

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 2007

Tiree Community Development Trust
(A company limited by guarantee)

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Tiree Community Development Trust
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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 The Rural Centre
Crossapol
Isle of Tiree
PA77 6UP

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

Directors Jonathan Bowler
Patrick Boyd resigned 10 April 2007
Rosaleen Campbell
Angus MacKechnie
Isabella MacKinnon
William Maclean resigned 10 April 2007
Neil MacPhail
Fiona Munn
Mark Vale appointed 3 October 2007

Secretary Rosaleen Campbell

Independent examiner Fiona McGlynn of 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 2007

The directors present their report and the financial statements for the year ended 31 December 2007. 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 Officers Kirsty MacLean and Elizabeth Lapsley.

The administration of the Trust is sub contracted to local business Paper.works on the basis of 16 hours per week.

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

The Trust has progressed nine projects in 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.

Grant aided by the local authority Community Economic Development Programme and Argyll & the Isles Enterprise this contract, which ended on June 30th 2007, provided support to the Directors and staff in the development of the Trust and the various projects undertaken on behalf of the community.

Administration is now paid for from Trust core funds.

Project 8: Trust Core Operational Activities

TRUST03: A balance of funds remaining after the resignation of the Development Manager at the end of 2006 was used to further progress the core activity of the Trust. Continuity funding has been secured for core operational activities until end June 2008 from agency partners Highlands and Islands Enterprise (Argyll & the Isles), Highlands & Islands Community Energy Company, Argyll & Bute Council, Crofters Commission, Scottish Natural Heritage.

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Report of the directors
for the year ended 31 December 2007

Project 2: Renewables:

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.

Project 3: Crossapol Enterprise Zone:

CEZ01 - Feasibility Study: A feasibility study relating to the potential loss of the existing enterprise facilities at 'The Camp' and potential options for the development of new enterprise facilities elsewhere. The Trust has been commissioned by Argyll and The Islands Enterprise to carryout the work for an agreed fee with a final report due by January 2008.

Project 4: Tiree Community Wind Turbine:

The community wind turbine project continues to develop under several sub projects;

TUR02 - Community Engagement: Grant aided by HICEC this has formed the community consultation for the turbine. Project still open but no progress by end of year, as awaiting decision on planning permission.

TUR03 - Technical Assistance: Grant aided by HICEC this project was awarded to assist with technical preparation to take the community turbine project to the stage of a planning application. The planning application was submitted in April 2007 but a decision was still awaited at the year-end. There are some remaining funds for further work.

TUR04 - Grid Connection: Funding has been awarded by HICEC for the grid connection.

Project 5: Tiree Wave Classic

TWC03 - 2008 Wave Classic: Funding is expected for the 2008 event through event organiser GMFCo. Increased involvement is being investigated by the Trust to make this into a community lead project.

Project 6: Access

A project has been initiated to address land-based issues on Tiree. This project has been delegated to another community organisation (Tiree Rural Development Ltd) to lead in partnership with the Trust, looking first at providing access guidelines on the island and the possibility of a conservation ranger service.

Project 7: Harbours

HAR02 - Funding is presently being sought for further feasibility work relating to the potential up-grade of the islands harbours

Project 10: Affordable Housing

The Trust continues to work in partnership with West Highland Housing Association on issues relating to affordable housing on Tiree

Project 14: Youth Work

The Trust has been in discussion with Argyll & Bute Council regarding potential funding for provision of a youth worker for Tiree.

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Report of the directors
for the year ended 31 December 2007

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.

The directors recommend that Fiona McGlynn of R A Clement Associates remains in office until further notice.

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
(A company limited by guarantee)

Independent examiner's report to the directors on the unaudited financial statements of Tiree Community Development Trust.

I report on the financial statements of Tiree Community Development Trust for the year ended 31 December 2007 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 (effective January 2007), under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and independent examiner

The charity's directors are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's directors consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as directors concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (i) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 44 (1) (a) of the 2005 Act; and Regulation 4 of the 2006 Accounts, and
 - to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations
- have not been met; or
- (ii) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Fiona McGlynn of R A Clement Associates
Chartered Accountants
5 Argyll Square
Oban
Argyll
PA34 4AZ

Date:

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

For the year ended 31 December 2007

	Notes	Unrestricted funds £	Restricted funds £	2007 Total £	2006 Total £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	2	9,024	65,654	74,678	60,634
Investment income		48	127	175	65
Incoming resources from charitable activities		-	-	-	1,560
Other incoming resources		102	-	102	192
Total incoming resources		<u>9,174</u>	<u>65,781</u>	<u>74,955</u>	<u>62,451</u>
Resources expended					
Charitable activities	3	143	66,235	66,378	58,600
Governance costs	4	2,093	-	2,093	23
Total resources expended		<u>2,236</u>	<u>66,235</u>	<u>68,471</u>	<u>58,623</u>
Net incoming/(outgoing) resources before transfers					
		6,938	(454)	6,484	3,828
Transfer to clear deficits		<u>(1,048)</u>	<u>1,048</u>	<u>-</u>	<u>-</u>
Net movement in funds/Net income for the year		5,890	594	6,484	3,828
Total funds brought forward		<u>3,938</u>	<u>(110)</u>	<u>3,828</u>	<u>-</u>
Total funds carried forward		<u>9,828</u>	<u>484</u>	<u>10,312</u>	<u>3,828</u>

The notes on pages 9 to 12 form an integral part of these financial statements.

Tiree Community Development Trust
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Balance sheet
as at 31 December 2007

	Notes	2007		2006	
		£	£	£	£
Fixed assets					
Investments	7		100		100
Current assets					
Debtors	8	10,337		2,777	
Cash at bank and in hand		1,475		3,610	
		<u>11,812</u>		<u>6,387</u>	
Creditors: amounts falling due within one year					
	9	<u>(1,600)</u>		<u>(2,659)</u>	
Net current assets			<u>10,212</u>		<u>3,728</u>
Net assets			<u>10,312</u>		<u>3,828</u>
Funds					
	10				
Restricted income funds			484		(110)
Unrestricted income funds			9,828		3,938
Total funds			<u>10,312</u>		<u>3,828</u>

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 12 form an integral part of these financial statements.

Tiree Community Development Trust
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Balance sheet (continued)

Directors' statements required by Section 249B(4)
for the year ended 31 December 2007

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

(a) that for the year 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 year ended 31 December 2007 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 year and of its surplus or deficit for the year 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 2007).

The financial statements were approved by the Board on

and signed on its behalf by

Jonathan Bowler
Director

The notes on pages 9 to 12 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 2007

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.

Tiree Community Development Trust
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Notes to financial statements
for the year ended 31 December 2007

2. Voluntary income

	Unrestricted funds £	Restricted funds £	2007 Total £	2006 Total £
Donations in kind	-	8,955	8,955	-
Highlands & Islands Community Energy	-	2,274	2,274	26,415
Community Economic Development (AIE)	-	3,594	3,594	7,961
Highlands & Islands Enterprise	-	24,505	24,505	6,846
ALLenergy	-	-	-	4,254
Leader Plus	-	-	-	5,985
Argyll & the Isles Enterprise	24	8,023	8,047	6,916
SNH	7,000	6,475	13,475	2,058
Argyll & Bute Council	-	11,828	11,828	-
HIE - Start up grant	2,000	-	2,000	-
Subscriptions	-	-	-	199
	<u>9,024</u>	<u>65,654</u>	<u>74,678</u>	<u>60,634</u>

3. Costs of charitable activities - by activity

	Activities undertaken directly £	2007 Total £	2006 Total £
Core Activities	27,427	27,427	11,272
Renewable Energy	18,298	18,298	18,156
Turbine Development	16,498	16,498	29,172
Harbour Development	3,222	3,222	-
Tiree Wave Classic	790	790	-
Enterprise Facilities	143	143	-
	<u>66,378</u>	<u>66,378</u>	<u>58,600</u>

4. Governance costs

	Unrestricted funds £	2007 Total £	2006 Total £
Office expenses	2,024	2,024	-
Other charges	69	69	23
	<u>2,093</u>	<u>2,093</u>	<u>23</u>

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Notes to financial statements
for the year ended 31 December 2007

5. Employees

Employment costs	2007	2006
	£	£
Wages and salaries	20,222	14,485
Social security costs	1,618	1,152
	<u>21,840</u>	<u>15,637</u>

No employee received emoluments of more than £60,000 (2006 : None).

Number of employees

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

	2007	2006
	Number	Number
Full Time	1	1
Part Time	1	-
	<u>2</u>	<u>1</u>

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

6. 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.

7. Fixed asset investments

	Subsidiary	
	undertakings	
	shares	Total
	£	£
Valuation		
At 1 January 2007 and		
At 31 December 2007	<u>100</u>	<u>100</u>
Historical cost as at 31 December 2007	<u>-</u>	<u>-</u>

All fixed asset investments are held within the United Kingdom.

8. Debtors

	2007 £	2006 £
Trade debtors	-	2,777
Other debtors	10,337	-
	<u>10,337</u>	<u>2,777</u>

9. Creditors: amounts falling due within one year

	2007 £	2006 £
Other taxes and social security	-	957
Other creditors	100	202
Accruals and deferred income	1,500	1,500
	<u>1,600</u>	<u>2,659</u>

10. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2007 as represented by:			
Investment assets	100	-	100
Current assets	11,328	484	11,812
Current liabilities	(1,600)	-	(1,600)
	<u>9,828</u>	<u>484</u>	<u>10,312</u>

11. Unrestricted funds

	At 1 January 2007 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 December 2007 £
Unrestricted Fund	3,938	9,174	(2,236)	(1,048)	9,828
	<u>3,938</u>	<u>9,174</u>	<u>(2,236)</u>	<u>(1,048)</u>	<u>9,828</u>

12. Restricted funds

	At 1 January 2007 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 December 2007 £
Renewable Energy Projects	(17)	13,063	(13,094)	48	-
Administration Grants	(96)	28,007	(27,427)	-	484
Turbine Development projects	3	15,502	(16,498)	993	-
Tiree Wave Classic	-	475	(790)	315	-
Harbour Development	-	3,734	(3,222)	(512)	-
Harvesting the Wind - Big Lottery Fund	-	5,000	(5,204)	204	-
	<u>(110)</u>	<u>65,781</u>	<u>(66,235)</u>	<u>1,048</u>	<u>484</u>

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

**Notes to financial statements
for the year ended 31 December 2007**

13. Related party transactions

During the year, three directors received a total of £523 in reimbursement of travel and subsistence expenses.

14. 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.