

**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 2019**

**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**

<b>Charity number</b>	SC037018	
<b>Company registration number</b>	SC292902	
<b>Registered office</b>	Units 1 & 2 The Island Centre Crossapol Isle of Tiree PA77 6UP	
<b>Directors</b>	William Angus MacLean Martin Finnigan Craig Smith Cecilia Ann MacDonald Ian Boyd Tainsh Neil MacPhail Adam Milne Janet Bowler Patrick Boyd David Hayes Elsbeth MacKinnon Ian Smith Derek Campbell	Resigned 20 May 2019     Resigned 20 May 2019   Resigned 29 October 2019  Appointed 20 May 2019 Appointed 16 April 2019
<b>General Manager</b>	Andy Wright	
<b>Independent Auditors</b>	R A Clement Associates Chartered Accountants & Statutory Auditors 5 Argyll Square Oban Argyll PA34 4AZ	
<b>Bankers</b>	Royal Bank of Scotland Scarinish Branch Isle of Tiree PA77 6UH	
<b>Solicitors</b>	T C Young 7 West George Street Glasgow G2 1BA	

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

**Report of the directors (incorporating the trustees' report)**  
**for the year ended 31 December 2019**

The directors present their report and the financial statements for the year ended 31 December 2019. 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.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and Accounting and Reporting by Charities; Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland effective January 2015 (FRS 102).

**Structure, governance and management**

***Organisational Structure***

The charity is constituted as a company limited by guarantee and is governed in accordance with its Memorandum & Articles of Association. Membership of the Trust is open to any individual over the age of 16 who has their main residence on the Isle of Tiree. 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 and providing strategic direction on projects. 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. One third of the directors retire at the annual general meeting each year.

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. In 2018 Martin Finnigan was re-appointed as a co-opted director for his knowledge and experience in project management and governance, and Ann MacDonald, a chartered accountant, was also re-appointed for her financial skills.

***Operational Structure***

Six members of Staff, including an admin team of 3 (General Manager, Finance and Admin Officer, Admin Assistant) and 3 project workers (Youth Worker, Music, Culture and Communications Coordinator and Ranger) are supported and managed by the Directors and in some cases, project steering groups. The General Manager oversees the day to day operations of the Trust.

**Objects & Purposes of the Charity**

The objects of the charity are the promotion, for the public benefit, of rural regeneration 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**  
**(A company limited by guarantee)**

**Report of the directors (incorporating the trustees' report)**  
**for the year ended 31 December 2019**

*Strategic Plan & Measuring Progress*

The Trust continued to deliver its Community Growth Plan 2017-2020 during 2019. This is the key document in providing strategic direction to the directors, staff and volunteers who supported delivery of all Trust activities during the year. Key projects from this plan which are already complete or well underway:

- \* Upgrade the Community Broadband network to give all customers min. 10Mbs
- \* Take ownership of, and undertake repairs to, Scarinish Harbour
- \* Take ownership of, and re-develop Milton Harbour
- \* Initial plans and fund raising to upgrade busy/fragile beach access car parks
- \* Raised funds to retain Youth Worker
- \* Raised funds to retain the Music and Culture Coordinator
- \* Tirisdich Còmhla - ongoing review of best use of personnel and resources and looking at closer working of key community groups although no significant progress was made
- \* Feasibility Study to assess the cost and viability of a Community Fuel Station, undertaken by Delfinity Consultants and funded by HIE.
- \* Feasibility Study to assess the cost and viability of Community Owned Affordable Housing completed by Dualchas Architects and funded by the Windfall Fund.
- \* Initial Investigations into building community owned Business Units were undertaken by Trust staff.

**Other key projects which TCDT aims to undertake during this period are:**

- \* Develop a tourism action plan for Tiree
- \* Investigate further income generating projects for TCDT
- \* Development of an indoor children's play facility
- \* Investigate development of an Island Brand

**Achievements and performance**

*Youth Work*

Willie Mackinnon continues to bring his experience to the role of Youth Worker where he continues to develop sports like Football, Hockey, Rugby and Golf, and also supports the school with their Music Club, teaching drumming and supporting at the Pipe Band. Youth Clubs range in size from Youth Club & Encounters Church Youth Club to smaller groups like Sci Fi Club and Chess Club, from which there has also formed a games club which has been popular. 2019 saw some new groups start, which in many cases were the young people's own idea e.g. the music jam.

Willie also supports the school with after school clubs on five days a week and takes an Active Schools Group on Friday afternoons for Primary children. Furthermore, he leads the Duke of Edinburgh group, which saw four young people gain their bronze award this year. It has been encouraging to see that Willie has brought on board new youth volunteers and we have also seen some of our older members taking the step up to volunteering. In total over 100 children benefited from Youth Work on Tiree during 2019, with most of these on a regular basis via several of the 17 groups that Willie supports.

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

**Report of the directors (incorporating the trustees' report)**  
**for the year ended 31 December 2019**

***Cultural Development***

Since August 2018, Ishbel Campbell has been continuing her post as part-time Gaelic Development Officer in which she has been promoting the use of Gaelic in the community and providing support in various ways. This has been done through weekly Gaelic Bookbug sessions for pre-school age children, Sradagan Youth groups for lower and upper primary age, weekly Gaelic language classes and visits to Tigh a Rudha (elderly residential home) for intergenerational music sessions. Further activities have included leading the primary school Gaelic choir (which included participation at the national MOD in October), beginning a community Gaelic choir as well as offering homework support to parents of children in Gaelic Medium Education.

***Nàdair Thriodh - Tiree Ranger Service***

During 2019 until August, the Tiree Ranger, Stephanie Cope, engaged with 461 participants at 30 Tiree Ranger Service events (a decrease of 210 participants from the figures for 2018.) This event programme included weekly guided walks from the start of April to the end of August; evening presentations during the peak summer season; and environmental learning sessions for both resident and visiting school children. Furthermore, 2 families used the Tiree Ranger Service Beach Wheelchairs (free of charge) and 168 campervan or motorhome drivers engaged with the Tiree Ranger Service. This was 13 less than 2018 but they stayed for 608 nights up from 601 in 2018. 24 volunteers assisted Tiree Ranger Service through the season; amounting to 124 volunteer hours. Volunteer input was lower during 2019 than in 2018. Tiree Ranger Service attended Tiree Agricultural Show and Tiree 10k and half Marathon events. Additional achievements included a £500 grant from Persula Foundation to buy a stranding kit for marine animals.

During the middle of August Stephanie left the post and after recruitment Hayley Douglas took up the post on the 11th of November. Until the end of the year the new Ranger attended the Christmas fayre and organised 1 event with 8 participants.

***Tiree Renewable Energy Ltd (TREL)***

TREL is a wholly owned trading subsidiary of the Trust with an independent board of directors (includes up to 2 Trust directors). TREL owns and operates the community wind turbine 'Tilley'. Tilley generated 3,286 MWh, during 2019, surpassing our standing annual target of 3,000 MWh and last year's total of 3,034 MWh. This would be sufficient to power at least 700 average homes.

Tilley was able to generate for 319 days during the year, losing 46 days to various service actions and maintenance. This performance enabled TREL to make donations of £400,000 to TGDT during the year, an unusually high figure which included the proceeds of an insurance claim for loss of earnings during downtime in 2018.

***Tiree Broadband***

Community Information Technology Ltd (trading as Tiree Broadband) is also a wholly owned trading subsidiary of the Trust with an independent board of directors. Tiree Broadband operates a wireless radio network, delivering broadband to approximately 230 private and business customers by the end of 2019. The network upgrade was completed during the summer giving greater resilience and offering subscribers reliable and faster connection speeds. The network infrastructure was maintained and replaced as required throughout the year. In addition to the service provided to regular subscribers Tiree Broadband again supported the Tiree Music Festival and Tiree Wave Classic by providing broadband services for the duration of the two events.

***Further actions worth noting include:***

The high capacity radio licenced link from Beinn Ghott to the Trust Office was installed, removing a bottle neck in the system; two additional VDSL lines were also installed at the Trust Office allowing a more reliable service for subscribers and finally the equipment on Beinn Ghott is now running on mains power and has provided a much more reliable service throughout the year.

During the year the service reached 229 subscribers on the island an increase of 33 on the previous year. The service continued to operate profitably. Profits are reinvested in a rolling equipment replacement programme.

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

**Report of the directors (incorporating the trustees' report)  
for the year ended 31 December 2019**

*Tiree Community Maritime Assets Ltd (TCMAL)*

TCMAL is also a wholly owned subsidiary of the Trust, whose remit is to own & operate Milton and Scarinish Harbours and manage the moorings in Gott Bay. During the year 2019 they took over the management of the Gott Bay Moorings.

Scarinish Harbour has been renovated and the work completed. The work included new surfaces on the Pier, the Harbour walls were re-pointed and new ladders fitted. Plans were made for 2020 to install a new mooring chain to improve facilities for the leisure boat users at Scarinish Harbour.

Milton Harbour Project commenced at the beginning of April 2019 and was fully operational for the needs of the fishing fleet (4 boats), by September 19. The Pier was lengthened and heightened, with a new breakwater stub pier being added, protruding from the quay side. A new packing shed has been erected with floodlights, internal lights, drainage system, running fresh water & full electricity system. 2 Winches for landing boxes have been installed at each end of the pier along with new sets of ladders. There is also a new access road to the harbour. This project has been financed by Tiree Community Development Trust, Highlands and Islands Enterprise and Marine Scotland. The project has brought the standard of the fishing fleet's landing facilities up to date and provided a safe environment for working in.

**Financial review**

*Principal risks and uncertainties*

The directors examined the charity's exposure to strategic, financial, business and operational risks at a directors' strategy day in September 2018. The directors are satisfied that adequate systems and procedures are in place, including the annual review of a risk register, in the form of a SWOT and PESTLE analysis. Risk mitigation and any changes to the identified risks are recorded in the minutes of the Board meetings.

*Key risks for the organisation*

The directors will review strategic risk annually and keep a record of the key risks and plans to mitigate these. Key risks to the charity include:

- \* Reliance on TREL as main source of income.
- \* Capacity to deliver and sustain large projects.
- \* Additional activities or assets putting strain on funding and resources.

*General comments on financial outturn*

Under the Statement of Recommended Practice (SORP) for charity accounts, income is reported in the year it is received whilst expenditure may be reported in future years. As a result, funds may be carried forward to future years and expenditure in those years made out of those funds may exceed the income for the year.

The main source of income is from a wind turbine operated by Tiree Renewable Energy Ltd, a wholly owned trading subsidiary of the charity. Additionally, grants are sought for projects and in 2019 we were very fortunate to have support from The Robertson Trust (Youth Work), Scottish Natural Heritage (Ranger Service), Highlands and Islands Enterprise (Project Co-ordination) and Bòrd na Gàidhlig (Gaelic Development).

*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.

**Tiree Community Development Trust**  
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**Report of the directors (incorporating the trustees' report)**  
**for the year ended 31 December 2019**

**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.

**Trustees' responsibilities in relation to the financial statements**

The directors (who are also trustees of Tiree Community Development Trust (Group) 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 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 (as amended). 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.



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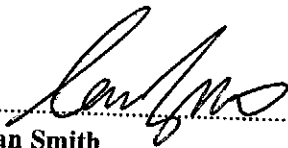
**Report of the directors (incorporating the trustees' report)**  
**for the year ended 31 December 2019**

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Independent Auditors**

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

This report was approved by the Board on 3rd August 2020 and signed on its behalf by



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**Ian Smith**  
**Director**

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

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

**Opinion**

**What we have audited**

We have audited the financial statements of the Tiree Community Development Trust, (the parent charity) and its subsidiaries (the "group") for the year ended 31 December 2019 which comprise the Group Statement of Financial Activities (including the income and expenditure account), the Group and Parent Charity Balance Sheets, the Group and Parent Charity cashflow statements and the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice including FRS 102 " The Financial Reporting Standard applicable in the UK and Republic of Ireland").

**In our opinion, the financial statements:**

- \* give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2019 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 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISA's UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company and group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISA's (UK) require us to report to you where;

- \* the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- \* the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion based on the work undertaken in the course of the audit:

- \* the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- \* the report of the directors has been prepared in accordance with applicable legal requirements

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees report which includes the directors report.

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:

- proper and adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees'/directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

### **Respective responsibilities of the directors (trustees) and auditor**

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 financial statements and for being satisfied that the financial statements give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend to liquidate the group or parent charity or to cease operations, or have no realistic alternative but to do so.

**Tiree Community Development Trust**  
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**Our responsibilities for the audit of the financial statements**

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.

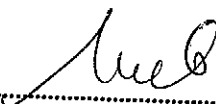
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with ISA's (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements .

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our audit report.

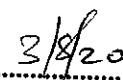
**Use of this report**

This report is made exclusively to the members and to the directors of the parent charity, 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 (as amended).

Our audit work has been undertaken so that we might state to the members and 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 charity, the 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.

  
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**Fiona McGlynn C.A.**  
**Senior Statutory Auditor**  
**For and on behalf of R A Clement Associates**  
**Chartered Accountants & Statutory Auditors**

  
.....

**5 Argyll Square**  
**Oban**

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

**Tiree Community Development Trust**  
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**Group Statement of financial activities (incorporating the income and expenditure account)**  
**For the year ended 31 December 2019**

	Notes	Unrestricted funds	Restricted funds	2019 Total	Unrestricted funds	Restricted funds	2018 Total
		£	£	£	£	£	£
<b>Income from:</b>							
Grants, donations & legacies	2	14,952	63,994	78,946	69,776	61,535	131,311
Income from charitable activities		19,929	-	19,929	20,763	-	20,763
Investment income		6,449	-	6,449	7,329	-	7,329
Subsidiary trading income	3	98,809	600,662	699,471	65,932	655,181	721,113
Other income		4,224	17,106	21,330	4,317	15,502	19,819
<b>Total income</b>		<u>144,363</u>	<u>681,762</u>	<u>826,125</u>	<u>168,117</u>	<u>732,218</u>	<u>900,335</u>
<b>Expenditure on:</b>							
Fundraising & trading		63,224	252,409	315,633	54,626	249,895	304,821
Charitable activities	4, 5	366,948	130,774	497,722	256,236	131,733	387,669
Deferred taxation charge	5	-	(64,926)	(64,926)	-	44,873	44,873
<b>Total expenditure</b>		<u>430,172</u>	<u>318,257</u>	<u>748,429</u>	<u>310,862</u>	<u>426,501</u>	<u>737,363</u>
<b>Net income/(expenditure)</b>		<u>(285,809)</u>	<u>363,505</u>	<u>77,696</u>	<u>(142,745)</u>	<u>305,717</u>	<u>162,972</u>
Transfers between funds	20, 21	449,253	(449,253)	-	169,063	(169,063)	-
<b>Net movement in funds</b>		<u>163,444</u>	<u>(85,748)</u>	<u>77,696</u>	<u>26,318</u>	<u>136,654</u>	<u>162,972</u>
<b>Reconciliation of funds:</b>							
Total funds brought forward		412,169	1,348,190	1,760,359	385,851	1,211,536	1,597,387
<b>Total funds carried forward</b>		<u>575,613</u>	<u>1,262,442</u>	<u>1,838,055</u>	<u>412,169</u>	<u>1,348,190</u>	<u>1,760,359</u>

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities.

The notes on pages 15 to 32 form an integral part of these financial statements.

**Tiree Community Development Trust**  
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**Balance sheet (Group)**  
**as at 31 December 2019**

	Notes	2019		SC292902 2018	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		2,621,304		1,706,865
<b>Current assets</b>					
Stocks	12		-	1,325	
Debtors	13	212,957		357,792	
Cash at bank and in hand		939,091		853,836	
		1,152,048		1,212,953	
<b>Creditors: amounts falling due within one year</b>	14	(202,290)		(249,179)	
<b>Net current assets</b>			949,758		963,774
<b>Total assets less current liabilities</b>			3,571,062		2,670,639
<b>Creditors: amounts falling due after more than one year</b>	15		(347,740)		(526,069)
<b>Provisions for liabilities</b>	16		(23,940)		(27,565)
<b>Accruals and deferred income</b>	17		(1,361,327)		(356,646)
<b>Net assets</b>			1,838,055		1,760,359
<b>Funds</b>	19				
Restricted income funds			1,262,442		1,348,190
Unrestricted income funds			575,613		412,169
<b>Total funds</b>			1,838,055		1,760,359

The financial statements were approved by the board on 3rd August 2020 and signed on its behalf by



.....  
**Craig Smith**  
**Director**

The notes on pages 15 to 32 form an integral part of these financial statements.

**Tiree Community Development Trust**  
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**Balance sheet (Charity)**  
**as at 31 December 2019**

SC292902

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		153,654		159,345
Investments			409,899		419,737
			<u>563,553</u>		<u>579,082</u>
<b>Current assets</b>					
Stocks	12		-	1,325	
Debtors	13	9,036		75,033	
Cash at bank and in hand		510,716		417,278	
		<u>519,752</u>		<u>493,636</u>	
<b>Creditors: amounts falling due within one year</b>	14	(21,224)		(83,399)	
<b>Net current assets</b>			<u>498,528</u>		<u>410,237</u>
<b>Total assets less current liabilities</b>			<u>1,062,081</u>		<u>989,319</u>
<b>Provisions for liabilities</b>	16		(23,940)		(27,565)
<b>Net assets</b>			<u>1,038,141</u>		<u>961,754</u>
<b>Funds</b>	19				
Restricted income funds			513,450		576,628
Unrestricted income funds			524,691		385,126
<b>Total funds</b>			<u>1,038,141</u>		<u>961,754</u>

The financial statements were approved by the board on 3rd August 2020 and signed on its behalf by



.....  
**Craig Smith**  
**Director**

The notes on pages 15 to 32 form an integral part of these financial statements.

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

**Cash flow statement (GROUP & CHARITY)**

**for the year ended 31 December 2019**

	Notes	GROUP 2019 £	GROUP 2018 £	CHARITY 2019 £	CHARITY 2018 £
<b>Reconciliation of Net incoming resources for the year</b>					
Income from investments/rentals		77,696	162,972	76,387	(49,457)
Interest receivable		(6,000)	(7,050)	(6,000)	(7,050)
Taxation charge/(credit)		(449)	(279)	(7,455)	(8,469)
Depreciation and impairment		(64,926)	44,873	-	-
Decrease in stocks		140,900	143,195	5,691	5,693
Decrease/(Increase) in debtors		1,325	1,325	1,325	1,325
(Decrease)/Increase in creditors		144,835	(120,263)	65,997	(46,733)
Change in provisions for liabilities		(46,889)	52,228	(62,175)	56,050
		(3,625)	(46,669)	(3,625)	(46,669)
<b>Cash provided by operating activities</b>		<u>242,867</u>	<u>230,332</u>	<u>70,145</u>	<u>(95,310)</u>
<b>Cash provided by operating activities</b>		242,867	230,332	70,145	(95,310)
<b>Cash flows from financing activities:</b>					
Repayments of /Borrowing	27	(113,403)	(108,929)	-	-
<b>Cash flows from investing activities</b>					
Returns on investments and servicing of finance	27	6,449	7,329	13,465	15,519
Purchase of assets	27	(50,658)	(27,970)	9,838	58,653
<b>Increase in cash in the year</b>		<u>85,255</u>	<u>100,762</u>	<u>93,448</u>	<u>(21,138)</u>
<b>Reconciliation of movement in cash in the year</b>					
Increase in cash in the year		85,255	100,762	93,448	(21,138)
Balances brought forward		853,836	753,074	417,278	438,416
<b>Balances carried forward at the end of the year</b>		<u>939,091</u>	<u>853,836</u>	<u>510,726</u>	<u>417,278</u>



**Tiree Community Development Trust**  
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**Notes to financial statements**  
**for the year ended 31 December 2019**

**Legal Status of the charity**

The charity is constituted as a company limited by guarantee and is governed in accordance with its Memorandum & Articles of Association. It is registered as a charity with the Office of the Scottish Charity Regulator.

**1. Accounting policies**

The principal accounting policies adopted are summarised below.

**1.1. Basis of preparation and assessment of going concern.**

The Group financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The Group financial statements have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) as well as the Companies Act 2006, and the Statement of Recommended Practice (SORP)- Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (effective January 2015) (FRS 102).

The charity meets the definition of a public benefit entity as defined by FRS 102.

**Going concern; key risks and uncertainties**

The directors, who are the trustees of the charity under charity law, consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

**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 consolidated accounts also include the results of the subsidiary Community Information Technology and Tiree Community Maritime Assets Ltd. 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. Fund accounting**

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created funds for specific purposes.

Designated funds are unrestricted funds earmarked by the Directors for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed, or through the terms of an appeal.

Further details of specific funds are disclosed in note 20

**Tiree Community Development Trust**  
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**Notes to financial statements**  
**for the year ended 31 December 2019**

**1.4. Income**

Income is recognised in the statement of financial activities when the charity is entitled to the income, any performance conditions attached have been met, it is probable that the income will be received and the amount can be quantified with reasonable accuracy. Such income is only deferred when the donor specifies performance conditions which must be met before the charity has unconditional entitlement. 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.

**1.5. Expenditure**

Expenditure is recognised when there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be reliably measured.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated on an appropriate basis to the various activities of the charity. Where costs cannot be allocated directly, they are apportioned to categories on the basis of a reasonable estimate of the costs.

Fundraising costs include those incurred in seeking voluntary contributions along with the costs incurred by the trading subsidiary.

Governance costs include those costs necessary for the board to fulfil its constitutional and statutory obligations and are now included as support costs included in charitable activities.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

Although two of the companies in the group are registered for vat, the charity is not registered for VAT and accordingly charitable expenditure includes any vat which is irrecoverable.

**Tiree Community Development Trust**  
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**Notes to financial statements**  
**for the year ended 31 December 2019**

**1.6. Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	Straight line over 20 or 50 years following year of purchase.
Installation & Grid	-	Depreciation has been charged at 5% straight line
Wind Turbines	-	Depreciation has been charged at 5% straight line
Motor vehicles	-	25% straight line
Computer equipment	-	33% straight line

**1.7. Stock**

Stock is valued at the lower of cost and net realisable value.

**1.8. Defined contribution pension schemes**

Employees of the charity are entitled to join a defined contribution "money purchase" scheme. The charity contribution is restricted to the contributions disclosed in note 9. There were no outstanding contributions at the year end. The costs of the defined contribution scheme are included in the appropriate cost centres and charged to the relevant fund.

**1.9. Financial Instruments**

The charity has only financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and are subsequently measured at their settlement value with the exception of bank loans which are measured at amortised cost using the effective interest rate method.

**1.10. Capitalisation of interest**

The initial 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.

**Tiree Community Development Trust**  
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**Notes to financial statements**  
**for the year ended 31 December 2019**

**2. Grants, donations & legacies**

	Unrestricted funds £	Restricted funds £	2019 Total £	2018 Total £
Donations				
Highlands & Islands Enterprise	245	21,833	22,078	20,852
The Robertson Trust	1,458	1,911	3,369	-
Argyll & Bute Council	-	14,000	14,000	14,000
Other Youth Grants	-	3,000	3,000	-
Comunn na Gàidhlig /Bórd na Gàidhlig	10,204	1,250	11,454	6,300
Scottish Land Fund	-	5,000	5,000	4,000
Scottish Natural Heritage	1,076	-	1,076	68,305
Discover Tiree	-	12,000	12,000	12,000
Subscriptions	-	5,000	5,000	5,210
	1,969	-	1,969	644
	<u>14,952</u>	<u>63,994</u>	<u>78,946</u>	<u>131,311</u>

All income in this category for the year was received by the parent charity. In 2018 all income in this category for the year was received by the parent charity, except for grants of £290,000 which were received by TCMAL for works carried out in respect of the harbours and which are included in deferred government grants (see Note 17)

**3. Trading subsidiaries**

The charity controls the companies listed below either by virtue of holding a controlling interest in the equity share capital: -

Name of subsidiary	Country of incorporation	% of equity share capital held
Tiree Renewable Energy Company Limited	Scotland	100
Community Information Technology	Scotland	100
Tiree Community Maritime Assets Ltd	Scotland	100

**Tiree Community Development Trust**  
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**Notes to financial statements**  
**for the year ended 31 December 2019**

**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

The accounts for this company are fully consolidated in the group accounts.

**Community Information Technology**

In December 2011, 5 ordinary shares, representing the whole of the ordinary share capital in the above company were gifted to the Trust. The results of the company are now fully consolidated in the group accounts.

**Tiree Community Maritime Assets Ltd**

The company acquired the harbours of Milton and Scarinish on the Island of Tiree from Argyll Estates towards the end of the accounting year. The company will maintain and operate the harbours, but substantial repairs and maintenance work was carried out during the initial period and there was no trading income.

**4. Costs of charitable activities - by activity**

	Activities undertaken directly £	Grant funding activities £	2019 Total £	2018 Total £
Core Activities	105,894	4,958	110,852	113,053
Windfall Grant Scheme	-	213,959	213,959	51,331
Argyll Array/RESET	816	-	816	-
Music, Culture & Gaelic Language	25,000	-	25,000	20,000
Other projects including Ranger/Access	43,568	-	43,568	44,681
Youth Workers	32,608	-	32,608	30,613
Development/Project Officers	62,389	-	62,389	115,920
Harbour & Maritime	-	-	-	4,555
	<u>270,275</u>	<u>218,917</u>	<u>489,192</u>	<u>380,153</u>

(All charitable expenditure took place within the parent charity.)

Development costs in 2018 were considerably higher due to the impact of legal fees for negotiations regarding the transfer of the Hynish properties.

**Tiree Community Development Trust**  
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**Notes to financial statements**  
**for the year ended 31 December 2019**

**5. Audit, professional fees and tax**

	Unrestricted funds £	Restricted funds £	2019 Total £	2018 Total £
Auditor remuneration- Group audit fees	3,780	4,750	8,530	7,816
Deferred tax charge/(credit)	-	(64,926)	(64,926)	44,873
	<u>3,780</u>	<u>(60,176)</u>	<u>(56,396)</u>	<u>52,689</u>

**6. Net income/expenditure for the year**

	2019 £	2018 £
Net income/expenditure is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	140,900	143,195
Auditors' remuneration (see Note 7)	<u>13,932</u>	<u>14,565</u>

**7. Auditors' remuneration**

	2019 £	2018 £
Auditors' remuneration - group audit (including accountancy fees) (including irrecoverable vat)	13,932	14,565
Auditors' remuneration - group other fees:	<u>          </u>	<u>          </u>

**Tiree Community Development Trust**  
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**Notes to financial statements**  
**for the year ended 31 December 2019**

**8. Employees**

<b>Employment costs</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	143,710	154,746
Social security costs	8,897	10,308
Pension costs	5,793	4,632
Other costs	5,021	6,057
	<u>163,421</u>	<u>175,743</u>

**Number of employees**

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

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
At least 3/4 time	<u>7</u>	<u>7</u>

All staff were employees of the Trust.

**Key Management Personnel**

The total employment costs of key management personnel of the charity, comprising the Board of Trustees (who were unpaid and therefore not included in the table shown below) and the General Manager, fell within the following bands:

	<b>2019</b>	<b>2018</b>
0 - 9,999	-	-
10,000 - 20,000	-	-
20,001 - 30,000	-	-
30,001 - 40,000	1	1
	<u>1</u>	<u>1</u>

**Trustees' expenses and remuneration**

The charity trustees, who are the directors of the company, were not paid and did not receive any remuneration or benefits in kind in their capacity as trustee during the year. However, one trustee received payment for professional services supplied to the charity of £3,335. Two directors were reimbursed for travel expenses in total of £278 and one director received a Windfall grant totalling £139.

No employee received emoluments of more than £60,000 (31 December 2018 : None).

**Tiree Community Development Trust**  
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**Notes to financial statements**  
**for the year ended 31 December 2019**

**9. Pension costs**

The company operates a defined contribution pension scheme. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and was as follows:

	<b>2019</b>	<b>2018</b>
Pension charge	£ 5,793	£ 4,632

**10. Taxation**

The charity is a charitable company within the meaning of the Finance Act 2010. Accordingly the charity's activities fall within the exemptions from taxation in respect of income or capital gains afforded by the provisions of the Corporation Taxes Act 2010 and the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes. Any tax charges/liabilities, including deferred tax, are in respect of the trading subsidiaries.



**Tiree Community Development Trust**  
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**Notes to financial statements**  
**for the year ended 31 December 2019**

11. Tangible fixed assets	Property including Harbour works £	Turbine Grid & installation £	Wind Turbine £	Motor vehicles £	Computer equipment £	Total £
<b>Cost</b>						
At 1 January 2019	455,654	1,053,596	1,109,841	9,410	126,251	2,754,752
Additions	1,041,533	-	-	-	13,806	1,055,339
At 31 December 2019	<u>1,497,187</u>	<u>1,053,596</u>	<u>1,109,841</u>	<u>9,410</u>	<u>140,057</u>	<u>3,810,091</u>
<b>Depreciation</b>						
At 1 January 2019	10,020	477,518	499,428	7,059	53,862	1,047,887
Charge for the year	3,340	53,100	55,492	2,351	26,617	140,900
At 31 December 2019	<u>13,360</u>	<u>530,618</u>	<u>554,920</u>	<u>9,410</u>	<u>80,479</u>	<u>1,188,787</u>
<b>Net book values</b>						
At 31 December 2019	<u>1,483,827</u>	<u>522,978</u>	<u>554,921</u>	<u>-</u>	<u>59,578</u>	<u>2,621,304</u>
At 31 December 2018	<u>445,634</u>	<u>576,078</u>	<u>610,413</u>	<u>2,351</u>	<u>72,389</u>	<u>1,706,865</u>

Of the above assets only the land and buildings of £153,654 and a vehicle (NBV of £Nil) are owned directly by the Trust. All of the other fixed assets are owned by the subsidiary companies, Tiree Renewable Energy Company Limited, Tiree Community Maritime Assets Limited and Community Information Technology Ltd; a separate fixed asset note has therefore not been produced for the Trust.

Included in land and property is the purchase of a shop for the benefit of the community which is now rented out. Although the charity does not directly operate the shop as an asset for its own use, the shop was not bought as an investment, or for the purpose of generating income, but was bought to retain the facility for the benefit of the community.

As a result, the asset is shown under fixed assets held by the charity and not as an investment property.

Given that there is no ready market for this property on the island, the directors have chosen to write down the value of the property at 2% per annum i.e over 50 years. As the property purchase was funded primarily from third party funding, the property is included in a restricted capital fund and the depreciation is charged directly to the fund (see note 21). The directors intend to obtain formal valuations of the property every five years and re-assess its value and useful life at that point.

The directors will review their approach to this issue on a regular basis.

**12. Stocks**

	2019 £	2018 £
Finished goods and goods for resale	<u>-</u>	<u>1,325</u>

**Tiree Community Development Trust**  
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**Notes to financial statements**  
**for the year ended 31 December 2019**

**13. Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	100	25,624	-	-
Amounts owed by group undertakings	-	-	-	-
Other debtors	5,911	89,297	5,911	72,105
Prepayments and accrued income	206,946	242,871	3,125	2,928
	<u>212,957</u>	<u>357,792</u>	<u>9,036</u>	<u>75,033</u>

Included in the 2018 debtors is a significant amount of grant of c£68k being claimed in respect of the legal fees incurred in the negotiations for the transfer of the Hynish properties.

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

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loan	111,569	111,569	-	-
Trade creditors	5,965	1,201	5,672	-
Other taxes and social security	15,871	9,474	5,987	3,277
Other creditors	17,209	943	2,407	943
Accruals and deferred income	51,676	125,992	7,158	79,179
	<u>202,290</u>	<u>249,179</u>	<u>21,224</u>	<u>83,399</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.

The 2018 accruals include a significant amount of £73k in relation to legal and professional fees incurred in the negotiations for the transfer of the Hynish properties.

**Tiree Community Development Trust**  
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**Notes to financial statements**  
**for the year ended 31 December 2019**

**15. Creditors: amounts falling due**  
**after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loan	241,372	354,775	-	-
Deferred tax (Note 18)	106,368	171,294	-	-
	<u>347,740</u>	<u>526,069</u>	<u>-</u>	<u>-</u>

**Secured Debts**

The following secured debts are included within creditors:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Bank Loans	<u>352,938</u>	<u>466,342</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. As this loan is an intercompany balance, it is not included in the group balance sheet.

A bond and floating charge, and standard security, were also registered in April 2009, (and updated in 2014) 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. The loan from The Co-operative Bank PLC to Tiree Renewable Energy Company Limited is repayable over a period of 12 years from the inception date at a rate of 1.5% over the bank borrowing rate.

**Tiree Community Development Trust**  
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**Notes to financial statements**  
**for the year ended 31 December 2019**

**16. Provisions for liabilities**

	<b>Other provisions</b>
	<b>£</b>
At 1 January 2019	
Charge for the year	27,565
At 31 December 2019	<u>(3,625)</u>
	<u>23,940</u>

Provision has been made for commitments made in respect of grants from the Windfall Fund. At the end of the year, the Trust had committed to pay grants of £23,940 (2018 £32,565) which had not yet been claimed down.

As the majority of grants are claimed down within one year, or are expected to be claimed down within that period of time, the balances have not been discounted in line with the requirements of FRS102.

A full list of grants awarded is available on the Trust website, or via the Tiree Newsletter.

**17. Accruals and deferred income**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Government grants</b>		
At 1 January 2019		
Increase in year	356,646	44,633
At 31 December 2019	<u>1,004,681</u>	<u>312,013</u>
	<u>1,361,327</u>	<u>356,646</u>

Grants were received by the trading subsidiary, Community Information Technology to fund significant capital expenditure in upgrading the network. This is being released to match depreciation on the assets.

Grants were also received by the subsidiary company, Tiree Community Maritime Assets Limited to fund significant maintenance required to the harbours on the island. These grants will be released in future to match depreciation on the assets once works are completed.

**Tiree Community Development Trust**  
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**Notes to financial statements**  
**for the year ended 31 December 2019**

**18. Provision for deferred taxation**

	<b>2019</b>	<b>2018</b>
	£	£
Accelerated capital allowances		
Tax losses carried forward	162,722	175,148
Provision for deferred tax	<u>(56,354)</u>	<u>(3,854)</u>
	106,368	171,294
Provision at 1 January 2019		
Deferred tax charge in statement of financial activities	171,294	126,421
Provision at 31 December 2019	<u>(64,926)</u>	<u>44,873</u>
	<u>106,368</u>	<u>171,294</u>

**19. Analysis of net assets between funds (Group)**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds</b>
	£	£	£
<b>Fund balances at 31 December 2019 as represented by:</b>			
Tangible fixed assets			
Current assets	1,389,186	1,232,118	2,621,304
Current liabilities	611,210	540,838	1,152,048
Long-term liabilities/provisions	(39,516)	(162,775)	(202,291)
	<u>(1,385,267)</u>	<u>(347,739)</u>	<u>(1,733,006)</u>
	<u>575,613</u>	<u>1,262,442</u>	<u>1,838,055</u>

**Analysis of net assets between funds (Group) - prior year**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds</b>
	£	£	£
<b>Fund balances at 31 December 2018 as represented by:</b>			
Tangible fixed assets			
Current assets	362,250	1,344,615	1,706,865
Current liabilities	526,621	686,332	1,212,953
Long-term liabilities/provisions	(92,491)	(156,688)	(249,179)
	<u>(384,211)</u>	<u>(526,069)</u>	<u>(910,280)</u>
	<u>412,169</u>	<u>1,348,190</u>	<u>1,760,359</u>

**Tiree Community Development Trust**  
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**Notes to financial statements**  
**for the year ended 31 December 2019**

**20. Unrestricted funds (Group)**

	At 1 January 2019 £	Income £	Expenditure £	Transfers £	At 31 December 2019 £
Unrestricted Funds	72,549	143,904	(216,213)	(102,055)	(101,815)
Windfall Fund	339,620	459	(213,959)	551,308	677,428
	<u>412,169</u>	<u>144,363</u>	<u>(430,172)</u>	<u>449,253</u>	<u>575,613</u>

**Purposes of unrestricted funds**

**Unrestricted Funds**

The incoming transfer to general funds represents the capital element of the repayment of the loan to TREL for 2019 which was £59,838 (2018: £58,654), plus contributions from the Windfall Fund to specific internal projects of £26,308.

**Windfall Fund**

Donations are received each year from TREL for the windfall fund. Total donations of £400,000 were received in respect of 2019, with 20% = £80,000 being allocated to the general fund for overhead costs. Due to changes in the accounting treatment of donations from a trading subsidiary to the parent charity, no further donations were accrued in these accounts.

The Board agreed that as of December 2016 20% of the donations will be allocated to general reserves to reflect the increase in resources required to manage the expanded workload. Interest of £459 on funds held in the account has also been credited to the fund.

Transfers include the Windfall Fund contribution to various internal projects such as TCDDT Comms Event (£1,308) and Hynish legal fees contribution (£25,000).

Any post year end grants for internal projects are shown as internal transfers and will be reflected in the fund balances at 1 January 2020.

**Unrestricted funds (Group) - prior year**

	At 1 January 2018 £	Income £	Expenditure £	Transfers £	At 31 December 2018 £
Unrestricted Funds	63,259	167,838	(259,531)	100,983	72,549
Windfall Fund	322,592	279	(51,331)	68,080	339,620
	<u>385,851</u>	<u>168,117</u>	<u>(310,862)</u>	<u>169,063</u>	<u>412,169</u>

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**Notes to financial statements**  
for the year ended 31 December 2019

**21. Restricted funds (Group)**

	At 1 January 2019 £	Income £	Expenditure £	Transfers £	At 31 December 2019 £
<b>Capital Funds</b>					
BIG - Harvesting the Wind	377,634	-	-	(59,838)	317,796
Tiree Renewable Energy Company	42,000	-	-	-	42,000
Community Shop	156,994	-	(3,340)	-	153,654
Tiree Renewable Energy Limited	771,562	600,662	(192,233)	(430,999)	748,992
<b>Revenue Funds</b>					
Music,culture, Gaelic language, Digital	-	30,000	(40,299)	10,299	-
Youth Work, Fresh Fridays, Film Club	-	14,750	(32,031)	17,281	-
Car park	-	4,730	(8,676)	3,946	-
Ranger/Access fund	-	29,709	(39,767)	10,058	-
HIE Delivery Resources	-	1,911	(1,911)	-	-
	<u>1,348,190</u>	<u>681,762</u>	<u>(318,257)</u>	<u>(449,253)</u>	<u>1,262,442</u>
<b>Restricted funds (Group) - prior year</b>					

	At 1 January 2018 £	Income £	Expenditure £	Transfers £	At 31 December 2018 £
<b>Capital Funds</b>					
BIG - Harvesting the Wind	436,288	-	-	(58,654)	377,634
Tiree Renewable Energy Company	42,000	-	-	-	42,000
Community Shop	160,334	-	(3,340)	-	156,994
Tiree Renewable Energy Limited	567,589	655,181	(299,018)	(152,190)	771,562
<b>Revenue Funds</b>					
Music,culture, Gaelic language, Digital	-	29,003	(41,121)	12,118	-
Youth Work Fund	-	15,000	(30,613)	15,613	-
Harbour and Maritime	-	-	(4,555)	4,555	-
Ranger/Access fund	5,325	33,034	(47,854)	9,495	-
	<u>1,211,536</u>	<u>732,218</u>	<u>(426,501)</u>	<u>(169,063)</u>	<u>1,348,190</u>

**Purposes of restricted funds**

**Capital funds**

**BIG - Harvesting the Wind**

An amount of £712,600 was received from the Big Lottery in 2013 for the express purpose of being loaned to the Tiree Renewable Energy Company Limited to assist in the construction of a wind turbine on Tiree. The transfer to general funds represents the capital repaid during the year.

See Note 23 for details of this loan. Interest earned on this loan is credited to the unrestricted fund.

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

**Notes to financial statements**  
for the year ended 31 December 2019

**Tiree Renewable Energy Company**

The inter company account was converted into 42,000 Ordinary shares in Tiree Renewable Energy Company Limited in 2010.

**Community Shop**

A grant was received in 2015 of £134,994 from the Scottish Land Fund towards the purchase of a community shop. Further funds were contributed by the Windfall fund amounting to £34,495. Depreciation is now charged to the fund at 5% straight line. The balance of cash held over was transferred to a separate revenue fund and when all restricted income in respect of the property had been spent in accordance with applicable terms, the remaining balance was released to general reserves in 2016.

**Tiree Renewable Energy Limited**

The fund shown as "Tiree Renewable Energy Company Limited" represents the results of the subsidiary company which are treated as a restricted fund with the transfers representing donations made, interest paid on the loan, and management charges paid to the Trust.

**Revenue funds**

**Music,culture, Gaelic language, Digital**

A private donation of £20,000 was received from David Henrique in the year specifically to enable TCDT to support the Tiree Music Festival and a grant of £25,000 was made to TMF. Another grant of £5k was received from CNAG/BNAG towards the Music & Culture post. Gift aid of £5,000 which was claimed after the year end is also credited to the fund. A transfer was made from general reserves to meet the deficit in line with expectations

**Youth Work, Fresh Fridays, Film Club**

Funds were received from a variety of sources towards the youth and health work carried out by the Trust. Contributions towards this work were made by the Windfall Fund and is shown as an incoming transfer together with a further transfer from general reserves to meet the overall deficit in line with the agreed budget.

**Car park**

Tiree's community, backed by a multi stakeholder working group, seeks to boost its capacity for sustainable and environmentally responsible growth - enhancing our guest experience with the formation of four reinforced parking areas (providing capacity for 95 new formal parking spaces); better access links between parking areas and beaches; improved conditions underfoot; multi-user gates; sign age as required; and livestock fencing where appropriate. Planning permission for the site was acquired, along with production of engineers' plans and drawings, however despite a funding offer from the Rural Tourism Infrastructure Fund, we were unable to secure the required match funding. The development of this project is currently on hold to allow priority to be given to other projects. It may be progressed again if suitable funding is found.

**Ranger/Access fund**

The Trust took over the operation of the Ranger/Access Project from Tiree Rural Development (TRD) at the end of 2016. This is funded by a variety of sources, including £12k per year from Scottish Natural Heritage, income from camper van tickets, various sales and earned income, as well as ordinary donations, and a grant from the Windfall Fund which is shown as a transfer. Any remaining deficit is met by general funds.

**HIE Delivery Resources**

Development funding for staff costs to assist in delivering priority projects and contributing to the overall growth plan for the Trust.



**Tiree Community Development Trust**  
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**Notes to financial statements**  
**for the year ended 31 December 2019**

**22. General commitments**

Although the Trust was not contractually committed at the year end to any significant capital expenditure, several major projects were underway and were expected not to lead to material commitments after the year end.

In respect of the harbours at Scarinish and Milton, further costs in respect of works at Milton Harbour will be match funded by the Trust but the amount will depend on the scale and timing of the works undertaken.

The Trust loaned £40,000 to CMAC Business Services Limited after the year end. This was an emergency loan to the current operators of the local fuel station. The loan is on standard commercial terms but is unsecured, albeit part of a wider project for community ownership of the fuel station in the future.

**23. Related party transactions**

During the year the Trust (TCDT) charged management fees to its subsidiary companies amounting to £24,000 for TREL and £4,320 for CIT, and a management charge of £1,200 to a separate company, Discover Tiree Ltd.

The Trust received donations from its subsidiary Tiree Renewable Energy Limited (TREL) of £400,000 (2018; £120,000), which was all paid in the year. The Trust also received interest of £7,006 (2018; £8,190) from TREL in respect of its loan investment in the company. The amount of the loan outstanding at the year end was £317,793.

The Trust loaned £170,000 to Tiree Community Maritime Assets (TCMAL) and £120,000 was repaid before the year end. The outstanding balance is interest free and will be repaid in lieu of a grant receipt currently outstanding from Highlands and Islands Enterprise within the next year. The Trust has a standard security over the assets of TCMAL.

The Trust has paid grants via the Windfall Fund of £173,314 towards the TCMAL Harbour project in contributory funding with Marine Scotland and Highlands & Islands Enterprise.

The assets of Discover Tiree Limited were transferred to the Trust during the year. Discover Tiree was not a charity but limited by guarantee, operating for the benefit of the Isle of Tiree Community and shares common directors with the Trust. There was no formal agreement and was simply a transfer of intellectual property consisting of a website, along with customer subscriptions lists and the business bank cash balance at 27 November 2019. The Trust will operate the website and subscription list as part of its general operation and contributing to the wider promotion of Tiree.

There were no other related party transactions in the year.

**24. Ultimate parent undertaking**

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 income/expenditure for the financial period attributable to the parent company dealt with in the accounts was £76,387 (2018 £(49,957)).

**Tiree Community Development Trust**  
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**Notes to financial statements**  
**for the year ended 31 December 2019**

**25. APB Ethical Standards - Provisions available for smaller 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.

**26. Post balance sheet events**

The Directors have reviewed both the financial and business risks that the current COVID crisis presents for the company and are satisfied that all threats have been adequately identified as far as reasonably possible. As at the date the accounts were signed, there are no going concern indications and the Directors are confident that the group has sufficient resources to emerge from the COVID hibernation period to continue trading in accordance with any applicable restrictions.

**27. Gross cash flows**

	2019	2018
	£	£
<b>Returns on investments and servicing of finance</b>		
Income from other investment assets	6,000	7,050
Interest received	449	279
	<u>6,449</u>	<u>7,329</u>
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(1,055,339)	(339,983)
Receipt of grant	1,004,681	312,013
	<u>(50,658)</u>	<u>(27,970)</u>
<b>Financing</b>		
Repayment of bank loan	(113,403)	(108,929)
	<u>(113,403)</u>	<u>(108,929)</u>

**28. 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.