Development Trust

Notes to the financial statements for the period ended 31 December 2006

3. Incoming resources from charitable activities

	Unrestricted funds £	Period ended 31/12/06 £
Rental Income	1,560	1,560
	<u>1,560</u>	<u>1,560</u>

4. Charitable activities

	Core costs £	Renewable Energy £	Turbine Development £	Period ended 31/12/06 £
Salaries and Wages	-	15,637	-	15,637
Administration charges	9,397	140	217	9,754
Insurance	-	-	925	925
Printing, postage and stationery	295	280	92	667
Computer costs	-	705	-	705
Travelling	32	1,031	-	1,063
Consultancy fees	-	363	27,938	28,301
Accountancy fees	1,500	-	-	1,500
General expenses	48	-	-	48
	<u>11,272</u>	<u>18,156</u>	<u>29,172</u>	<u>58,600</u>

5. Governance costs

	Period ended 31/12/06 £
Interest and charges	23
	<u>23</u>

Tiree Community Development Trust

Notes to the financial statements for the period ended 31 December 2006

6. Employees

Number of employees

	Period ended 31/12/06 Number
The average monthly numbers of employees (excluding the directors) during the period were:	
Development Officer (REN)	<u>1</u>

Employment costs

	Charitable expenditure £	Period ended 31/12/06 £
Wages and salaries	14,485	14,485
Social security costs	1,152	1,152
	<u>15,637</u>	<u>15,637</u>

	Restricted £	Period ended 31/12/06 £
Wages and salaries	14,485	14,485
Social security costs	1,152	1,152
	<u>15,637</u>	<u>15,637</u>

7. Fixed asset investments

	Subsidiary undertakings shares £	Total £
Cost		
Additions	100	100
At 31 December 2006	<u>100</u>	<u>100</u>
Net book value		
At 31 December 2006	<u>100</u>	<u>100</u>

Tiree Community Development Trust

Notes to the financial statements for the period ended 31 December 2006

7.1. Holdings of 20% or more

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

Company	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
Subsidiary undertaking				
Tiree Renewable Energy Company Limited	Scotland	Renewable Energy	Ordinary shares	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 for the year £
Tiree Renewable Energy Company Limited	100	-

As at 31 December 2006, the company was dormant.

8. Debtors	31/12/06
	£
Trade debtors	2,777
	<u>2,777</u>
9. Creditors: amounts falling due within one year	31/12/06
	£
Other taxes and social security costs	957
Other creditors	202
Accruals and deferred income	1,500
	<u>2,659</u>

Tiree Community Development Trust

Notes to the financial statements for the period ended 31 December 2006

10. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2006 as represented by:			
Investment assets	100	-	100
Current assets	6,387	-	6,387
Current liabilities	(2,549)	(110)	(2,659)
	<u>3,938</u>	<u>(110)</u>	<u>3,828</u>

11. Unrestricted funds

	8 November £	Incoming £	Outgoing £	Transfers £	31 December £
Unrestricted Funds	-	8,740	(3,238)	(1,564)	3,938
	<u>-</u>	<u>8,740</u>	<u>(3,238)</u>	<u>(1,564)</u>	<u>3,938</u>

Tiree Community Development Trust

Notes to the financial statements for the period ended 31 December 2006

12. Restricted funds	8 November	Incoming	Outgoing	Transfers	31 December
	£	£	£	£	£
Renewable Energy - Development Officer	-	12,807	(16,429)	3,622	-
Renewable Energy Fair	-	1,710	(1,620)	-	90
Administration Grant	-	7,961	(8,057)	-	(96)
Turbine Development - Bird Survey	-	4,295	(4,293)	-	2
Turbine Development - Community	-	2,058	-	(2,058)	-
Turbine Development - Technical	-	24,880	(24,879)	-	1
Renewable Energy Initiative	-	-	(107)	-	(107)
	<u>-</u>	<u>53,711</u>	<u>(55,385)</u>	<u>1,564</u>	<u>(110)</u>

Purposes of restricted funds

Various grants were received during the year towards the development phase of the Renewable Energy project, including a grant for the employment of a development officer; grants were also received towards feasibility studies, surveys and technical fees

A core grant was received towards the Trust administration costs.

A transfer was made from the unrestricted funds to meet the Trust's share of the Development Officer costs. A transfer was also made back to unrestricted funds of an amount received from SNH which it has been agreed can be retained as general funds.

The small deficits on the restricted funds were recovered in grant claims after the year end.