

REGISTERED COMPANY NUMBER: SC201004 (Scotland)
REGISTERED CHARITY NUMBER: SC029471

**Report of the Trustees and
Audited Financial Statements For The Year Ended 31 October 2010
for
Westray Development Trust**

The Long Partnership
Chartered Accountants
Registered Auditors
1 Castle Street
Kirkwall
Orkney
KW15 1HD
01856 878600

Westray Development Trust

Contents of the Financial Statements For The Year Ended 31 October 2010

	Page
Report of the Trustees	1 to 6
Independent Examiners Report	7
Statement of Financial Activities	8
Balance Sheet	9 to 10
Notes to the Financial Statements	11 to 20
Detailed Statement of Financial Activities	21

Westray Development Trust

Report of the Trustees For The Year Ended 31 October 2010

The Trustees who are also Directors of the charity for the purposes of the Companies Act 2006, present their report with the consolidated financial statements of the charity for the year ended 31 October 2010. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC201004 (Scotland)

Registered Charity number

SC029471

Registered office

Hewison Room
Westray Parish Kirk
Westray
Orkney
KW17 2DB

Trustees

D A Stephenson

Mrs E L Drever

-resigned 26.5.10

A H McVicar

G Thomson

M Mawer

- resigned 2.11.09

R K Rendall

S H Rendall

Ms C Eden

S T Bain

- appointed 26.5.10

Company Secretary

A H McVicar

Independent Examiner

The Long Partnership
Chartered Accountants
Registered Auditors
1 Castle Street
Kirkwall
Orkney
KW15 1HD
01856 878600

Bankers

The Royal Bank of Scotland
1 Victoria Street
Kirkwall
Orkney
KW15 1DP

Westray Development Trust

Report of the Trustees For The Year Ended 31 October 2010

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Lows Orkney
5 Broad Street
Kirkwall
Orkney
KW15 1DJ

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING INSTRUMENT AND ADMINISTRATIVE STATUS

Westray Development Trust is a Company limited by guarantee, governed by its Memorandum and Articles of Association. The Company is registered in Scotland, Company number SC201004. It is a registered charity with the Office of the Scottish Charity Regulator (OSCR).

Any person over the age of 18 whose main residence is in Westray and who has an interest in the objects of the Company will be eligible for membership at the discretion of the Board. No paid employee of the Company may become a member.

The Directors have taken advantage of the special exemption conferred by section 30 of the Companies Act 1985 applicable to Companies limited by guarantee, allowing them to dispense with the requirement of using the word Limited, or the abbreviated Ltd, after the Company name.

Recruitment and appointment of new Trustees

Directors must be members but must not be employees of the Trust.

Directors are appointed by Ordinary Resolution at an AGM provided that they have first been nominated and seconded. In addition the Board may appoint Directors at other times to fill a vacancy. Directors are appointed for a period of 2 years. One third of the Board retires annually but is eligible for re-appointment by Ordinary Resolution at an AGM. No Director may serve more than 6 consecutive years on the board without a one year break.

The Board has the right to appoint up to 4 special advisers to the Board. They have the right to attend Board meetings and to speak but cannot vote.

A Director is entitled to reasonable remuneration for services actually rendered to the company but may not be paid for being a Director.

The Chairman, Vice Chairman, Treasurer, Secretary and such other office bearers as the Board considers appropriate for the next 12 months are appointed from among the Directors immediately following the AGM. No office bearers shall serve longer than 3 consecutive years in any one office.

Organisational structure

The Board of the Trust consists of between 6 and 15 Directors. The Board meets regularly in connection with the affairs of the Trust. Subcommittees are formed with responsibility for various aspects of the running of the specific projects.

Trustees retiring at the forthcoming AGM:

R K Rendall will retire from the board in accordance with the Memorandum and Articles of Association and being eligible, offers himself for re-election.

Related parties

Westray Development Trust has 2 wholly owned subsidiaries, Orkney Bio-fuels Limited is developing a fuel substitute utilising equipment obtained and financed by the Trust. Westray Renewable Energy Limited commenced trading in 2009, generating electricity from a wind turbine that it erected in Westray with a view to making funds available to the Trust to finance its charitable objectives.

Westray Development Trust

Report of the Trustees For The Year Ended 31 October 2010

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Trust has been working with its accountants to identify financial risks and implement relevant controls. This process is in progress.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects for which the charity is established are:

- (a) to provide, in the interests of social welfare, facilities for recreation and other leisure time occupation available to the public at large in Westray with a view to improving their conditions of life.
- (b) to advance education and in particular to promote opportunities for learning for the benefit of the general public.
- (c) to protect and preserve the environment for the benefit of the general public.
- (d) to provide or assist in the provision of housing for people in necessitous circumstances within Westray.
- (e) to relieve poverty particularly among the residents of the Island of Westray.
- (f) to promote Westray trade and industry for the benefit of the general public.
- (g) to promote, establish, operate and / or support other schemes and projects of a charitable nature for the benefit of the community of Westray.

In furtherance of these objects the Company has the power to promote community enterprises and Companies whose activities may further one or more of the above objects or may generate income to support the activities of the Westray Development Trust.

Significant activities

The three year life of the BIG Lottery grant was due to terminate in October 2009 but due to the delay in the release of funding at the start resulting and the main projects not commencing until April 2008, permission was sought and obtained from funder to extend the grant until the end of March 2011. This allowed best use of remaining funds available.

Needs and priorities in Westray have inevitably changed in the 5 years since the publication of the last local Development Plan "The Tide is Turning". Also with the progress made in meeting important objectives it was time to re-assess current priorities and to begin construction of a new Development Plan. We have been fortunate to obtain funding for a Community Development Officer and a major part of her work has been to promote discussions on the way forward for the next five years with people and organisations of Westray

Trust representation has continued on the Board of Westray Renewable Energy and on the Management Group of Westray Processors.

Although some difficulties due to illness occurred, the objectives in the five main project areas focussed on have been mainly met and are on target to meet the obligations associated with the BIG Lottery grant. The Trust greatly appreciates the dedicated work of Project Managers employed through the grant, supported by specialist sub-groups consisting of Directors and other interested residents of Westray.

Volunteers

The Trust is very involved in the community and is dependent on voluntary help from members, Directors and others. Without these volunteers the Trust could not undertake the majority of its activities.

Westray Development Trust

Report of the Trustees For The Year Ended 31 October 2010

ACHIEVEMENT AND PERFORMANCE

Present

The community turbine has now been up and running for a year and is producing an income. The work on how this income will be used is still ongoing. The Community Development Officer along with a group of Directors and other key local people are meeting to develop plans and processes on how the income will be spent.

A golf course developer is employed through WDT to carry out the work needed on the course to keep it in a playable condition. The Club, along with the Golf Course project manager employed through WDT, are actively seeking the funding required to erect a club house and purchase machinery needed to develop the course into a fully functioning leisure area for wider public use.

The Waste project manager has obtained planning permission for the erection of a building on the site of the Westray Zero Waste centre and is actively seeking funding for the building. The project now has a glass imploder and can crusher/baler and the initial works to determine production from these machines has begun. Along with this the project has obtained a Big Hanna Composter and paper shredder and baler.

The Fuel Poverty project has successfully completed the nine house project in Westray; this project received £143,000 of funding to carry out works to the houses to lift the householders out of fuel poverty. Alongside this, the fuel poverty project manager has carried out surveys on the majority of households to determine the SAP and NHER ratings of these properties. This information is used to gauge the level of fuel poverty on the island. The project manager has also been working with householders to obtain grants for improvements to their homes and has also succeeded in getting the Citizens Advice Bureau to come to the island once a month to carry out interviews with people to determine whether they are receiving all the help they are entitled to.

The BioFuels project has obtained equipment from Shetland to enable the production of the fuel and it is hoped to have the fuel for retail sale in the very near future.

Past

The Trust has continued to fill a gap existing in community needs and aspirations between that provided by official bodies such as OIC and the Community Council and the many single interest groups such as sports clubs, age-related associations and other groups active in Westray. Although there is the possibility of some overlap in project areas, this is minimised through consultation and co-operation with the different groups.

Looking back at what the Trust has achieved over the past decade leaves us thinking that the next ten years has a lot to live up to. The Kalisgarth Care centre has been a huge employment boost to the island while also making sure the elderly community are cared for to a very high standard. The Trust has also provided great facilities for the younger generation in the form of Hofn and the play park. The consolidation of Quoygrew shouldn't be forgotten plus many other smaller projects which have contributed to the environment, economic and educational benefits of the community.

Community Support

WDT has a busy twelve months ahead once more and we can't do this work without the Directors who commit their time to make these things happen. So while we can only go forward with the support of the community, please bear in mind that many hands make light work. Westray is a forward thinking isle and in many ways, ahead of its time so please keep supporting one another and the Trust to make a stronger community which is fondly known as 'The Queen o the Isles'.

May we also take this opportunity to thank all our employees for their contribution to the work of WDT and the projects they are involved in. We hope they continue to enjoy delivering the aims and objectives of the Trust.

The success in meeting many of the highly ambitious objectives contained in the two Community Development Plans which have run their course over the last ten years can be attributed to the dedicated efforts of many Directors and staff employed over the years.

Westray Development Trust

Report of the Trustees For The Year Ended 31 October 2010

The objective to reverse the long-term decline in population previously evident was a main reason for the existence of the Trust and it is encouraging that the population is now increasing, probably for a variety of reasons. Considerable progress has been made in many projects e.g. focussing on elderly and young residents, employment, recreation, training, quality of housing and several other areas. The recognition of the difficulty in accessing the increasingly scarce sources of official and grant funding for projects led to the successful acquisition of the community wind turbine. This is expected to provide a secure source of income for approximately 20-25 years.

Performance

Individual projects of the Trust are overseen by sub-groups of interested residents with a WDT Director nominated as chair. Recommendations from these are assessed by the open monthly Board meetings when progress and performance are assessed. The trading companies owned by the Trust (Westray Renewable Energy Ltd and Orkney Biofuels Ltd) are similarly responsible to the WDT Board. The general business and administration of the Trust is likewise dealt with at the Board meetings.

Feedback on performance from the residents of Westray is important to the Trust. Minutes of Board meetings have been made available to Westray residents (directly or via the Trust website). To further improve ease of access to information on the ongoing work of the Trust the decision was made in 2010 to publish extracts of Board minutes in the monthly "What's On ---" produced by Westray Heritage Trust. The Annual General Meeting of WDT provides members with the opportunity for formal assessment of performance and accountability.

The success of the Trust has been totally dependent on Directors' enthusiasm and willingness to freely devote time for the benefit of Westray. It is essential that new Directors are continually appointed to replace those who have served their maximum permitted term of appointment and to ensure a good cross representation of the views of Westray residents is maintained. Appointment as a Director can only take place at an Annual or Extraordinary General Meeting but within the term of the constitution individuals willing to participate in WDT can do so, until the next AGM/EGM.

Consolidated Accounts

Westray Development Trust and its two subsidiaries form a group for company and tax law purposes. In previous years accounts have been prepared for the three individual companies but since 2009 consolidated accounts have been prepared for Westray Development Trust, while still preparing individual accounts for the two subsidiaries.

There are certain thresholds laid down by Government. In 2009, the turnover of Westray Development Trust was such that it was not eligible for exemption from audit and, in addition, consolidated accounts had to be prepared. This year, Westray Development Trust does qualify for exemption from audit but the turnover of the group is such that consolidated accounts must again be prepared. This change in the disclosure requirements for Westray Development Trust is a direct result of the turbine project, the financing and the level of its trading income.

The accounts for Westray Development Trust being presented to this year's AGM will therefore be consolidated accounts and have been independently examined but not subject to audit.

Consolidated accounts show the results of the "group" as if the operations of all three companies had been carried out by a single company. The income, expenses and balances from the individual accounts are added together but certain transactions between members of the group must be eliminated from the consolidated figures. So, for example, the intercompany loan from Westray Development Trust to Westray Renewable Energy Limited to finance the wind turbine will not appear in the consolidated accounts because, for the purposes of consolidation, one group company has made a loan while the other has borrowed it and as far as anyone on the outside is concerned, there is no net effect. However, the external finance from Triodos will appear in the consolidated balance sheet as a loan to the "group".

Westray Development Trust

Report of the Trustees For The Year Ended 31 October 2010

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees (who are also the Directors of Westray Development Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the consolidated financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.


Company law requires the Trustees 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 those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



Alasdair McVicar – Trustee / Secretary

3 March 2011

Independent Examiner's Report to the Trustees of Westray Development Trust

I report on the consolidated accounts for the year ended 31 October 2010 set out on pages eight to twenty.

Respective responsibilities of trustees and examiner

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

Basis of the independent examiner's report

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

Independent examiner's statement

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

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
 - to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare consolidated accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the consolidated accounts to be reached.



Alan E Long, F.C.A., C.T.A.
For and on behalf of The Long Partnership
Chartered Accountants
Chartered Tax Advisers
1 Castle Street
Kirkwall
Orkney
KW15 1HD

3 March 2011

Westray Development Trust

**Consolidated Statement of Financial Activities
For The Year Ended 31 October 2010**

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	31.10.10 Total funds £	31.10.09 Total funds £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income		100	2,000	-	2,100	-
Grants received	4	2,500	252,629	126,200	381,329	656,105
Activities for generating funds						
Electricity Generation		296,422	-	-	296,422	15,809
Rent received		500	-	-	500	550
Incoming resources from Charitable activities	5	3,204	395	-	3,599	1,243
Total incoming resources		302,726	255,024	126,200	683,950	673,707
RESOURCES EXPENDED						
Costs of generating funds						
Electricity generation		118,968	-	-	118,968	13,741
Charitable activities						
Community operations	6	106	2,477	-	2,583	6,278
General overheads	6	34,533	196,152	-	230,685	59,418
Governance costs	7	2,768	4,162	-	6,930	6,942
Deferred Tax (subsidiary)		26,000	-	-	26,000	-
Total resources expended		182,375	202,791	-	385,166	86,379
NET INCOMING/(OUTGOING) RESOURCES before transfers						
		120,351	52,233	126,200	298,784	587,328
Gross transfers between funds	17	616	(616)	-	-	-
Net incoming/(outgoing) resources		120,967	51,617	126,200	298,784	587,328
Total funds brought forward		81,510	271,560	658,569	1,011,639	424,311
TOTAL FUNDS CARRIED FORWARD		202,477	323,177	784,769	1,310,423	1,011,639

The notes form part of these consolidated financial statements

Westray Development Trust

Balance Sheet At 31 October 2010

	Notes	Group 31.10.10 £	Group 31.10.09 £	Charity 31.10.10 £	Charity 31.10.09 £
FIXED ASSETS					
Tangible assets	10	1,613,659	1,575,874	344,350	342,077
Investments	11	2,000	-	2,103	103
		<hr/>			
		1,615,659	1,575,874	346,453	342,180
CURRENT ASSETS					
Stocks		1,600	1,000	800	200
Debtors: amounts falling due within one year	12	183,362	117,500	56,865	110,371
Debtors: amounts falling due after more than one year	12	6,715	-	723,583	547,062
Cash at bank and in hand		174,997	266,535	76,070	66,458
		<hr/>			
		366,674	385,035	857,318	724,091
CREDITORS					
Amounts falling due within one year	13	86,602	391,756	6,347	53,362
		<hr/>			
NET CURRENT ASSETS/(LIABILITIES)		280,072	(6,721)	850,971	670,729
		<hr/>			
TOTAL ASSETS LESS CURRENT LIABILITIES		1,895,731	1,569,153	1,197,424	1,012,909
CREDITORS					
Amounts falling due after more than one year	14	559,308	557,514	-	-
Deferred Tax Provision (subsidiary)		26,000	-	-	-
		<hr/>			
NET ASSETS		1,310,423	1,011,639	1,197,424	1,012,909
		<hr/>			
FUNDS					
Unrestricted funds	17	202,477	81,510	89,478	82,780
Restricted funds		323,177	271,560	323,177	271,560
Endowment funds		784,769	658,569	784,769	658,569
		<hr/>			
		1,310,423	1,011,639	1,197,424	1,012,909
		<hr/>			

The notes form part of these consolidated financial statements

Westray Development Trust

Balance Sheet - continued At 31 October 2010

The Trustees have prepared group accounts in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and associated Charities Accounts (Scotland) Regulations 2006.

These consolidated financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies, the Financial Reporting Standard for Smaller Entities (effective April 2008) and Accounting and Reporting by Charities: Statement of Recommended Practice (the Charities SORP 2005). They constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the Company.

For the year ended 31 October 2010 the company was entitled to exemption under section 477 of the Companies Act 2006.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The consolidated financial statements were approved by the Board of Trustees on 3 March 2011 and were signed on its behalf by:

A handwritten signature in black ink, appearing to be 'David Baker', written in a cursive style.

David Baker - Trustee

Westray Development Trust

Notes to the consolidated financial statements For The Year Ended 31 October 2010

1. ACCOUNTING POLICIES

Accounting convention

The consolidated financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Group financial statements

The financial statements consolidate the results of the charity and all its subsidiaries as listed below, both of which are wholly owned, on a line by line basis. A separate Statement of Financial Activities, and income and expenditure account, for the charity itself are not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

The subsidiaries consolidated are:
Westray Renewable Energy Limited
Orkney Bio-Fuels Limited

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	-2% on cost
Biofuels Equipment	-10% on reducing balance
Equipment	-25% on reducing balance
Turbines	-4% on cost

Taxation

The charity is exempt from Corporation Tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the consolidated financial statements.

Westray Development Trust

Notes to the consolidated financial statements - continued For The Year Ended 31 October 2010

2. FINANCIAL PERFORMANCE OF THE CHARITY

The consolidated statement of financial activities includes the results of the charity's wholly-owned subsidiaries. A summary of the financial performance of the charity alone is shown below:

	Unrestricted funds £	Restricted funds £	Endowment funds £	31.10.10 Total funds £	31.10.09 Total funds £
INCOMING RESOURCES					
Voluntary Income	100	2,000	-	2,100	-
Grants received	2,500	252,629	126,200	381,329	656,105
Electricity Generation	1,532	-	-	1,532	5,558
Rent received	3,850	-	-	3,850	550
Incoming resources from Charitable activities	3,204	395	-	3,599	1,243
Investment income	35,597	-	-	35,597	-
Total incoming resources	46,783	255,024	126,200	428,007	663,456
RESOURCES EXPENDED					
Costs of generating funds					
Electricity generation	5,559	-	-	5,559	5,559
Charitable activities					
Community operations	106	2,477	-	2,583	6,278
General overheads	34,533	196,152	-	230,685	59,418
Governance costs	503	4,162	-	4,665	5,892
Total resources expended	40,701	202,791	-	243,492	77,147
NET RESOURCES before transfers	6,082	52,233	126,200	184,515	586,309
Gross transfers	616	(616)	-	-	-
Net incoming/(outgoing) resources	6,698	51,617	126,200	184,515	586,309
Total funds brought forward	82,780	271,560	658,569	1,012,909	426,600
TOTAL FUNDS CARRIED FORWARD	89,478	323,177	784,769	1,197,424	1,012,909

Westray Development Trust

Notes to the consolidated financial statements - continued For The Year Ended 31 October 2010

3. ACTIVITIES FOR GENERATING FUNDS – COMMERCIAL TRADING OPERATIONS

The charity has two wholly-owned trading subsidiaries, both incorporated in the United Kingdom. The summary financial performance of the subsidiaries alone is as follows:

	Westray Renewable Energy Ltd		Orkney Bio-Fuels Ltd	
	31.10.10	31.10.09	31.7.10	31.7.09
	£	£	£	£
Summary Profit and Loss				
Turnover	291,540	10,201	-	50
Cost of sales and administrative costs	(150,675)	(8,872)	(595)	(360)
Deferred Tax charged	(26,000)	-	-	-
Net profit/ (loss)	114,865	1,329	(595)	(310)
Summary Balance Sheet				
	£	£	£	£
Fixed assets	1,269,310	1,233,798	-	-
Current assets	272,460	210,250	1,092	1,062
Current liabilities	(177,684)	(341,221)	(2,384)	(1,759)
Long term liabilities	(1,223,691)	(1,103,297)	-	-
Provision for deferred tax (subsidiary)	(26,000)	-	-	-
Total net assets	114,395	(470)	(1,292)	(697)
Aggregate share capital and reserves	114,394	(470)	(1,292)	(697)

4. Grants

Grants received are as follows:

	31.10.10	31.10.09
	£	£
Scottish Executive	-	25,689
OIC	-	105
Highlands & Islands Enterprise	175,698	554,315
Awards for All	10,000	-
Scottish Power	22,053	19,848
Heritage Lottery Fund	-	51,148
Energy Savings Trust	165,578	-
Fairer Scotland Fund	2,500	5,000
Community Energy Scotland	500	-
Waste & Resources Action Programme	5,000	-
	<u>381,329</u>	<u>656,105</u>

Westray Development Trust

Notes to the consolidated financial statements - continued For The Year Ended 31 October 2009

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	31.10.10	31.10.09
	£	£
Hofn Centre Hires and other income	395	597
Concert Ticket Sales	3,039	-
Sundry Other Income	<u>165</u>	<u>646</u>
	<u>3,599</u>	<u>1,243</u>

6. COSTS OF CHARITABLE ACTIVITIES

	31.10.10	31.10.09
	£	£
Community operations:		
Hofn Centre overheads	2,583	4,771
Bad debts	<u>-</u>	<u>1,507</u>
	<u>2,583</u>	<u>6,278</u>

	31.10.10	31.10.09
	£	£
General overheads:		
Wages	59,390	34,813
Travel & Subsistence	1,324	887
Insurance	66	-
Local projects	148,618	315
Charitable Donation to Church	-	1,000
Sundries	10,918	2,071
Depreciation - Excluding turbines	9,442	20,332
Loss on disposal of assets	<u>927</u>	<u>-</u>
	<u>230,685</u>	<u>59,418</u>

7. GOVERNANCE COSTS

	Group 31.10.10	Group 31.10.09	Charity 31.10.10	Charity 31.10.09
	£	£	£	£
Professional fees	6,427	5,944	4,162	4,894
PI Insurance	<u>503</u>	<u>998</u>	<u>503</u>	<u>998</u>
	<u>6,930</u>	<u>6,942</u>	<u>4,665</u>	<u>5,892</u>

Westray Development Trust

Notes to the consolidated financial statements - continued For The Year Ended 31 October 2010

8. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	31.10.10	31.10.09
	£	£
Depreciation		
Turbines (included in cost of electricity generation)	69,412	10,721
Other assets (included in overheads)	<u>9,442</u>	<u>20,332</u>

9. TRUSTEES' AND DIRECTORS REMUNERATION AND BENEFITS

	31.10.10	31.10.09
	£	£
Directors' remuneration for services provided (subsidiary)	<u>2,107</u>	<u>-</u>

No trustee received remuneration as a trustee of Westray Development Trust.

Trustees' Expenses

The following expenses were reimbursed to Trustees in the year:

Name of Trustee	Nature of expense reimbursed	Amount £
David Stephenson	Travel and subsistence	257
Carole Eden	Travel and subsistence	164
Alasdair McVicar	Travel and subsistence	70

Westray Development Trust

**Notes to the consolidated financial statements - continued
For The Year Ended 31 October 2010**

10. TANGIBLE FIXED ASSETS

	Freehold property	Biofuels equipment	Anaerobic digester
	£	£	£
COST			
At 1 November 2009	182,326	60,342	31,663
Additions	-	3,105	-
Disposals	-	(1,498)	(31,663)
At 31 October 2010	<u>182,326</u>	<u>61,949</u>	<u>-</u>
DEPRECIATION			
At 1 November 2009	4,320	16,692	31,662
Charge for year	1,440	6,377	-
Eliminated on disposal	-	(572)	(31,662)
At 31 October 2010	<u>5,760</u>	<u>22,497</u>	<u>-</u>
NET BOOK VALUE			
At 31 October 2010	<u>176,566</u>	<u>39,452</u>	<u>-</u>
At 31 October 2009	<u>178,006</u>	<u>43,650</u>	<u>1</u>

	Equipment £	Turbines £	Zero waste centre £	Totals £
COST				
At 1 November 2009	14,655	1,377,928	-	1,666,914
Additions	1,107	99,365	13,989	117,566
Disposals	-	-	-	(33,161)
At 31 October 2010	<u>15,762</u>	<u>1,477,293</u>	<u>13,989</u>	<u>1,751,319</u>
DEPRECIATION				
At 1 November 2009	10,666	27,700	-	91,040
Charge for year	1,127	69,412	498	78,854
Eliminated on disposal	-	-	-	(32,234)
At 31 October 2010	<u>11,793</u>	<u>97,112</u>	<u>498</u>	<u>137,660</u>
NET BOOK VALUE				
At 31 October 2010	<u>3,969</u>	<u>1,380,181</u>	<u>13,491</u>	<u>1,613,659</u>
At 31 October 2009	<u>3,989</u>	<u>1,350,228</u>	<u>-</u>	<u>1,575,874</u>

Included in turbines shown above is the Gallowhill wind turbine owned by Westray Renewable Energy Limited at a cost of £1,338,324 and depreciation to date of £69,016. Included in cost or valuation of land and buildings is freehold land of the charity of £110,324 (2009 - £110,324).

Westray Development Trust

Notes to the consolidated financial statements - continued For The Year Ended 31 October 2010

11. FIXED ASSET INVESTMENTS

The charity has two wholly owned subsidiaries, both of which are incorporated in the United Kingdom. The results of the Companies are shown in note 3.

Westray Renewable Energy Limited

Country of incorporation: Scotland

Nature of business: Wind energy production (in development)

Holding: 100 Ordinary shares of £1 each

Orkney Bio-Fuels Limited

Country of incorporation: Scotland

Nature of business: Production of organic road fuel substitute

Holding: 3 Ordinary shares of £1 each

Other Investment

In addition the charity purchased in the year 2000 Ordinary £1 Shares in Westray Processors Ltd, an Industrial and Provident Society registered in Scotland. This represents a small shareholding in Westray Processors Ltd.

12. DEBTORS

	Group 31.10.10	Group 31.10.09	Charity 31.10.10	Charity 31.10.09
	£	£	£	£
Amounts falling due within one year				
Trade debtors	148,505	5,944	759	-
Amounts owed by group undertakings	-	-	40,619	3,308
Other debtors	21,424	111,556	15,487	107,063
Prepayments	13,433	-	-	-
	183,362	117,500	56,865	110,371
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	723,583	547,062
Triodos Bank Bond	6,715	-	-	-
Aggregate amounts	190,077	117,500	780,448	657,433

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Creditors: amounts falling due within one year	Group 31.10.10	Group 31.10.09	Charity 31.10.10	Charity 31.10.09
	£	£	£	£
Trade creditors	-	142	-	142
Other creditors	22,502	303,783	5,779	52,782
Credit card	568	438	568	438
Bank Loan (Secured)	61,838	87,393	-	-
Directors Loan	1,694	-	-	-
	86,602	391,756	6,347	53,362

Notes to the consolidated financial statements - continued
For The Year Ended 31 October 2010

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 31.10.10	Group 31.10.09	Charity 31.10.10	Charity 31.10.09
	£	£	£	£
Triodos Bank BV (Secured)	559,308	557,514	-	-
	<u>559,308</u>	<u>557,514</u>	-	-
Bank Loan (repayable by instalment):				
Current liability (note 13)	61,838	87,393	-	-
Repayable in 1 - 2 years	61,838	128,657	-	-
Repayable in 2 - 5 years	122,470	385,971	-	-
Repayable in more than 5 years	375,000	42,886	-	-
	<u>621,146</u>	<u>644,907</u>	-	-

15. SECURED DEBTS

The following secured debts are included within creditors:

	Group 31.10.10	Group 31.10.09	Charity 31.10.10	Charity 31.10.09
	£	£	£	£
Triodos Bank BV	621,146	644,907	-	-

Triodos Bank BV has a bond and floating charge over all property and assets of Westray Renewable Energy Limited and a standard security over land in Westray. Triodos Bank BV also has security over the whole issued share capital of the company (share pledge) and has conditional contractual rights in connection with material contracts undertaken by Westray Renewable Energy Limited.

16. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Endowment funds	31.10.10 Total funds	31.10.09 Total funds
	£	£	£	£	£
Fixed assets	1,446,268	21,168	148,223	1,615,659	1,575,874
Current assets	359,261	7,413	-	366,674	385,035
Current liabilities	(84,487)	(2,115)	-	(86,602)	(391,756)
Long term liabilities	(585,308)	-	-	(585,308)	(557,514)
	<u>1,135,734</u>	<u>26,466</u>	<u>148,223</u>	<u>1,310,423</u>	<u>1,011,639</u>

Westray Development Trust

**Notes to the consolidated financial statements - continued
For The Year Ended 31 October 2010**

17. MOVEMENT IN CHARITABLE FUNDS

	At 1.11.09 £	Net movement in funds £	Transfers between funds £	At 31.10.10 £
Unrestricted funds				
General fund	82,780	6,082	616	89,478
Restricted funds				
Hofn Centre & Bus	2,089	(2,082)	-	7
Young Roots	527	-	-	527
Quoygrew	121	-	-	121
Other Renewables Development	3,063	(137)	-	2,926
Capital Funds	111,199	2,001	14,771	127,971
Wind to Heat Project	15,387	-	(15,387)	-
Winter Workshops	901	-	-	901
Big Lottery	119,484	(3,070)	-	116,414
Energy Surveys	18,789	22,024	-	40,813
Zero Waste	-	14,974	-	14,974
EST – 9 Houses	-	18,523	-	18,523
	<u>271,560</u>	<u>52,233</u>	<u>(616)</u>	<u>323,177</u>
Endowment funds				
Hofn Centre	87,028	-	-	87,028
Golf Course	72,018	-	-	72,018
Lottery (WRE loan funding)	<u>499,523</u>	<u>126,200</u>	<u>-</u>	<u>625,723</u>
	<u>658,569</u>	<u>126,200</u>	<u>-</u>	<u>784,769</u>
TOTAL FUNDS	<u><u>1,012,909</u></u>	<u><u>184,515</u></u>	<u><u>-</u></u>	<u><u>1,197,424</u></u>

Westray Development Trust

Notes to the consolidated financial statements - continued For The Year Ended 31 October 2010

18. MOVEMENT IN CHARITABLE FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	46,783	(40,701)	6,082
Restricted funds			
Capital Fund	2,000	-	2,000
Hofn Centre & Bus	395	(2,477)	(2,082)
Other Renewables Development	-	(137)	(137)
Big Lottery	49,497	(52,566)	(3,069)
Energy Surveys	22,554	(530)	22,024
Zero Waste	15,001	(27)	14,974
EST - 9 Houses	<u>165,577</u>	<u>(147,054)</u>	<u>18,523</u>
	255,024	(202,791)	52,233
Endowment funds			
Turbine (WRE loan funding)	126,200	-	126,200
	<u>428,007</u>	<u>(243,492)</u>	<u>184,515</u>

19. CONTINGENT LIABILITIES

Charity

Contingent liabilities exist in respect of grants received from various bodies which could become repayable if the conditions relating to the payment of these grants are not met.

Westray Renewable Energy

During the accounting period the company claimed, and recognised, income from Feed in Tariff. Since then, the company's eligibility to Feed in Tariff has been brought into question as part of a larger debate concerning levels of State Aid, relating to a number of similar companies owned by charitable parents.

If the company finds that it was ineligible to claim Feed in Tariff, there would be a claw back of income in the region of £77,000.

At the present time there is still significant uncertainty concerning this matter and no provision has therefore been made in the accounts of Westray Renewable Energy Limited or the consolidated accounts.

20. RELATED PARTY DISCLOSURES

Expenses were paid by Westray Development Trust to 3 Trustees as disclosed in note 9.

21. ULTIMATE CONTROLLING PARTY

Westray Development Trust is a Company limited by guarantee with no share capital. It is controlled by its members in accordance with the Memorandum and Articles of Association.

Westray Development Trust**Detailed Consolidated Statement of Financial Activities
For The Year Ended 31 October 2010**

	31.10.10	31.10.09
	£	£
INCOMING RESOURCES		
Incoming resources from generated funds:		
Donations	2,100	-
Grants	381,329	656,105
Activities for generating funds		
Electricity generation - Charity	1,532	5,608
Electricity generation – Subsidiary	294,890	10,201
Rent received	500	550
Charitable activities		
Hofn Centre hires and other income	395	597
Sundry income	3,204	646
Total incoming resources	683,950	673,707
RESOURCES EXPENDED		
Electricity generation	118,968	13,741
Charitable activities		
Community operations		
Hofn Centre overheads	2,583	4,771
Bad debts	-	1,507
General overheads		
Wages	59,390	34,813
Insurance	66	-
Travel & Subsistence	1,324	887
Sundries	10,918	1,936
Local projects	148,618	315
Biofuel Research & Development	-	135
Charitable Donation to Church	-	1,000
Depreciation of freehold property	1,440	1,440
Depreciation of biofuels equipment	6,377	4,661
Depreciation of other of equipment	1,625	1,278
Depreciation of motor vehicles	-	12,953
Loss on disposal of assets	927	-
Governance costs		
Professional fees	6,427	5,944
PI Insurance	503	998
Taxation		
Deferred taxation – Westray Renewable Energy Ltd	26,000	-
Total resources expended	385,166	86,379
Net incoming/(outgoing) resources	298,784	587,328

This page does not form part of the statutory financial statements