

Registered number: SC292902
Charity number: SC037018

**TIREE COMMUNITY DEVELOPMENT TRUST
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

TIRRE COMMUNITY DEVELOPMENT TRUST

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TIREE COMMUNITY DEVELOPMENT TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2023

Trustees

E MacKinnon (resigned 6 December 2023)
J Bennett
R Meek
Dr J Bowler
C Coghill
D Campbell (resigned 6 December 2023)
E Kerr (resigned 6 December 2023)
M Finnigan
N Macphail (appointed 1 January 2023)
M McDowall (appointed 6 December 2023)
F Malcolm (appointed 6 December 2023)
R Baird (appointed 6 December 2023)

Company registered number SC292902

Charity registered number SC037018

Registered office Unit 1 & 2
The Island Centre
Isle of Tiree
PA77 6UP

Company secretary Phyl Stuart Meyer

Independent auditor Anderson Anderson & Brown Audit LLP
133 Finnieston Street
Glasgow
G3 8HB

TIREE COMMUNITY DEVELOPMENT TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their annual report together with the audited financial statements of the Charity for the 1 January 2023 to 31 December 2023.

The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019)

Structure, governance and management

a. Organisational structure

The charity is constituted as a company limited by guarantee and is governed in accordance with its Memorandum & Articles of Association. At our Annual General Meeting in December 2023, a new set of Memorandum and Articles of Association were approved. Under the new structure which is compliant with the requirements of the Land Reform Act (Scotland), full Membership of the Trust is open to any individual over the age of 16 who has their main residence on the Isle of Tiree (as confirmed by appearing on the electoral register for Tiree), with youth membership also open to residents aged 12 to 15. Members pay an annual subscription of £1 and have the right to attend the annual general meeting. Full members may vote, put themselves forward as candidates for and 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, nine elected directly from and by full members, plus up to three further directors (who need not be members) can be co-opted by the elected directors. There must be a minimum of three directors on the Board, and elected directors must be (and remain) full members of the company. One third of the directors (those longest serving) must retire at the annual general meeting each year. There is a provision allowing the youth members to appoint a representative who may attend board meetings.

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.

The trust has a staff team led by a General Manager (who also serves as Company Secretary). Staff total numbers varied throughout 2023 between 11 at the start and 12 at the end of December, with some turnover within that. Changes in roles included the Community Support Workers being retained as Officers following their initial contract due to further funding being secured and the project being extended and expanded, the recruitment of a Lesaiche Gàidhlig (and incorporation of a part-time Gaelic role into the Operations Admin post), and an additional part-time Community Projects Officer role was due to start in January 2024.

The staff are supported by the Directors and in some cases, project steering groups or working groups with wider membership. The General Manager oversees the day-to-day operations of the Trust, managing and leading the staff and acts as Company Secretary and (non-voting) advisor to the Board.

b. Financial risk management

The Trustees have assessed the major risks to which the Company is exposed, in particular those related to the operations and finances of the Company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Objectives and activities

a. Objects & Purpose 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.

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Objectives and activities (continued)

b. Strategic Plan & Measuring Progress

In 2023 the Trust published the Community Development Plan for 2023-2028 – which was completed and signed off by the Board at the end of the previous year. The new Plan supersedes the Community Growth Plan referred to in previous annual reports and contains an account of the new priority work areas for the group moving forward over the next five years and set out plans to monitor and report on progress of these throughout the plan period. By the end of 2023 we were preparing to undertake the first review of progress in early 2024 and had made significant progress in many areas.

Notable project work achievements during 2023 by the Trust and our company Group included:

- Installing and bringing into use a Rapid EV charger at the community filling station, which achieved its first full year of operation in July. The station generally operated well, and to date there have been no interruptions of fuel supply to the island. By the end of 2023, with a full year of financials as the sole filling station in Tiree, the subsidiary board agreed an updated pricing policy to ensure long term viability of the service.
- Signing a construction contract to commence building of the planned light commercial business units project at Crossapol. Construction started in June and was well underway by year end with completion expected in early-mid 2024. An allocation policy was carried out to identify tenants, with all units initially allocated. Just at the end of 2023 tenants withdrew from two of the units, and advertising was undertaken for a second allocation process to take place in the new year. A second Rapid EV charger unit will be installed as part of the development, alongside a solar PV array.
- As part of the above project, we successfully applied for Scottish Land Fund support to purchase the land upon which the business units were to be constructed, as part of a larger site which will allow future development potential for community assets. The purchase was completed in early summer.
- Completed a Housing Needs and Demand Analysis, via Community Housing Trust, and submitted initial stage applications to the Rural and Islands Housing Fund and Scottish Land Fund for a community housing project near Scarinish.
- One of our staff completed an accreditation course from the Chartered Institute of Housing and Landlord Accreditation Scotland, developing our internal capacity to advise and support long-term lettings in Tiree, and prepare for becoming landlords as an organisation once our housing project is complete.
- Completed a scoping study by Community Energy Scotland into potential renewable energy projects and energy efficiency projects – leading to identified priorities to take forward more detailed feasibility work. Funding was secured to take two projects to a further stage of feasibility work – the potential development of an “Energy Local” co-operative and battery storage alongside our wind turbine, and the potential for solar PV generation and a “private-wire network” between the community assets in Crossapol. Both projects were nearing completion by the end of 2023.
- The community support project (“Cruas”) ended its initial pilot having delivered 117 grants totalling £35,400 to support Tiree households. In March we secured a further year of funding for the project to continue via the National Lottery Cost of Living Fund. The project built on the winter fuel grants to develop a broader advice and support service supporting Tiree households. As part of this a partnership was developed with Argyll and Bute CAB resulting in our two staff being trained as CAB advisors, enabling full provision of CAB services locally within Tiree. Further funding was sought to add focussed support for home energy improvement work, including training staff as EPC / Home Energy assessors.
- Completed a childcare feasibility study and took forward development work towards a planned future project to establish 0-3 childcare in Tiree and explore provision of wrap-around / summer wider childcare.
- After a delayed start due to a manufacturing fault, the new Community EV minibus began serving the community through the provision of support to elderly and isolated members of the community with transport to shopping and activities, operated by local charity Cùram Thiriodh.
- The introduction of Short Term Let Licensing led to a significant workload for our operation of Discover Tiree, passing on information to our accommodation listing customers about the requirements. At the end of 2023, with the original reasons for setting the service up having faded away, a decision was made to stop providing an accommodation listing service and customers were offered the option to transition their membership over to a similar community enterprise service called IsleHoliday, with the listings remaining visible on the isleoftiree.com website via a partnership arrangement.
- Work began on a project supported by the British Science Academy and their “Science Ceilidh” program to identify actions to adapt Tiree for climate change impacts.

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Objectives and activities (continued)

Key projects which TCDT (and its company Group) will aim to undertake during 2024 include:

- Completion of the construction of the Business Units in Crossapol
- Complete development of a housing strategy, begin feasibility work for the Scarinish housing project, explore development of support services to facilitate more long-term lets in Tiree, and progress development of an island new build home ownership support project
- Complete preparations for providing a local service to deliver EPCs and home energy assessments, and continue to work on funding direct support work to improve Tiree housing stock energy efficiency
- Building on the childcare feasibility work, take forward development of options for establishing wider childcare provision
- Continue to develop our project to explore adaptation projects to protect Tiree from impacts of climate change
- Commence development of a project to acquire or build a community vet practice as part of offering an attractive lease package to attract future vet services to the island following the expected retirement of the current vet
- Progress seeking funding to install further community owned renewable energy assets, to generate future income and reduce our carbon footprint.

Strategic report

Ongoing service achievements and performance

a. Covid-19 impact on the Trust

With the prevailing mainstream approach to the ongoing pandemic shifting back to “business as usual”, the Trust has maintained the use of HEPA air filter units in our office and a proactive policy against staff attending work when suspected of having infectious illnesses, to reduce the potential risk to staff and customer health.

b. Youth Work

Our youth activities program continues to be a treasured asset by young people and parents of Tiree, with attendance of over 100 young people across the year. The service continues to encourage strong elements of youth leadership, with the young people actively encouraged to propose new clubs and direct the activities taking place. Our Youth Activities Officer works in partnership with both the Active Schools Program provided via Argyll and Bute Council and also the Young Islanders Network, which has led to three Tiree young people becoming representatives within the network.

c. Gaelic Development

In September 2023 Mary Ann Kennedy (Màiri Anna NicUalraig) joined the Trust team alongside existing local staff member Lauren MacArthur to take on Gaelic development work and begin progressing the Tiree Gaelic Plan. Work completed in 2023 included partnerships supporting the local newsletter in increasing Gaelic content and embedding a greater level of routine usage of Gaelic in the work of the Trust. A new policy was agreed by the board for the Trust Group in which wherever practical Gaelic should be used first in signage and comms with English following, to renormalise use of the language in community settings. Significant work was progressed by the end of the year in translating the content of our website to Gaelic, and it is hoped this will be implemented in 2024.

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Strategic report (continued)

Ongoing service achievements and performance (continued)

d. Nàdair Thiriodh - Tiree Ranger Service

The Ranger service continues to provide an important service offering visitor guidance in responsible visiting, particularly in relation to camping and motorhome visitors. Guided walks and sales of information books, postcards and other materials brought in funds to support the service while promoting Tiree wildlife and natural assets. Through various activities, sales and donations the Ranger Service brought in £9,075 of income to supplement grant funding provided by NatureScot and the Trust itself.

e. Tiree Renewable Energy Ltd (TREL)

TREL is a wholly owned trading subsidiary of the Trust with an independent board of directors which includes two Trust directors. TREL owns and operates the community wind turbine 'Tilley'.

TREL took forward some important work on feasibility of future energy projects and was able to donate significant and essential funds to the Trust charity that enabled us to continue the level of staffing and resources needed to progress our community development plan. Windfall grant funding totalling approx. £25k was awarded in 2023 to a variety of community events, projects and school trips up until July 2023, when the Fund was paused until 2024 while we reviewed the financial position. Unfortunately, 2023 saw a continuation of periodic technical issues with the turbine resulting in several interruptions to generation through the year. The issues are being monitored by the manufacturer, Enercon, with plans for works to improve reliability in discussion for 2024.

A decision was made at the end of the year to resume the Windfall Fund with a limited pot of £15,000 for 2024 while the longer-term financial position is assessed, and decisions made about how the remaining expected funding from the turbine may be best invested to secure future income to the Group. The feasibility study undertaken by TREL in 2023 identified a number of potential avenues for future renewable energy and energy efficiency projects which could be income raising. Two of these projects were taken forward and funding was secured to carry out further work, undertaken with the support of Local Energy Scotland and the Argyll and Bute Community-Led Learning and Development fund. The projects involve solar PV generation, battery storage, and the potential for a "Energy Local" co-operative.

f. 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, which continued to deliver broadband to approximately 270 private and business customers. The network infrastructure continues to be maintained and replaced as required throughout the year, but applications for new customers are closed with some exceptions due to the current capacity constraints. Work was agreed in 2023 for the service to take advantage of works on the Business Units project to potentially provide access to a direct fibre connection which should greatly improve available bandwidth.

We continue to keep a close watch on the progress of implementation of the nationwide commitment to provide fibre broadband to every home in Scotland – if implemented fully in Tiree this will likely mean that Tiree Broadband may no longer be required, having completed its mission to provide an alternative option for high speed data until mainstream provision becomes available to all in Tiree.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Strategic report (continued)

Ongoing service achievements and performance (continued)

g. 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.

Scarinish Harbour continues to provide a much-used base for boat-based tourism as well as fishing and leisure craft use. A new set of Terms and Conditions were developed and implemented for the 2024 renewals, along with an updated Marine Safety Management System.

Milton Harbour continued to deliver strongly on its objectives to secure the future of the Tiree fishing industry, providing a far safer, more practical facility from which they can operate. Feedback from operators continues to be overwhelmingly positive. The impact of increases in energy costs and a change in exemption criteria for business rates has impacted upon the finances of the harbour, which required an increase in fees for 2024.

h. Tiree Community Enterprises Ltd (TCEL)

The new filling station, Stèisean Connaidh Chrosabol, became the sole provider of petrol in Tiree in December 2022 with the closure of the old pumps at the Gott Bay pier. The service continues to operate well offering a modern service with pay-at-pump technology, supervised by Trust staff. Discussions were underway by the end of 2023 to begin a partnership with the nearby shop to take on much of the daytime supervision of the station and provision of cash and contactless payment options. In its first full calendar year of operations the station provided 290,000 litres of fuel, with 50% of this being between May and August during the busier summer months. Overall sales figures proved lower than the original projections, however, so the pricing policy was reviewed in December to ensure the station operates on a slight profit in 2024 to begin building up an operational reserve for future equipment replacements, etc.

The next TCEL project, the building of four light commercial business units, was progressed greatly throughout 2023, with construction contracts awarded in May and work beginning on-site by June. At year end the project was somewhat delayed due to weather and changed drainage requirements arising, but completion was expected in early to mid-2024.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the trustees continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. 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.

The Trustees have resolved to maintain free unrestricted funds suitable to support a transitional period of 12 months essential operations, in order to provide a prudent cushion in the event of adverse impacts to our funding sources.

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

c. Principal risks and uncertainties

The directors examined the charity's exposure to strategic, financial, business and operational risks at regular director meetings held monthly. The directors are satisfied that adequate systems and procedures are in place. Risk mitigation and any changes to the identified risks are recorded in the minutes of the Board meetings.

d. 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 (from the community wind turbine) as main source of income, given the increasing age and recent reliability issues of the turbine, and the fact that business interruption insurance is no longer available for it.
- Capacity to deliver and sustain multiple large projects (especially in light of the need to build up increased reserves to self-insure the turbine)
- Additional, particularly unexpected, activities putting strain on funding and resources.
- Recruitment and retention of staff with key skills/experience relevant to a community development organisation, in our small island context.

Given current issues with the reliability of the turbine, and the lack of business interruption insurance, a more cautious approach is being taken to the use of income from the turbine with reduced grant funding being offered. The group is increasing focus on the need to identify future ways to raise reliable income to secure our future operations and service provisions, beyond the operating life of the turbine. This will be a continued focus of strategic work in 2024 as we seek to identify ways to ensure that the Trust will continue to be able to deliver development work and operate community services in the long term.

As part of our previous audit a number of recommendations for improvements to our financial processing systems and procedures were made – work began on implementation of these alongside updating and replacing our main accounts system – this work is expected to be completed in 2024 and will improve our ability to provide our Board with detailed financial reporting and projections.

e. General comments on financial outturn

Under the Statement of Recommended Practice (SORP) for charity accounts, income is reported in the year it is received, provided any applicable performance conditions have been met, 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 from those funds may exceed the income for the year.

The main source of regular 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 2023 we were very fortunate to secure support from the following funders:

- Big Lottery Fund Young Start Fund (Youth Activities project)
- Big Lottery Cost of Living Fund (Cruas project)
- Scottish Land Fund (land purchase and project funding for Business Units project)
- NatureScot (Ranger Service)
- Highlands and Islands Enterprise (Business Units capital funding / two-year development support funding for our core delivery)
- Argyll & Bute Council (Business Units project capital funding, Cruas project and feasibility study into Energy Local club and battery storage)
- Scottish Government Regeneration Capital Grants Fund (Business units)
- Bòrd na Gàidhlig (Gaelic development work)
- Misses Nisbet Trust (training costs for Cruas staff to do Home Energy Assessment training)
- British Science Association - Science ceilidh (Climate Change project)
- Good Things Foundation (Cruas Project to enhance digital literacy and promote digital inclusion in the community)

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

The auditor, Anderson Anderson & Brown Audit LLP, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Date:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TIREE COMMUNITY DEVELOPMENT TRUST

Opinion

We have audited the financial statements of Tiree Community Development Trust (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its 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 requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TIREE COMMUNITY DEVELOPMENT TRUST (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 matters 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' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

- adequate and proper 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' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is 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 Trustees are responsible for assessing the charitable company'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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TIREE COMMUNITY DEVELOPMENT TRUST (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 is not a guarantee that an audit conducted in accordance with ISAs (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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud or error.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations - this responsibility lies with management with the oversight of the Trustees.

Based on our understanding of the Charity, discussions with management and Trustees we identified financial reporting standards and Charity SORP if as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the Charity's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Our audit procedures included:

- completing a risk-assessment process during our planning for this audit that specifically considered the risk of fraud;
- enquiry of management about the Charity's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review, where applicable, of the Board of Trustees' minutes;
- enquiry of management, about litigations and claims and inspection of relevant correspondence;
- evaluations of the selections and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- specific audit testing on and review of areas that could be subject to management override of controls and potential bias, most notably around the key judgements and estimates, including the estimations of any impairment of the property values and their useful life, carrying value of accruals, recoverability of trade debtors and income recognition;
- appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements including evaluating the business rationale of significant transactions, outside the normal course of business considering management override of controls outside of the normal operating cycles.

Owing to the inherent limitations of an audit there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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. This description forms part of our Auditor's report.

TIREE COMMUNITY DEVELOPMENT TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TIREE COMMUNITY DEVELOPMENT TRUST (CONTINUED)

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's members and Trustees 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 and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Angus McCuaig (Senior statutory auditor)

for and on behalf of

Anderson Anderson & Brown Audit LLP

Statutory Auditors

133 Finnieston Street

Glasgow

G3 8HB

Date:

Anderson Anderson & Brown Audit LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

TIREE COMMUNITY DEVELOPMENT TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	5	447,370	207,254	654,624	693,578
Investments	6	13,581	-	13,581	10,671
Other income	7	39,332	18,999	58,331	62,244
Total income		500,283	226,253	726,536	766,493
Expenditure on:					
Charitable activities	8	384,091	165,960	550,051	570,814
Total expenditure		384,091	165,960	550,051	570,814
Net income		116,192	60,293	176,485	195,679
Transfers between funds	21	79,611	(79,611)	-	-
Net movement in funds		195,803	(19,318)	176,485	195,679
Reconciliation of funds:					
Total funds brought forward		678,584	294,690	973,274	777,595
Net movement in funds		195,803	(19,318)	176,485	195,679
Total funds carried forward		874,387	275,372	1,149,759	973,274

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

The notes on pages 17 to 37 form part of these financial statements.

TIREE COMMUNITY DEVELOPMENT TRUST
REGISTERED NUMBER: SC292902

BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	15	273,913	246,058
Investments	16	108,226	173,043
		<u>382,139</u>	<u>419,101</u>
Current assets			
Debtors	18	137,569	74,206
Cash at bank and in hand		696,615	570,064
		<u>834,184</u>	<u>644,270</u>
Creditors: amounts falling due within one year	19	(66,564)	(90,097)
		<u>767,620</u>	<u>554,173</u>
Total assets less current liabilities		<u>1,149,759</u>	<u>973,274</u>
Total net assets		<u><u>1,149,759</u></u>	<u><u>973,274</u></u>
Charity funds			
Restricted funds	21	275,372	294,690
Unrestricted funds	21	874,387	678,584
Total funds		<u><u>1,149,759</u></u>	<u><u>973,274</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Date:

The notes on pages 17 to 37 form part of these financial statements.

TIREE COMMUNITY DEVELOPMENT TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities	110,822	212,645
	<hr/>	<hr/>
Cash flows from investing activities		
Dividends, interests and rents from investments	6,911	6,761
Purchase of tangible fixed assets	(55,999)	(114,012)
Cash receipts from the repayment of advances and loans	64,817	111,229
	<hr/>	<hr/>
Net cash provided by investing activities	15,729	3,978
	<hr/>	<hr/>
Cash flows from financing activities		
	<hr/>	<hr/>
Net cash provided by financing activities	-	-
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	126,551	216,623
Cash and cash equivalents at the beginning of the year	570,064	353,441
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	<u>696,615</u>	<u>570,064</u>

The notes on pages 17 to 37 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in Scotland and a registered charity in Scotland. The address of the registered office is Unit 1 & 2, The Island Centre Crossapol, Isle of Tiree, PA77 6UP.

2. Statement of Compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

3.1 Basis of preparation of financial statements

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

3.2 Going concern

Having considered future budgets and cash flows, monthly management accounts and available working capital, the Trustees have a sound expectation the charity has adequate resources to continue in operational existence for the foreseeable future. There are no known material uncertainties and it is therefore appropriate to prepare the financial statements on a going concern basis.

3.3 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.4 Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

3. Accounting policies (continued)

3.5 Income

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

3.6 Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

3. Accounting policies (continued)

3.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- Straight line over 50 years
Plant and machinery	- 33% straight line
Motor vehicles	- 25% straight line
Land	- No depreciation

3.8 Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

3.9 Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purpose of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generated cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

3. Accounting policies (continued)

3.10 Windfall Grants

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in income or expenditure unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in the statement of financial activities in the period it arises, and is allocated to the appropriate expenditure heading.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

3. Accounting policies (continued)

3.11 Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

3.12 Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

3. Accounting policies (continued)

4. Limited by guarantee

The company 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.

5. Donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations				
Donations	10,592	2,515	13,107	2,913
TCMAL	-	-	-	1,000
TREL	408,500	-	408,500	349,000
CIT	16,019	-	16,019	27,114
Subscriptions				
Subscriptions	11,706	-	11,706	10,600
Grants				
Highlands & Islands Enterprise	553	21,765	22,318	37,619
Community Land Scotland/Bòrd na Gàidhlig	-	18,950	18,950	6,000
Scottish Natural Heritage	-	13,200	13,200	16,410
Argyll & Bute Council	-	25,162	25,162	5,529
Island Communities Fund	-	-	-	147,322
Other Sundry Grants	-	15,304	15,304	16,750
Big Lottery	-	37,956	37,956	73,321
Scottish Land Fund	-	72,402	72,402	-
	<u>447,370</u>	<u>207,254</u>	<u>654,624</u>	<u>693,578</u>

TIRRE COMMUNITY DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from investment properties	6,911	6,911	6,761
Other interest receivable	6,670	6,670	3,910
	<u>13,581</u>	<u>13,581</u>	<u>10,671</u>

7. Other incoming resources

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Other income & fees	2,695	1,108	3,803	936
Management charges (TREL, CIT, DT)	30,720	-	30,720	30,720
Sales & Refunds	5,917	3,221	9,138	14,662
Croft Camping Scheme	-	14,670	14,670	15,926
	<u>39,332</u>	<u>18,999</u>	<u>58,331</u>	<u>62,244</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Core Trust Activities	216,123	26,097	242,220	190,147
Ranger & Access	-	53,475	53,475	50,464
Youth Worker	1,639	41,814	43,453	33,337
Development/project officers	62,006	44,574	106,580	112,102
Windfall	57,611	-	57,611	58,191
TCEL	27,619	-	27,619	115,644
Support Costs	19,093	-	19,093	10,929
	<u>384,091</u>	<u>165,960</u>	<u>550,051</u>	<u>570,814</u>

9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Grant funding of activities 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Core Trust Activities	242,220	-	-	242,220	190,147
Ranger & Access	53,475	-	-	53,475	50,464
Youth Worker	43,453	-	-	43,453	33,337
Development/project officers	106,580	-	-	106,580	112,102
Windfall	-	57,611	-	57,611	58,191
TCEL	-	27,619	-	27,619	115,644
Support Costs	-	-	19,093	19,093	10,929
	<u>445,728</u>	<u>85,230</u>	<u>19,093</u>	<u>550,051</u>	<u>570,814</u>

TIREE COMMUNITY DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Core Trust Activities 2023 £	Ranger & Access 2023 £	Youth Worker 2023 £	Development /project offic ers 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	116,402	34,560	38,908	90,562	280,432	251,443
Depreciation	28,144	-	-	-	28,144	22,056
Direct Costs	454	3,935	-	-	4,389	9,929
Rent and Premises	12,871	10,638	60	-	23,569	25,858
Rates and Water	380	-	-	-	380	355
Light and Heat	2,303	-	-	-	2,303	2,069
Repairs & Maintenance	3,374	-	-	-	3,374	3,042
Insurance	6,282	-	-	-	6,282	5,690
Travel Expenses	4,008	1,237	1,596	663	7,504	6,830
Legal and Professional Fees	6,150	-	-	5,569	11,719	926
Telephone	1,105	134	-	-	1,239	5,567
Office Costs	4,138	61	1,467	599	6,265	7,809
Other Costs	12,109	293	1,422	-	13,824	17,623
Staff Training and Recruit	-	234	-	4,162	4,396	770
Motor Vehicle Expenses	-	2,383	-	-	2,383	3,028
Bee Project	-	-	-	-	-	975
Discover Tiree Costs	-	-	-	5,025	5,025	22,080
Donations	12,500	-	-	-	12,500	-
Bad Debts	32,000	-	-	-	32,000	-
	<u>242,220</u>	<u>53,475</u>	<u>43,453</u>	<u>106,580</u>	<u>445,728</u>	<u>386,050</u>

Analysis of support costs

	Support Costs 2023 £	Total funds 2023 £	Total funds 2022 £
Governance costs	<u>19,093</u>	<u>19,093</u>	<u>10,929</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

10. Operating Profit

Net income / (expenditure) is stated after charging / (crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	28,144	22,056

11. Auditor's remuneration

	2023 £	2022 £
Fees payable to the Company's auditor in respect of: The auditing of the financial statements	11,000	10,800

12. Staff costs

	2023 £	2022 £
Wages and salaries	251,004	225,528
Social security costs	16,558	14,779
Contribution to defined contribution pension schemes	12,870	11,136
	<u>280,432</u>	<u>251,443</u>

The average number of persons employed by the Company during the year was as follows:

	2023 No.	2022 No.
Part time staff	11	10

No employee received remuneration amounting to more than £60,000 in either year.

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £67,308 (2022: £62,232).

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 December 2023, no Trustee expenses have been incurred (2022 - £NIL).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

14. Comparatives for the Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Income and endowments from:			
Donations and legacies	409,648	283,930	693,578
Investments	10,671	-	10,671
Other income	41,915	20,329	62,244
	<u>462,234</u>	<u>304,259</u>	<u>766,493</u>
Total Income and endowments			
Expenditure on:			
Charitable activities	301,065	269,749	570,814
Other expenditure	-	-	-
	<u>301,065</u>	<u>269,749</u>	<u>570,814</u>
Total Expenditure			
Net income/ (expenditure)	161,169	34,510	195,679
Transfers between funds	175,782	(175,782)	-
	<u>336,951</u>	<u>(141,272)</u>	<u>195,679</u>
Net movement in funds			
Reconciliation of funds:			
Total funds brought forward	341,633	435,962	777,595
Net movement in funds	336,951	(141,272)	195,679
	<u>678,584</u>	<u>294,690</u>	<u>973,274</u>
Total funds carried forward			

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

15. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Land £	Total £
Cost or valuation					
At 1 January 2023	198,720	19,778	84,657	-	303,155
Additions	-	1,043	-	54,956	55,999
At 31 December 2023	<u>198,720</u>	<u>20,821</u>	<u>84,657</u>	<u>54,956</u>	<u>359,154</u>
Depreciation					
At 1 January 2023	23,800	11,346	21,951	-	57,097
Charge for the year	3,974	5,358	18,812	-	28,144
At 31 December 2023	<u>27,774</u>	<u>16,704</u>	<u>40,763</u>	<u>-</u>	<u>85,241</u>
Net book value					
At 31 December 2023	<u>170,946</u>	<u>4,117</u>	<u>43,894</u>	<u>54,956</u>	<u>273,913</u>
At 31 December 2022	<u>174,920</u>	<u>8,432</u>	<u>62,706</u>	<u>-</u>	<u>246,058</u>

Included in freehold 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

16. Fixed asset investments

	Investments in subsidiary companies £	Loans to subsidiaries £	Total £
Cost or valuation			
At 1 January 2023	42,107	130,936	173,043
Disposals	-	(64,817)	(64,817)
At 31 December 2023	<u>42,107</u>	<u>66,119</u>	<u>108,226</u>
Net book value			
At 31 December 2023	<u>42,107</u>	<u>66,119</u>	<u>108,226</u>
At 31 December 2022	<u>42,107</u>	<u>130,936</u>	<u>173,043</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

17. Investment entities

Principal subsidiaries

The following were subsidiary undertakings of the Company:

Names	Class of shares	Holding
Tiree Renewable Energy Company Limited	Ordinary	100%
Community Information Technology Limited	Ordinary	100%
Tiree Community Maritime Assets Limited	Ordinary	100%
Tiree Community Enterprise Limited	Ordinary	100%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss)/ Surplus/ (Deficit) for the year £	Net assets £
Tiree Renewable Energy Company Limited	660,450	(728,163)	(77,165)	954,116
Community Information Technology Limited	67,591	(71,873)	(4,282)	56,171
Tiree Community Maritime Assets Limited	41,158	(49,133)	(7,975)	(7,002)
Tiree Community Enterprise Limited	506,538	(480,373)	(1,454)	(11,559)

All fixed asset investments are held within the United Kingdom. The shares held represent 42,100 Ordinary £1 shares in Tiree Renewable Energy Company Limited. 5 Ordinary £1 shares in Community Information Technology Ltd, and one £1 ordinary share in both Tiree Community Maritime Assets Limited and Tiree Community Enterprise Limited, all of which are 100% owned subsidiaries (see note 15). These shares are shown at cost.

The above loan to the charity's subsidiary, Tiree Renewable Energy Company Limited, commenced in February 2013 and carries an interest rate of 1.5% over base. It is repayable over a period of 12 years with the final repayment due in January 2025. Outstanding at 31 December 2023 £66,119.

18. Debtors

	2023 £	2022 £
Due within one year		
Amounts owed by group undertakings	112,000	12,000
Other debtors	8,000	40,000
Prepayments and accrued income	17,569	22,206
	<u>137,569</u>	<u>74,206</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

18. Debtors (continued)

Included in other debtors is a short term loan of £40,000 to a local company to ensure the future of fuel supplies on the island and to allow transfer of this facility to the Trust's new subsidiary TCEL. This loan has been written down to £8,000 to reflect agreement reached with the local company, with the remaining £32,000 written off due to the additional costs incurred in retaining the existing fuel pumps (as an essential community service, very much appreciated on behalf of the community) for far longer than expected, due to delays in completing the new filling station.

19. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	4,172	3,217
Windfall Grants	-	23,424
Other taxation and social security	5,291	3,732
Other creditors	6,429	5,297
Accruals and deferred income	50,672	54,427
	<u>66,564</u>	<u>90,097</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 Big Lottery Fund has a standard security over the area adjacent to the former Struthan Stores.

20. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £12,870 (2022: £11,136).

TIREE COMMUNITY DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

21. Statement of funds

Statement of funds - current year

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2023 £
Unrestricted funds					
General Funds	617,306	500,283	(305,518)	(434,034)	378,037
Windfall Fund	61,278	-	(78,573)	513,645	496,350
	<u>678,584</u>	<u>500,283</u>	<u>(384,091)</u>	<u>79,611</u>	<u>874,387</u>
Restricted funds					
BIG - Harvest the Wind	130,940	-	-	(64,817)	66,123
Tiree Renewable Energy Company	42,000	-	-	-	42,000
Community Shop	111,315	-	(3,974)	-	107,341
Tourism Graduate	-	-	(1,170)	1,170	-
Youth Work, Fresh Fridays, Film Club	-	17,886	(37,205)	19,319	-
Gaelic, Music & Culture	-	18,950	(5,275)	-	13,675
HIE Delivery Resources	-	21,765	(21,765)	-	-
Ranger / Access Fund	-	33,799	(53,472)	19,673	-
Island Communities Fund	10,435	-	(299)	-	10,136
Cruas project and Childcare study	-	54,666	(42,800)	-	11,866
Climate Adaption project	-	6,785	-	-	6,785
Crossapol Land - Business Units	-	72,402	-	(54,956)	17,446
	<u>294,690</u>	<u>226,253</u>	<u>(165,960)</u>	<u>(79,611)</u>	<u>275,372</u>
Total of funds	<u>973,274</u>	<u>726,536</u>	<u>(550,051)</u>	<u>-</u>	<u>1,149,759</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

21. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2022 £
Unrestricted funds					
General Funds	237,539	446,859	(242,874)	175,782	617,306
Windfall Fund	104,094	15,375	(58,191)	-	61,278
	<u>341,633</u>	<u>462,234</u>	<u>(301,065)</u>	<u>175,782</u>	<u>678,584</u>
Restricted funds					
BIG - Harvest the Wind	242,169	-	-	(111,229)	130,940
Tiree Renewable Energy Company	42,000	-	-	-	42,000
Community Shop	146,781	-	(3,760)	(31,706)	111,315
Tourism Graduate	5,012	14,398	(30,980)	11,570	-
Youth Work, Fresh Fridays, Film Club	-	16,600	(32,800)	16,200	-
Gaelic, Music & Culture	-	6,000	(9,530)	3,530	-
HIE Delivery Resources	-	22,854	(22,854)	-	-
TCEL	-	57,721	(57,721)	-	-
Ranger / Access Fund	-	39,364	(50,464)	11,100	-
Island Communities Fund	-	147,322	(61,640)	(75,247)	10,435
	<u>435,962</u>	<u>304,259</u>	<u>(269,749)</u>	<u>(175,782)</u>	<u>294,690</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

21. Statement of funds (continued)

The incoming transfer to General funds represents the capital element of the repayment of the loan to TREL for 2022 which was £64,817 (2022: £111,229), together with transfers from the General fund to meet deficits on the Restricted Funds and allocations to the Windfall Fund.

The Windfall fund closing balance of £496,350 represents ring fenced funds which form part of the closing cash balances of £696,615.

The donation paid from TREL in contribution to the Windfall fund during 2023 was £245,100.

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 17 above regarding the terms and conditions of this loan. Interest earned on this loan is credited to the unrestricted fund.

Tiree Renewable Energy Company

The intercompany 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 contribution 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.

Revenue Funds

Tourism Graduate

Funding was provided by Highlands and Islands Enterprise (HIE) to support 50% of the gross salary of a graduate placement – Sustainable Tourism and Comms Officer. The funding was released in sections and directly related to salary costs incurred, and was fully expended against that purpose (ending September 2022). The remainder of the related costs were met from general funds. We continued to fund the post beyond the end of the funding until it ended in January 2023.

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.

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.

Music, Culture & Gaelic Language

A grant of £5k awarded in 2020 from CNAG/BNAG towards the Music & Culture post. Community Land Scotland provided funding of £11,200 towards a Gaelic Development Officer and gaelic events. A further grant of £6k was awarded and received in 2022, with a transfer was made from general reserves to meet that deficit in line with expectations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

21. Statement of funds (continued)

The Trust continues to receive funding support from Bòrd na Gàidhlig towards Gaelic Development activities and staffing. In 2023 a new grant of £18,224 was received in support of a new staffing arrangement that started in September, with the remainder of funds required being met from general funds.

HIE Delivery Resources

Development funding for staff costs to assist in delivering priority projects and contributing to the overall development and capacity of the Trust.

Tiree Community Enterprises Limited (TCEL)

Restricted grants were received and passed over to TCEL by the Trust during the year. These amounts have been included in the Group accounts for clarity.

Cruas project and Childcare study

Funding was received in late 2022 from both the Argyll and Bute Community-Led Learning and Development Fund (CLLD) and the Rural and Islands Communities Ideas into Action Fund, Scottish Government, for a pilot of the “Cruas project” – a support and advice service offering a financial grant to support households with the cost of living crisis and fuel poverty. The funding also covered a consultancy piece to develop a feasibility report for the creation of wider childcare services in Tiree (i.e. ages 0-3, and wraparound or summer childcare, to supplement the school nursery provision). This work continued through to early 2023, with some match funding being provided by the Trust general funds.

Climate Adaption project

Funding of £5,000 was received through the Science Ceilidh project to undertake work around a community climate event and associated climate awareness work and research on Tiree. This included funding for a Community Projects Officer to lead on the project, liase with the research team, and plan and coordinate community engagement events, research costs, and costs related to the running of events.

In 2023, our Community Project Officer met and liased with Dr. Leslie Mabon – a Lecturer in Environmental Systems at the Open University – to agree high-level scope of the project, indicative budget, and discuss timelines. Literature review and planning of the events was undertaken in 2023, with a full suite of community events organised for 2024. The Community Projects Officer was also involved in the Community of Practice, which ran for the duration of the project.

Crossapol Loan - Business Units

In early 2023 Scottish Land Fund (delivered under the National Lottery) support was confirmed for £72,402 in support of the purchase of land at Crossapol being used for the construction of four light commercial business units. The funding covered 95% of the actual land purchase cost, plus funding towards our legal costs, as well as revenue funding for one year for staff time in delivering the development project. Although the funding for the construction project itself was given directly to the trading subsidiary TCEL, this part of the project was carried out under the Trust itself, as it is the parent charity buying and owning the land, with a lease in place for TCEL for the units. The land purchase was completed in September 2023, with the revenue funding due to conclude in March 2024.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	48,011	225,902	273,913
Fixed asset investments	42,107	66,119	108,226
Current assets	824,133	10,051	834,184
Creditors due within one year	(39,864)	(26,700)	(66,564)
Total	874,387	275,372	1,149,759

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	71,138	174,920	246,058
Fixed asset investments	50,103	122,940	173,043
Current assets	631,065	13,205	644,270
Creditors due within one year	(73,722)	(16,375)	(90,097)
Total	678,584	294,690	973,274

23. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net income for the year (as per Statement of Financial Activities)	176,485	195,679
Adjustments for:		
Depreciation charges	28,144	22,056
Gains on investments	6,670	3,910
Dividends, interests and rents from investments	(6,911)	(6,761)
Decrease/(increase) in debtors	(63,363)	154,468
Decrease in creditors	(109)	(64,901)
Other interest receivable and similar income	(6,670)	(3,910)
Provisions and employee benefits	(23,424)	(87,896)
Net cash provided by operating activities	110,822	212,645

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

24. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	696,615	570,064
Total cash and cash equivalents	<u>696,615</u>	<u>570,064</u>

25. Analysis of changes in net debt

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	570,064	126,551	696,615
Windfall	(23,424)	23,424	-
	<u>546,640</u>	<u>149,975</u>	<u>696,615</u>

26. Related party transactions

During the year the Trust (TCDT) charged management fees to its subsidiary companies amounting to £24,000 for TREL, £4,320 for CIT and £1,200 for TCMAL 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 £408,500 (2022: £349,000), which was all paid in the year. The Trust also received interest of £2,027 (2022: £3,309) from TREL in respect of its loan investment in the company. The amount of the loans outstanding at the year end was £130,936 (see note 15).

The Trust has a standard security over the assets of TCMAL. The Trust received no donations from Tiree Community Maritime Assets (2022: £1,000) during the year.

The trust received donations from Community Information Technology of £16,019 (2022: £27,114), which was all paid in the year.

There were no other related party transactions in the year.

27. Capital 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.

There were no outstanding commitments in respect of grants from the Windfall Fund at the year end, as detailed in note 19.

