

**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 2009**

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

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

**Legal and administrative information**

**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  
Roger Jarvis  
Rosaleen Campbell  
Isabella MacKinnon  
Kathryn MacCallum  
Fiona Munn  
Mark Vale  
Sheena MacKenzie  
Samuel Bouchnak  
Ross MacLennan  
Neil MacPhail

Co-opted 16 June 2009  
Appointed 16 June 2009  
Appointed 16 June 2009  
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**  
**(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 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. 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 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.

**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.

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

**Achievements and performance**

*Turbine & 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 the 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**  
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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.

**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.

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

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

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 of the incoming resources and application of resources, including the income and expenditure, of the 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, and the Charities Accounts (Scotland) Regulations 2006. 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.

On behalf of the board

**Rosaleen Campbell**  
**Secretary**

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

We have audited the financial statements of Tiree Community Development Trust for the year ended 31 December 2009 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 (effective April 2008).

This report is made exclusively 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 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 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 and the 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  
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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.

**Opinion**

In our opinion:

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 December 2009 and of its 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 applicable to Smaller Entities, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 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 and Statutory auditors**

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

**Tiree Community Development Trust**  
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**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 £
<b>Incoming resources</b>					
Incoming resources from generating funds:					
Voluntary income	2	2,725	697,041	699,766	155,957
Investment income		8,368	-	8,368	61
Other incoming resources		-	-	-	52
<b>Total incoming resources</b>		<u>11,093</u>	<u>697,041</u>	<u>708,134</u>	<u>156,070</u>
<b>Resources expended</b>					
Charitable activities	3	1,110	60,228	61,338	42,306
Governance costs	4	1,727	-	1,727	1,882
<b>Total resources expended</b>		<u>2,837</u>	<u>60,228</u>	<u>63,065</u>	<u>44,188</u>
<b>Net incoming resources for the year /</b>					
<b>Net income for the year</b>	5	8,256	636,813	645,069	111,882
Total funds brought forward		<u>5,355</u>	<u>116,839</u>	<u>122,194</u>	<u>10,312</u>
<b>Total funds carried forward</b>		<u>13,611</u>	<u>753,652</u>	<u>767,263</u>	<u>122,194</u>

The notes on pages 10 to 16 form an integral part of these financial statements.

**Tiree Community Development Trust**  
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**Balance sheet**  
**as at 31 December 2009**

SC292902

	Notes	2009		2008	
		£	£	£	£
<b>Fixed assets</b>					
Investments	8		698,448		122,100
<b>Current assets</b>					
Debtors	9	65,342		26,367	
Cash at bank and in hand		22,863		101,029	
		<u>88,205</u>		<u>127,396</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(19,390)</u>		<u>(127,302)</u>	
<b>Net current assets</b>			68,815		94
<b>Net assets</b>			<u>767,263</u>		<u>122,194</u>
<b>Funds</b>	11				
Restricted income funds			753,652		116,839
Unrestricted income funds			13,611		5,355
<b>Total funds</b>			<u>767,263</u>		<u>122,194</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

**Isabella MacKinnon**  
**Director**

**The notes on pages 10 to 16 form an integral part of these financial statements.**

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

**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. 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 2009**

**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>

**3. 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
	<u>61,338</u>	<u>61,338</u>	<u>42,306</u>

**Core Expenditure analysed as**

Wages, salaries and staff costs	29,332	23,710
Rent	1,800	1,800
Insurance	920	735
Travel expenses	339	412
Accountancy	3,760	-
Legal Fees	3,130	-
Professional and consultancy	14,039	3,350
Phone and IT	952	1,770
Office expenses	4,649	1,623
Other costs	1,629	75
Administration costs	788	7,035
	<u>61,338</u>	<u>40,510</u>

**Tiree Community Development Trust**  
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**Notes to financial statements**  
**for the year ended 31 December 2009**

**4. Governance costs**

	<b>Unrestricted funds £</b>	<b>2009 Total £</b>	<b>2008 Total £</b>
Auditor remuneration	1,725	1,725	1,725
Office expenses	-	-	126
Other charges	2	2	31
	<u>1,727</u>	<u>1,727</u>	<u>1,882</u>

**5. Net incoming resources for the year**

	<b>2009 £</b>	<b>2008 £</b>
Net incoming resources of £8,256 is stated after charging:		
Auditors' remuneration	<u>1,725</u>	<u>1,725</u>

**6. Employees**

<b>Employment costs</b>	<b>2009 £</b>	<b>2008 £</b>
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>

No employee received emoluments of more than £60,000 (2008 : None).

**Number of staff**

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

	<b>2009 Number</b>	<b>2008 Number</b>
Part Time	<u>2</u>	<u>1</u>

No trustee received any remuneration, expenses reimbursements or benefits in kind in respect of their role as directors.

**Tiree Community Development Trust**  
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**Notes to financial statements**  
**for the year ended 31 December 2009**

**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.

<b>8. Fixed asset investments</b>	<b>Subsidiary</b>	<b>Subsidiary</b>	<b>Total</b>
	<b>undertakings</b>	<b>undertakings</b>	
	<b>shares</b>	<b>loans</b>	
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Valuation</b>			
At 1 January 2009	100	122,000	122,100
Additions	-	576,348	576,348
At 31 December 2009	<u>100</u>	<u>698,348</u>	<u>698,448</u>
Historical cost as at 31 December 2009	<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:

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

**9. Debtors**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Amounts due from subsidiary	41,976	26,367
Other debtors	15,000	-
Prepayments and accrued income	8,366	-
	<u>65,342</u>	<u>26,367</u>

**Tiree Community Development Trust**  
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**Notes to financial statements**  
**for the year ended 31 December 2009**

**10. Creditors: amounts falling due within one year**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Trade creditors	300	-
Other taxes and social security	564	474
Other creditors	15,000	122,000
Accruals and deferred income	3,526	4,828
	<u>19,390</u>	<u>127,302</u>

The Big Lottery Fund has a floating charge over all of the property and assets of the Trust for all sums due or to become due, in relation to the grant of £712,600 towards the Trust investment in Tiree Renewable Energy Company Limited

**11. Analysis of net assets between funds**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
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>

**12. Unrestricted funds**

	<b>At 1 January 2009</b>	<b>Incoming resources</b>	<b>Outgoing resources</b>	<b>At 31 December 2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted Fund	<u>5,355</u>	<u>11,093</u>	<u>(2,837)</u>	<u>13,611</u>

**Tiree Community Development Trust**  
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**Notes to financial statements**  
**for the year ended 31 December 2009**

<b>13. Restricted funds</b>	<b>At</b>				<b>At</b>
	<b>1 January</b>	<b>Incoming</b>	<b>Outgoing</b>	<b>Transfers</b>	<b>31 December</b>
	<b>2009</b>	<b>resources</b>	<b>resources</b>		<b>2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Harvesting 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>

The transfer above relates to a readjustment of the allocation of the opening balances.

**14. Related party transactions**

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.

During the year, the Trust loaned a further £606,348 to Tiree Renewable Energy Company Limited, of which £30,000 was accrued in the previous years accounts. 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.

**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.

**15. Post balance sheet events**

The Trust intended to convert the intercompany balance as at 31 December 2008 with the Renewable Energy company 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 now stands at £41,976, into ordinary shares, and this will be carried out during the year to 31 December 2010.

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

**Notes to financial statements  
for the year ended 31 December 2009**

**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.