

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 2010

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

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Tiree Community Development Trust (Group)
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Legal and administrative information

Charity number SC037018
Company registration number SC292902

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

Directors Jonathan Bowler
Roger Jarvis
Rosaleen Campbell
Isabella MacKinnon
Kathryn MacCallum
Fiona Munn
Mark Vale
Sheena MacKenzie
Samuel Bouchnak Resigned 26 November 2010
Ross MacLennan Resigned 18 July 2011

Secretary Rosaleen Campbell

Auditors R A Clement Associates
Chartered Accountants & Registered
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 2010

The directors present their report and the financial statements for the year ended 31 December 2010. 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 has constructed and is now operating 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.

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Report of the directors (incorporating the trustees' report)
for the year ended 31 December 2010

Achievements and performance

Trust and Staffing

The trust called an EGM in May in order to update the memorandum and articles to comply with recent changes in legislation regarding Charity Law and the Scottish Land Reform Act.

Liz Lapsley left to retire to France and in October Trish Proud moved to Glasgow for family reasons. Lloyd Gudgeon resigned as manager also because of family commitments on the mainland although he continued to do some of the Array work on a consultancy basis until the beginning of the year

Therefore we now have a brand new team with the exception of Sophie the youth worker for whom we managed to secure further funding for 3 years through the Robertson Trust and matched funding from our BIG lottery money. The youth work is going from strength to strength and Sophie is working with all age groups from toddlers to chat room and has also been busy setting up the Duke of Edinburgh, and the beaver group as well as organising joint ventures with the children on Coll.

Ann Kirby was appointed as Trust Manager in October. She had been a voluntary director on TREL for many years and was also a co-opted director of the Trust. Andy Wright replaced Trish as the Trust finance and governance manager and has been kept very busy with updating the memo and articles, windfall fund, training courses, moving house etc!

HIE as part of its CAM (Community Asset Management) programme for communities on the edge have funded a local development officer post, which saw Lynne MacKinnon employed in November. Lynne's main role is to update the local development plan to incorporate it in the Argyll & Bute council policy, Scottish government and European legislation. This means working with the local community groups, the trust staff and youth worker to ensure the plan incorporates what people want, as this is what funders will use.

With all the changes to staff and Ann's recent sick leave, the trust directors would like to thank Andy, Lynne and Sophie for the additional tasks they have taken on in the last few weeks. We know that a lot of it is not in your job descriptions and we do appreciate your efforts. Thanks to Iain Tainsh for stepping in to assist with the end of year accounts for both TREL and the trust and for helping the directors and supporting Andy in the finance side of his post. To all those who have helped, Many Thanks.

Transport

In discussions with Ken Crawford, Scottish Office regarding the proposed purchase of two new twin otters, he confirmed that Loganair would still run the Saab if needed if they have the contract to do so and that there would be "no unserved demand" for flights to and from Tiree Airport.

A Sunday flight will also be run through July and August as a trial.

Harbours

An Engineer from Noble Denton met with Roger Jarvis and Ross MacLennan to look at the harbours and confirmed that Gott bay is the only realistic site for future development; Hynish is not realistic and Scarinish is too small.

CMAL have stated the community would be consulted in any future development of the harbour and be involved in any decisions through the masterplanning process

TRD Information Officer

The Trust have supported Tiree Rural Development in their application for funding a local information officer post. This is in place as a job share and last years report gave excellent feedback on tourism

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for the year ended 31 December 2010

Scarinish Playpark

Plans for a play area for the children at pier view estate are ongoing. The Trust have spoken to the council regarding planning policy and they are going to investigate. If an existing group want to take this on we would welcome that and support them; if not then the Trust will assist the parents to set up a group to apply for funding.

War Memorial

The state of the lettering came up on open day. The Trust has agreed with Stokes Memorials to tidy up the lettering, for which they will only charge travel expenses and accommodation. We are very grateful for this kind offer from Fraser.

Cùram

A public meeting was called by Dr Holliday in February this year, regarding the future of Tigh a Rudha and the home care services on Tiree in light of council cutbacks. As it turned out Cùram Thiriodh, the community company which was very quickly formed was not eligible to put in a bid as they would need registration with care commission. Cùram, with the help of the Trust, have set themselves up as a business with an application for charitable status pending and a board of directors to draw up a business plan for the development of a progressive care centre/integrated care service for the island. Three of the Trust directors Fiona, Kate and Trudy are on the working group and Andy is also assisting where possible.

Argyll Array/SPR

In August 2010 the Trust formed a working group to gather information and thoughts from the public on the proposed offshore wind farm. This forum resulted in an open day and a public exhibition of the findings, expressing the community's opinions, concerns, etc. This exhibition is now being produced in booklet form to go to all households and is also being used as a starting point for public consultation on Health and Social impact assessments

The report, undertaken by the consultants for ARC (Argyll Renewable Communities) was very disappointing as we felt there had not been enough public consultation done on Tiree and we have asked for more consultation to take place before we put our name to this document.

Recruitment of consultants for this next stage (Masterplanning) has now taken place and public consultation will start next month.

There have been various public meetings on the island with Crown Estate, Marine Scotland, SPR open day, we want all these people to come to Tiree to explain to people what their roles are.

The main point is that the Trust has a seat at the table on the masterplanning committee which has been set up to look at the effects of this development on the community of Tiree, alongside Argyll and Bute Council, Crown Estates, Marine Scotland, HIE, CMAL, SNH and SPR. We therefore have input into all their discussions and any decisions they might want to make which would affect Tiree. This is the first time that this process has happened and it is of huge importance that a small community is included in this process.

We have to keep our seat at the table and keep the dialogue open as this is our future.

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Report of the directors (incorporating the trustees' report)
for the year ended 31 December 2010

Scottish Island Federation/Year of Scottish Islands

Lynne and I attended this conference in Oban. Money for Scottish islands goes to the Western Isles, Orkney and Shetland as they have island council status and political representation. As a result the Argyll and Ayrshire islands do not see much benefit. However with HIE employing LDO's in these areas we hope they could work together to give us more representation.

There was a very successful Inter Island meeting organised by the LDO's held in Tiree last month between Mull, Coll and Tiree, and attended by guests from Argyll voluntary Action (AVA) and Argyll and Bute Social Enterprise Network (ABSEN). I think this is the way forward and this communication should happen as often as possible.

Tiree Association meeting - Glasgow

We held a joint meeting in June with the Tiree Association and friends of Tiree. The meeting was held at the Lorne Hotel in Glasgow and was well attended by over 40 people who were very interested in hearing about the full scope of the Trust's work. They were surprised by the 34 community groups on Tiree, and obviously interested in the proposed offshore wind farm. There were a lot of questions and also some myth busting of all the rumours going about! This is something else the trust would like to build on and do regularly.

Tilley

Since last year we received FIT (Feed in Tariff) Status which will increase the projected income by about 30% and in addition to increased energy prices, this has significantly boosted Tilley's income.

A sub sea cable was broken between January and April, which caused considerable disruption but insurance cover was in place to cover loss of income.

The Windfall fund was set up and nearly £10,000 was awarded earlier in the year to successful applicants. I am now delighted to announce that a further £40,000 will be available later this year. Bearing in mind that the projected figure was £5,000 for the first full year we have been completely 'blown away' by Tilley's success! The Trust will soon be welcoming applications for the next round of funding from anyone with an interest in the Island of Tiree: individuals, groups, organisations or businesses. Projects must provide clear benefit to the wider community of Tiree.

Currently, following extensive local consultation, the areas of greatest interest for the Trust are: Youth, Cultural Heritage, Business Development & Job Creation, Affordable Housing, Community Care, Energy Efficiency and Environmental Protection. The initial Fund was limited to £1,000 per application to allow the money to be spread wider but as there is substantially more for the next round it is unlikely to be capped, although there will be a different application process for under £1,000 and over £1,000 and businesses.

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 2010

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 15 September 2011 and signed on its behalf by

Rosaleen Campbell

Rosaleen Campbell
Company Secretary

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 2010 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

As explained more fully in the Trustees' Responsibilities Statement in the Trustees' report, the trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the group financial statements and the parent company financial statements and for being satisfied that the financial statements give a true and fair view.

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 and express an opinion on the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of; whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

Opinion on the financial statements

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 2010 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been 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 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Tiree Community Development Trust (Group)
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Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the parent charitable company has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records or returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime

Fiona McGlynn

15 November 2011

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Fiona McGlynn
Senior Statutory Auditor

5 Argyll Square
Oban
Argyll
PA34 4AZ

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

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

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

Consolidated Statement of financial activities (incorporating the income and expenditure account)

For the year ended 31 December 2010

	Notes	Unrestricted funds £	Restricted funds £	2010 Total £	2009 Total £
Incoming resources					
Incoming resources from generating funds:					
Voluntary income	2	10,706	78,531	89,237	699,766
Investment income		8	-	8	2
Subsidiary trading income	3	-	310,992	310,992	5,000
Total incoming resources		<u>10,714</u>	<u>389,523</u>	<u>400,237</u>	<u>704,768</u>
Resources expended					
Costs of generating funds:					
Fundraising trading:		-	196,905	196,905	-
Charitable activities		7,323	63,021	70,344	66,026
Governance costs	5	1,087	19,215	20,302	3,727
Total resources expended		<u>8,410</u>	<u>279,141</u>	<u>287,551</u>	<u>69,753</u>
Net incoming resources before transfers					
		2,304	110,382	112,686	635,015
Transfer between funds		<u>(2,161)</u>	<u>2,161</u>	<u>-</u>	<u>-</u>
Net movement in funds/Net income for the year		143	112,543	112,686	635,015
Total funds brought forward		<u>5,245</u>	<u>741,925</u>	<u>747,170</u>	<u>112,155</u>
Total funds carried forward		<u>5,388</u>	<u>854,468</u>	<u>859,856</u>	<u>747,170</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 12 to 23 form an integral part of these financial statements.

Tiree Community Development Trust (Group)
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Consolidated Balance sheet
as at 31 December 2010

SC292902

	Notes	£	2010 £	£	2009 £
Fixed assets					
Tangible assets	9		2,048,175		2,087,163
Current assets					
Debtors	10	111,412		116,438	
Cash at bank and in hand		37,969		30,887	
			<u>149,381</u>	<u>147,325</u>	
Creditors: amounts falling due within one year	11	(99,729)		(266,506)	
Net current assets/(liabilities)			<u>49,652</u>		<u>(119,181)</u>
Total assets less current liabilities			2,097,827		1,967,982
Creditors: amounts falling due after more than one year	12		(1,237,971)		(1,220,812)
Net assets			<u>859,856</u>		<u>747,170</u>
Funds					
Restricted income funds	14		854,468		741,925
Unrestricted income funds			5,388		5,245
Total funds			<u>859,856</u>		<u>747,170</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 15 September 2011 and signed on its behalf by

Isabella MacKinnon

Isabella MacKinnon
Director

The notes on pages 12 to 23 form an integral part of these financial statements.

Tiree Community Development Trust (Group)
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Balance sheet (company)
as at 31 December 2010

	Notes	£	2010 £	£	2009 £
Fixed assets					
Investments			754,700		698,448
Current assets					
Debtors	10	17,809		65,342	
Cash at bank and in hand		31,762		22,863	
			49,571		88,205
Creditors: amounts falling due within one year	11	(6,048)		(19,390)	
Net current assets			43,523		68,815
Net assets			<u>798,223</u>		<u>767,263</u>
Funds					
Restricted income funds			770,383		753,652
Unrestricted income funds	16		27,840		13,611
Total funds			<u>798,223</u>		<u>767,263</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 12 to 23 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 2010

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 now operates 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.

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Notes to financial statements
for the year ended 31 December 2010

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 has been charged in the first year of operation, being the year following construction, at 5% straight line
Wind Turbines	-	Depreciation has been charged in the first year of operation, being the year following construction, at 5% straight line
Computer equipment	-	33% straight line

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 continued to be capitalised for the period up to the date when the turbine is commissioned and operational. As part of the interest charged is an intercompany transaction, it is excluded from the consolidated fixed assets balance.

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Notes to financial statements
for the year ended 31 December 2010

2. Voluntary income

	Unrestricted funds £	Restricted funds £	2010 Total £	2009 Total £
Donations	1,142	268	1,410	-
Other donations	553	-	553	-
NHS Highland	-	310	310	-
BIG Lottery Fund - GCA Capital Element	-	14,252	14,252	606,348
Community Energy Scotland	-	-	-	15,609
Scottish Executive	-	-	-	1,162
The Robertson Trust	-	8,500	8,500	-
Argyll & Bute Council	-	-	-	7,356
BIG/HIE Revenue Grant	-	55,201	55,201	58,207
Scottish Power	9,000	-	9,000	-
GIFREC	-	-	-	10,130
Tiree Rural Development	-	-	-	954
Subscriptions	11	-	11	-
	<u>10,706</u>	<u>78,531</u>	<u>89,237</u>	<u>699,766</u>

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

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Notes to financial statements
for the year ended 31 December 2010

Tiree Renewable Energy Company Limited

The company is now operating 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

	2010	2009
	£	£
Turnover	310,792	-
Total expenditure	(229,266)	(6,688)
Other income	200	5,000
Net profit/(loss) for the year	<u>81,726</u>	<u>(1,688)</u>
Retained profit/(loss)	<u><u>81,726</u></u>	<u><u>(1,688)</u></u>

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

Assets	2,168,803	2,219,991
Liabilities	(2,056,704)	(2,231,618)
Funds/(Deficit)	<u><u>112,099</u></u>	<u><u>(11,627)</u></u>

4. Costs of charitable activities - by activity

	Activities undertaken directly £	2010 Total £	2009 Total £
Core Activities	70,344	70,344	61,338
Tiree Renewable Energy Company Limited	-	-	4,688
	<u>70,344</u>	<u>70,344</u>	<u>66,026</u>

5. Governance costs

	Unrestricted funds £	Restricted funds £	2010 Total £	2009 Total £
Auditor remuneration- Group	1,087	3,840	4,927	3,725
Other charges	-	-	-	2
Deferred tax charge/(credit)	-	15,375	15,375	-
	<u>1,087</u>	<u>19,215</u>	<u>20,302</u>	<u>3,727</u>

Tiree Community Development Trust (Group)
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Notes to financial statements
for the year ended 31 December 2010

6. Net incoming resources for the year

	2010	2009
	£	£
Net incoming resources is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	108,424	-
Auditors' remuneration	4,927	3,725
	<u>113,351</u>	<u>3,725</u>

7. Employees

Employment costs	2010	2009
	£	£
Wages and salaries	38,409	27,612
Social security costs	3,522	1,720
Other costs	1,967	-
	<u>43,898</u>	<u>29,332</u>

All of the above employees were employed by the Tiree Community Development Trust. No employee received emoluments of more than £60,000 (2009 : None).

Number of employees

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

	2010	2009
	Number	Number
Full Time	2	-
Part Time	2	2
	<u>4</u>	<u>2</u>

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

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Notes to financial statements
for the year ended 31 December 2010

8. 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.

Analysis of charge in period	2010	2009
	£	£
Total current tax charge	-	-
Deferred tax		
Timing differences, origination and reversal	15,375	-
Total deferred tax	15,375	-
Tax on gain on ordinary activities	15,375	-

No liability to UK corporation tax arose on the ordinary activities of the trading subsidiary for the year ended 31 December 2010, nor for the year ended 31 December 2009.

9. Tangible fixed assets (Group)	Turbine Plant & machinery £	Turbine Grid & installation £	Computer equipment £	Total £
Cost				
At 1 January 2010	993,982	1,093,181	-	2,087,163
Additions	52,154	16,660	622	69,436
At 31 December 2010	<u>1,046,136</u>	<u>1,109,841</u>	<u>622</u>	<u>2,156,599</u>
Depreciation				
At 1 January 2010	-	-	-	-
Charge for the year	52,725	55,492	207	108,424
At 31 December 2010	<u>52,725</u>	<u>55,492</u>	<u>207</u>	<u>108,424</u>
Net book values				
At 31 December 2010	<u>993,411</u>	<u>1,054,349</u>	<u>415</u>	<u>2,048,175</u>
At 31 December 2009	<u>993,982</u>	<u>1,093,181</u>	<u>-</u>	<u>2,087,163</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.

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for the year ended 31 December 2010

10. Debtors

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Trade debtors	5,265	-	-	-
Other debtors	-	115,913	-	65,342
Prepayments and accrued income	106,147	525	17,809	-
	<u>111,412</u>	<u>116,438</u>	<u>17,809</u>	<u>65,342</u>
Other debtors and prepayments				
Amounts due from subsidiary undertakings	-	-	12,452	41,976
Other debtors	-	115,913	-	15,000
Prepayments and accrued income	106,147	525	5,357	8,366
	<u>106,147</u>	<u>116,438</u>	<u>17,809</u>	<u>65,342</u>

11. Creditors: amounts falling due within one year

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Bank overdraft	-	73,013	-	-
Bank loan	52,052	106,578	-	-
Trade creditors	2,439	12,172	1,470	300
Other taxes and social security	5,982	564	1,028	564
Other creditors	-	-	-	15,000
Accruals and deferred income	39,256	74,179	3,550	3,526
	<u>99,729</u>	<u>266,506</u>	<u>6,048</u>	<u>19,390</u>

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Notes to financial statements
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12. Creditors: amounts falling due after more than one year

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Bank loan	1,222,596	1,220,812	-	-
Deferred tax (Note 13)	15,375	-	-	-
	<u>1,237,971</u>	<u>1,220,812</u>	<u>-</u>	<u>-</u>
Loans				
Repayable in five years or more	842,687	840,903	-	-
	<u>842,687</u>	<u>840,903</u>	<u>-</u>	<u>-</u>

Secured Debts

The following secured debts are included within creditors:

	2010	2009
	£	£
Bank Loans	<u>1,274,648</u>	<u>1,327,390</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.

13. Provision for deferred taxation

	2010	2009
	£	£
Provision at 1 January 2010	-	-
Deferred tax charge in statement of financial activities	15,375	-
	<u>15,375</u>	<u>-</u>

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Notes to financial statements
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14. Analysis of net assets between funds (Group)

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2010 as represented by:			
Tangible fixed assets	-	2,048,175	2,048,175
Current assets	5,810	143,571	149,381
Current liabilities	(422)	(99,307)	(99,729)
Long-term liabilities	-	(1,237,971)	(1,237,971)
	<u>5,388</u>	<u>854,468</u>	<u>859,856</u>

Analysis of net assets between funds (company)

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2010 as represented by:			
Investment assets	100	754,600	754,700
Current assets	28,162	21,409	49,571
Current liabilities	(422)	(5,626)	(6,048)
	<u>27,840</u>	<u>770,383</u>	<u>798,223</u>

15. Unrestricted funds

	At 1 January 2010 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 December 2010 £
Unrestricted Funds	<u>5,245</u>	<u>10,714</u>	<u>(8,410)</u>	<u>(2,161)</u>	<u>5,388</u>

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16. Restricted funds (Group)

	At 1 January 2010 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 December 2010 £
Harvesting the Wind	698,348	14,252	-	-	712,600
Renewable Energy	39,839	-	-	2,161	42,000
Tiree Renewable Energy Company Ltd	(11,727)	310,992	(215,180)	-	84,085
Growing Community Assets	-	49,844	(41,319)	-	8,525
Youth Work Fund	15,465	9,078	(17,285)	-	7,258
HIE Grant - LDO funding	-	5,357	(5,357)	-	-
	<u>741,925</u>	<u>389,523</u>	<u>(279,141)</u>	<u>2,161</u>	<u>854,468</u>

16. Restricted funds (company)

	At 1 January 2010 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 December 2010 £
Harvesting the Wind	698,348	14,252	-	-	712,600
Renewable Energy	39,839	-	-	2,161	42,000
Growing Community Assets	-	49,844	(41,319)	-	8,525
Youth Work Fund	15,465	9,078	(17,285)	-	7,258
HIE Grant - LDO funding	-	5,357	(5,357)	-	-
	<u>753,652</u>	<u>78,531</u>	<u>(63,961)</u>	<u>2,161</u>	<u>770,383</u>

Growing Community Assets

Grant funding was received during the year from BIG to cover running costs of the Trust - including salaries, rent, professional fees and stationery.

Local Development Officer

A grant was received in January 2011 from HIE towards the costs of the Local Development Officer. As these expenses were incurred in 2010 a debtor was brought in for £5,357 to match the amount of income to the grant related expenditure incurred prior to the year end.

Youth work fund

Youth worker funds are those funds that are received to cover the salaries of the Youth Worker, as well as funds received to be spent on the Youth Club.

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Grants brought forward from the previous year include GIRFEC and Argyll & Bute Council funding towards the salary costs of the Youth Worker - of £8,109 and £7,356 respectively. During the year grants and donations were received from:

The Robertson Trust	£8,500
NHS	£310
Golf Club	£38
Ch@t Room	£130
Agrimarine	£100

17. Transactions with trustees (directors)

None of the directors on the Trust Board received reimbursement of expenses during the year in relation to work carried out on behalf of the company. One director on the Board of the trading subsidiary received reimbursement of expenses totalling £526 in respect of attendance at a renewables conference on behalf of the company. One director supplied computer equipment to the trading company for a total cost of £622: the transaction was carried out on an arm's length basis and in accordance with the conflict of interest policy

18. Related party transactions

During the course of 2010 and 2011, the Tiree Community Development Trust loaned £712,600 to its subsidiary company, Tiree Renewable Energy Limited. The 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 £12,452 (2009; £8,366) was accrued but not paid.

During the year no transactions were entered into by the Trust with a business in which a Board member had a direct interest.

Conflicts of Interest

The Trust operates a policy to deal with potential conflicts of interest. This includes maintaining a register of 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.

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19. 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 £30,960 (2009 - £645,069).

20. 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.

21. 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.