

Charity registration number SC029471 (Scotland)

Company registration number SC201004 (Scotland)

**WESTRAY DEVELOPMENT TRUST**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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25/03/2023 #201  
COMPANIES HOUSE

# WESTRAY DEVELOPMENT TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Directors</b>	A Burgher C Drake S Drever H Gill  D Leslie G McEwan L Pottinger D Stephenson G Thomson	(Appointed 2 December 2021)     (Appointed 17 March 2022)
<b>Secretary</b>	A Burgher	
<b>Charity number (Scotland)</b>	SC029471	
<b>Company number</b>	SC201004	
<b>Registered office</b>	Unit 1 Quarry Road Westray Orkney KW17 2DF	
<b>Auditor</b>	A.J.B. Scholes Limited 8 Albert Street Kirkwall Orkney KW15 1HP	
<b>Bankers</b>	Triodos Bank Deanery Road Bristol BS1 5AS	
<b>Solicitors</b>	Lows 5 Broad Street Kirkwall Orkney KW15 1DH	

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# WESTRAY DEVELOPMENT TRUST

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# WESTRAY DEVELOPMENT TRUST

## DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 30 JUNE 2022

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The directors present their annual report and financial statements for the year ended 30 June 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's articles of association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

#### **Objectives and activities**

The objects for which the charity is established are:

- 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;
- To advance education and in particular to promote opportunities for learning for the benefit of the general public;
- To protect and/or preserve the environment for the benefit of the general public;
- To provide or assist in the provision of housing for people in necessitous circumstances within Westray;
- To relieve poverty particularly among the residents of the island of Westray;
- To advance the arts, heritage, culture and science;
- To relieve those in need by reason of age, ill-health, disability, financial hardship or other disadvantage (includes relief given by the provision of accommodation and care);
- To regenerate the community of Westray by the maintenance or improvement of the physical, social and economic infrastructure;
- 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 Westray Development Trust.

#### Significant activities

**Bayview Housing Project** – The renovations of 'Bayview' the former harbour master's house at Gill Pier, Westray began in November 2020 thanks to £380,000 of funding awarded to Westray Development Trust by the Scottish Government as part of the Islands Housing Fund. The renovations will see the property converted into four 1 - 2 bedroom flats which will be available for affordable rent. The project had hoped to be completed by October 2021 but due to delays with materials and the installation of electricity the project has been significantly delayed and we are now looking to early 2023 for completion.

**Community Garden Project** – The garden project continues to successfully grow a range of fruit and vegetables in as environmentally sustainable a way as possible, supplying the Westray community with fresh locally grown produce. This year the range of produce has expanded to include more strawberries and raspberries. In November 2021 we were fortunate enough to be awarded 70% funding from HIE to employ a graduate for a year to work on the way forward for the garden. Two gardeners are currently employed on the project.

**Bargain Box** – Plans are underway to build an extension onto the current Westray Development Trust office in order to incorporate the office and shop in the same building. At this stage planning permission and the building warrant have been approved. The hope is that tenders would go out before the end of 2022.

**Hofn Youth Centre** – The Hofn Youth Centre was opened as a youth centre this year after being closed due to COVID-19. It continues to be a safe haven for the youth of the Island.

**Home Help Service** - The Trust continues to provide its Home Help Service which offers cleaning services to those who need extra support. The project currently employs one person.

**Community Quarry** -. This project has made no significant moves forward this year.

**Learning Centre Project** – This project, which was previously subcontracted, was returned to in-house management. At this stage the project is under review for an expected relaunch in 2023.

## WESTRAY DEVELOPMENT TRUST

### DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

#### FOR THE YEAR ENDED 30 JUNE 2022

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##### Westray Community Wind Turbine Fund – Grant Making

The Board of WDT have the ultimate responsibility of ensuring the assets of the charity are used to their full potential and for the benefit of the community of Westray. The Board can choose to delegate authority to sub groups as it sees fit.

The Project Evaluation Group (PEG) is made up of two WDT Board members, one community council representative, one director from Westray Renewable Energy Ltd and two elected members of the community. The PEG has the authority to assess applications which fall under the Community Grants (CG) and Local Investment Budget (LIB) schemes and make recommendations to the Board on whether the application should be approved and the level of funding it should receive.

The assessment is carried out using a scoring matrix in which each application is given a score of between minus one and three for six criteria: external funding, fit with WDT charitable objectives, need, impact, achievability, and cost. The application is then dealt with in one of three ways depending on the total score; less than 5 and it is rejected, between 6 and 11 and the application is referred back to the applicant for more information and a score of between 11 and 18 means that it is passed on to the WDT Board for funding consideration.

Community Grants are for one-off projects that have a direct, short or long-term benefit to the community of Westray, that further the charitable objectives of the Trust and that fit well with the key themes of the WDT plan. Grants will be up to a maximum of £50,000.

The Local Investment Budget is for projects that don't fit within the Community Grant scheme because of, amongst other reasons, the nature of the project or the amount of funding required. Applications to this scheme would generally be assessed by the PEG and presented to the membership at the AGM for approval. However, this is not always possible and so the Board of WDT uses its discretion in these instances.

The Board of WDT delegate authority for the Education and Training Grants (ETG) and the Entertainment Grant (EG) schemes to the Staff Team.

To assist in the aim of 'advancing education and in particular to promote opportunities for learning for the benefit of the general public', the ETG scheme was established. Westray residents can apply for 50% of the course costs up to a maximum of £500 per year. The Board recognise that the cost of travelling to the island (and freight costs) could be seen as prohibitive if the group who wishes to put on an event would have to make a full cost recovery. Therefore it set up the EG and any group can apply for funding of up to a maximum of £700 per event which can be used for any cost directly associated with holding the event, such as travel and accommodation costs, catering or room hire. If the event being held is to raise funds for charities off the island, this must be stated in the application to the Trust; members of the community of Westray must have benefitted personally from these charities. Because the criteria for both of these funds is straightforward it is possible to give a quick decision on funding and the staff team aim to give the applicant a decision within 10 days of receipt of application. The Board are kept informed of funding awarded by way of a written report at each monthly Board meeting.

The Westray Fuel Grant – Established in 2019 the Board, recognising fuel poverty on the Island, paid a grant to each eligible household to help with their fuel costs. This Grant is not means tested and was aimed to remove the stigma sometimes associated with applying for grants. This Grant is now made annually with the amount being set each year taking into account the economic climate at the time.

The WDT Loan scheme allows businesses to apply for a competitive loan from WDT to further their Westray based business. Companies wishing to apply must have a clear business plan and WDT will require a form of security on the loan.

##### Volunteers

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

## WESTRAY DEVELOPMENT TRUST

### DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

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#### **Achievements and performance**

The Trust looks to continually build on its past achievements and to learn from activities which have not had the same level of success and then to bring about any changes necessary. The best measure of performance is how the Trust is considered by the residents of Westray and how projects have contributed to the vision set by the community that led to the formation of WDT. It is always worth quoting this as a reminder of the central reason for the existence of the Trust, whether it continues to have the correct focus and as a yardstick of how successful it continues to be:

"To develop the economic, social and cultural sustainability of our community by harnessing the quality of our resources, people and island environment."

The larger projects which the trust was involved in, in its earlier days can be seen through the island.

Kalisgarth Care Centre was opened in 2005 to enable those who require residential care to remain on their home island. The centre is one of the major employers on the island with over a dozen full, part and relief positions.

The Hofn (meaning haven) was opened in 2000 to give the young folk of the island somewhere to congregate; previously the meeting place was the public toilets in the middle of the village and before that it was the chippy.

Six years of countless meetings in the 2000s led to the erection and commissioning of the community wind turbine in 2009 which is a major achievement and is what has ensured that the Trust is still going strong today. The income generated by the turbine is far greater than anticipated and that has brought along a whole new set of challenges. Whilst it may have looked like WDT didn't seem to be doing much for a good few years after the turbine was installed, a huge amount of work was going on behind the scenes trying to put in place processes and procedures for using the money and for enabling others to use the money for their activities and purposes. These processes and procedures are under constant review as new challenges and legislation come along - it is probable that there will never be 'final' processes because of the nature of the organisation (and island) - nothing stays the same.

The funding received in connection with the turbine project also included funding for several side projects. Tackling fuel poverty was seen as a must for the Trust and this project culminated in several properties receiving ground source heat pumps, free of charge. A major re-development of the golf course also came off the back of this funding. Perhaps the least successful projects was the production of bio-diesel and the zero-waste project but lessons were learnt from all of these projects, good and bad.

In the last year or so, WDT has become more active in looking at its own projects. There is the continuing work on the quarry and housing projects which are major projects so it's worth taking our time and getting it right.

WDT doesn't only provide grant funding, it also has four active loans at present, to members of the community. One to two young brothers who refurbished a crab fishing boat and the other two are to two couples who took over running local shops. Total loan funding paid out is £389,000 and will provide a return (including capital) of approximately £500,000 over 25 years. Apart from the initial assessment which is carried out by the financial sub-group, loan management is carried out by Developing Strathclyde Limited. A Loan of £60,000 was approved to help a couple start up their own bistro.

Feedback on performance from the residents of Westray is important to the Trust. Minutes of Board meetings have been made available to Westray residents via the Trust website. To further improve ease of access to information on the ongoing work of the Trust, a monthly report is included in the 'Auk Talk' newsletter produced by Westray Heritage Trust and WDT also has a Facebook and Instagram page. The Annual General Meeting of WDT provides members with the opportunity for formal assessment of performance and accountability. The Trust website has undergone complete redevelopment recently making it far more user friendly and online forms are now available to make applying to funding easier.

# WESTRAY DEVELOPMENT TRUST

## DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

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### Financial review

Incoming resources for the trust totalled £478,651 (2021: £835,876) whilst expenditure amounted to £370,953 (2021: £253,083). A net loss of £35,473 (2021: gain of £170,124) was reported on investments held. Funds at the balance sheet date stood at £4,315,720 (2021: £4,243,495), of which £861,355 (2021: £712,666) was held for restricted purposes and £2,490,215 (2021: £2,514,755) for designated purposes. Funds at the balance sheet date includes tangible fixed assets with a book value of £1,248,812.

The trust's subsidiary, Westray Renewable Energy Limited, achieved a pre-tax profit of £450,105 (2021: £461,076) from a turnover of £477,134 (2021: £581,480). Other income of £108,280 (2021: £nil) was recognised for compensation and insurance proceeds payable to the company due to operational issues experienced during the year.

After removal of inter-group transactions, the group had total incoming resources of £785,854 (2021: £844,410) and total resources expended of £498,051 (2021: £365,542). After deducting the group taxation charges of £44,092 (2021: 6,265) total funds amounted to £5,254,250 (2021: 5,046,012).

### Reserves policy

Westray Development Trust operates two types of Reserve. A General Reserve is divided into a General Fund used to fund day to day operations and Designated Funds which is money set aside for particular purposes by the Board. The other type of reserve is a Restricted Reserve comprising grants and other funds received for a specific purpose or project and where the receipt is subject to conditions on how and for what the money can be applied.

Donations were received in the year from Westray Renewable Energy Ltd amounting to £270,000.

The income from the trading subsidiary, which is the profits from the income generated from the community owned wind turbine, is far greater than was ever anticipated. Actual funds earned far exceed the original estimates.

Westray has always been an island where fundraising activities have played a major part in the social calendar whether it be jumble sales or coffee afternoons and the Trust recognises that it doesn't want to intrude on that area by offering 'money for nothing'. It also recognises that the turbine has a relatively short life expectancy and there may not be another project that would be able to generate an income to the level that is being generated at the moment. So, in order to retain the fundraising abilities of the island and to avoid a grant dependant culture, the Trust limits its grants budget each year to £150,000 thus leaving a substantial excess for investment.

Investment takes two forms within WDT; the first is investing in vital local businesses by way of loans. At present, WDT has four live loans. The first was to two brothers who wished to refurbish a crab fishing boat and set up in business together. It was recognised that not only would this keep potentially two young families on the island but would also provide raw product to the local crab processing factory thereby helping to retain another vital local business. The other two loans were given to two local shops which were both at risk of closing due to retirement of the previous owners. This has safeguarded around half a dozen jobs as well as creating a few more because of expansion of one of the businesses. The fourth loan made to a couple opening their own bistro on the island expands the options for places to eat on the island, benefiting locals and visitors, while also providing employment.

The other form which investment takes within WDT is that of financial investment in CCLA's Ethical Investment Fund. WDT had built up a substantial reserve and it was realised that there needed to be some way found to make this money work rather than it just sit in a bank account doing nothing. WDT invested over £750,000 into this fund which now has a value of £1,166,994 as at 30 June 2022. This will increase year on year as surplus funds are transferred and existing investments appreciate in value. It is anticipated that cash deposited with CCLA should earn around 4% per year in interest. Concurrently, WDT and WRE are looking at an income generating project to replace the turbine. There are a couple of ways that the funds held in CCLA can be used; one is that they can be kept there and earn interest which can be used for the day to day running of WDT. The other is that they can be used to fund the next income generating project, whatever that may be.

### Structure, governance and management

Westray Development Trust is a company limited by guarantee, governed by its 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).

## WESTRAY DEVELOPMENT TRUST

### DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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The directors who served during the year and up to the date of signature of the financial statements were:

H Bain	(Resigned 2 December 2021)
A Burgher	
C Drake	
S Drever	
H Gill	(Appointed 2 December 2021)
D Leslie	
G McEwan	
L Pottinger	
A Seatter	(Resigned 2 December 2021)
D Stephenson	
G Thomson	(Appointed 17 March 2022)

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

The board of the Trust consists of between 6 and 15 directors.

Directors are nominated and are required to get the support of 50% or more of the voting membership at the AGM provided that they have first been nominated and seconded. In addition, the board may appoint directors at other times to fill a vacancy. At each AGM one third, or three - whichever the greatest - shall retire but are eligible for re-election.

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.

None of the directors has any beneficial interest in the company. All of the directors are members of the company and guarantee to contribute £1 in the event of a winding up.

The structure of the company comprises:

- (a) the MEMBERS - who have the right to attend the annual general meeting (and any other general meeting) and have important powers under the articles of association and the Act; in particular, the members elect people to serve as directors and take decisions in relation to changes to the articles themselves.
- (b) the DIRECTORS - who hold regular meetings during the period between annual general meetings, and generally control and supervise activities of the company; in particular, the directors are responsible for monitoring the financial position of the company.

Membership is open to any person aged 18 years or over who;  
(a) is ordinarily a resident on the island of Westray.  
(b) Supports the objects and activities of the company.

Members of the Company may become paid employees of the Company, but shall not be entitled to vote on matters directly affecting their employment and will not be eligible to stand for election as a Director.

Any person who wishes to become a member must sign, and lodge with the company, a written application for membership; the company shall supply a form for applying for membership to any person upon request. The directors shall consider each application for membership at the first directors' meeting which is held after the receipt of the application; the directors shall, within a reasonable time after the meeting, notify the applicant of their decision on the application.

#### Related parties

Westray Development Trust has one wholly owned subsidiary.

Westray Renewable Energy Limited is a company operating a wind turbine in Westray. Profits from the company are subject to Corporation Tax, just like any other trading company. The tax is being eliminated by careful planning of Charitable Donations to Westray Development Trust and claiming just enough capital allowances on the cost of the equipment.

## WESTRAY DEVELOPMENT TRUST

### DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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#### Disclosure of information to auditor

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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

The directors' report was approved by the Board of Directors.



L Pottinger  
Director

Date: 23/3/2023

## **WESTRAY DEVELOPMENT TRUST**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**FOR THE YEAR ENDED 30 JUNE 2022**

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The directors, who also act as trustees for the charitable activities of #cd2, are responsible for preparing the Directors' 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 directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# WESTRAY DEVELOPMENT TRUST

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS AND DIRECTORS OF WESTRAY DEVELOPMENT TRUST

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#### Opinion

We have audited the financial statements of Westray Development Trust (the parent) and its subsidiary (the group) for the year ended 30 June 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 group's and parent's affairs as at 30 June 2022 and of the group's and parent's incoming resources and application of resources, 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 (as amended).

#### 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 charity and the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 33 to the financial statements, 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 directors' 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 charity's or group'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 directors with respect to going concern are described in the relevant sections of this report.

#### 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 directors 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.

# WESTRAY DEVELOPMENT TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS AND DIRECTORS OF WESTRAY DEVELOPMENT TRUST

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the directors' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the directors' report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the parent and group and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires 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 parent 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of directors**

As explained more fully in the statement of directors' responsibilities, the directors 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 directors 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 directors are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under Chapter 3 of Part 16 of the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts 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 identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

## WESTRAY DEVELOPMENT TRUST

### INDEPENDENT AUDITOR'S REPORT (CONTINUED)

#### TO THE MEMBERS AND DIRECTORS OF WESTRAY DEVELOPMENT TRUST

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In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, and control environment;
- results of our enquiries of management;
- any matters we identified having obtained and reviewed the group and parent's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.
- the matters discussed among the audit engagement team.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and irregularities. Income recognition and related party transactions were key areas of focus. In common with all audits under ISA's (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the parent and group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements, such as UK Companies Act 2006, tax legislation and relevant charities acts.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group or parent's ability to operate or to avoid a material penalty. These include laws and regulations pertaining to employment.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# WESTRAY DEVELOPMENT TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS AND DIRECTORS OF WESTRAY DEVELOPMENT TRUST

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#### Use of our report

This report is made solely to the charitable company's directors, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity'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 charitable company'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 charitable company, the charitable company's members as a body, and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Ivan Houston (Senior Statutory Auditor)  
for and on behalf of A.J.B. Scholes Limited

Chartered Accountants  
Statutory Auditor

21/3/23  
.....

8 Albert Street  
Kirkwall  
Orkney  
KW15 1HP

## WESTRAY DEVELOPMENT TRUST

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
<b><u>Income and endowments from:</u></b>							
Grants and donations	4	979	182,921	183,900	27,507	222,829	250,336
Charitable activities	5	2,727	-	2,727	2,906	-	2,906
Other trading activities	6	587,013	-	587,013	584,068	-	584,068
Investments	7	12,214	-	12,214	7,100	-	7,100
<b>Total income</b>		<b>602,933</b>	<b>182,921</b>	<b>785,854</b>	<b>621,581</b>	<b>222,829</b>	<b>844,410</b>
<b><u>Expenditure on:</u></b>							
Raising funds	10	131,053	1,559	132,612	117,564	-	117,564
Charitable activities	11	332,767	16,983	349,750	239,051	8,927	247,978
Other	16	-	15,689	15,689	-	-	-
<b>Total expenditure</b>		<b>463,820</b>	<b>34,231</b>	<b>498,051</b>	<b>356,615</b>	<b>8,927</b>	<b>365,542</b>
Net gains/(losses) on investments	17	(35,473)	-	(35,473)	170,124	-	170,124
<b>Net income/(expenditure) for the year before transfers and tax</b>		<b>103,640</b>	<b>148,690</b>	<b>252,330</b>	<b>435,090</b>	<b>213,902</b>	<b>648,992</b>
Gross transfers between funds		1	(1)	-	84,281	(84,281)	-
Taxation		(44,092)	-	(44,092)	(6,265)	-	(6,265)
<b>Net movement in funds</b>		<b>59,549</b>	<b>148,689</b>	<b>208,238</b>	<b>513,106</b>	<b>129,621</b>	<b>642,727</b>
Fund balances at 1 July 2021		4,333,346	712,666	5,046,012	3,820,240	583,045	4,403,285
<b>Fund balances at 30 June 2022</b>		<b>4,392,895</b>	<b>861,355</b>	<b>5,254,250</b>	<b>4,333,346</b>	<b>712,666</b>	<b>5,046,012</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

## WESTRAY DEVELOPMENT TRUST

### STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Unrestricted funds 2022 £	Restricted funds 2021 £	Total 2021 £
<b>Income and endowments from:</b>						
Grants and donations	4	979	182,921	183,900	27,507	250,336
Charitable activities	5	2,727	-	2,727	2,906	2,906
Other trading activities	6	1,599	-	1,599	2,588	2,588
Investments	7	284,598	-	284,598	574,219	574,219
Other income	8	5,827	-	5,827	5,827	5,827
<b>Total income</b>		<b>295,730</b>	<b>182,921</b>	<b>478,651</b>	<b>613,047</b>	<b>835,876</b>
<b>Expenditure on:</b>						
Raising funds	9	3,955	1,559	5,514	8,427	8,427
Charitable activities	11	332,767	16,983	349,750	235,729	244,656
Other	16	-	15,689	15,689	-	-
<b>Total expenditure</b>		<b>336,722</b>	<b>34,231</b>	<b>370,953</b>	<b>244,156</b>	<b>253,083</b>
Net gains/(losses) on investments	17	(35,473)	-	(35,473)	170,124	170,124
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(76,465)</b>	<b>148,690</b>	<b>72,225</b>	<b>539,015</b>	<b>752,917</b>
Gross transfers between funds		1	(1)	-	84,281	(84,281)
<b>Net movement in funds</b>		<b>(76,464)</b>	<b>148,689</b>	<b>72,225</b>	<b>623,296</b>	<b>752,917</b>
Fund balances at 1 July 2021		3,530,829	712,666	4,243,495	2,907,533	3,490,578
<b>Fund balances at 30 June 2022</b>		<b>3,454,365</b>	<b>861,355</b>	<b>4,315,720</b>	<b>3,530,829</b>	<b>4,243,495</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# WESTRAY DEVELOPMENT TRUST

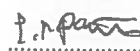
## CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2022

	Notes	2022		2021 as restated	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	18		1,754,884		1,488,669
Investments	19		1,168,993		1,204,466
Concessionary loans	20		342,858		363,459
			<u>3,266,735</u>		<u>3,056,594</u>
<b>Current assets</b>					
Debtors falling due after one year	22	6,715		6,715	
Debtors falling due within one year	22	248,417		123,808	
Cash at bank and in hand		1,985,689		2,027,930	
		<u>2,240,821</u>		<u>2,158,453</u>	
<b>Creditors: amounts falling due within one year</b>	23		<u>(148,866)</u>		<u>(105,535)</u>
Net current assets			<u>2,091,955</u>		<u>2,052,918</u>
<b>Total assets less current liabilities</b>			<u>5,358,690</u>		<u>5,109,512</u>
<b>Provisions for liabilities</b>	24		<u>(104,435)</u>		<u>(63,500)</u>
<b>Net assets</b>			<u><u>5,254,255</u></u>		<u><u>5,046,012</u></u>
<b>Income funds</b>					
Funds retained within subsidiary			938,535		802,517
Restricted funds	25		861,355		712,666
<u>Unrestricted funds</u>					
Designated funds	26	2,490,215		2,514,755	
General unrestricted funds		964,150		1,016,074	
		<u>3,454,365</u>		<u>3,530,829</u>	
			<u><u>5,254,255</u></u>		<u><u>5,046,012</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accounts were approved by the Directors on 23/3/2023



L Pottinger  
Director

Company Registration No. SC201004

# WESTRAY DEVELOPMENT TRUST

## BALANCE SHEET

AS AT 30 JUNE 2022

	Notes	2022		2021 as restated	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	18		1,248,812		933,135
Investments	19		1,169,093		1,204,566
Concessionary loans	20		342,858		363,459
			<u>2,760,763</u>		<u>2,501,160</u>
<b>Current assets</b>					
Debtors	22	21,653		22,048	
Cash at bank and in hand		1,631,336		1,797,129	
		<u>1,652,989</u>		<u>1,819,177</u>	
<b>Creditors: amounts falling due within one year</b>	23	(98,032)		(76,842)	
Net current assets			<u>1,554,957</u>		<u>1,742,335</u>
<b>Total assets less current liabilities</b>			<u><u>4,315,720</u></u>		<u><u>4,243,495</u></u>
<b>Income funds</b>					
Restricted funds	25		861,355		712,666
<u>Unrestricted funds</u>					
Designated funds	26	2,490,215		2,514,755	
General unrestricted funds		964,150		1,016,074	
			<u>3,454,365</u>		<u>3,530,829</u>
			<u><u>4,315,720</u></u>		<u><u>4,243,495</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Directors on .....

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L Pottinger  
Trustee

Company registration number SC201004

## WESTRAY DEVELOPMENT TRUST

### CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022		2021	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	32		305,687		718,800
Taxes paid			(12,938)		
			<u>          </u>		<u>          </u>
<b>Net cash generated from operating activities</b>			292,749		718,800
<b>Investing activities</b>					
Purchase of tangible fixed assets		(367,807)		(301,116)	
Proceeds from investment loans and receivables		30,983		-	
Investment income received		1,834		7,090	
		<u>          </u>		<u>          </u>	
<b>Net cash used in investing activities</b>			(334,990)		(294,026)
<b>Net cash used in financing activities</b>			-		-
			<u>          </u>		<u>          </u>
<b>Net (decrease)/increase in cash and cash equivalents</b>			(42,241)		424,774
Cash and cash equivalents at beginning of year			2,027,930		1,603,156
			<u>          </u>		<u>          </u>
<b>Cash and cash equivalents at end of year</b>			1,985,689		2,027,930
			<u>          </u>		<u>          </u>

# WESTRAY DEVELOPMENT TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	32		(123,307)		99,495
<b>Investing activities</b>					
Purchase of tangible fixed assets		(347,687)		(301,116)	
Proceeds from investment loans and receivables		30,983		-	
Investment income received		274,218		574,219	
<b>Net cash (used in)/generated from investing activities</b>			(42,486)		273,103
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(165,793)		372,598
Cash and cash equivalents at beginning of year			1,797,129		1,424,531
<b>Cash and cash equivalents at end of year</b>			<u>1,631,336</u>		<u>1,797,129</u>

# WESTRAY DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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### 1 Accounting policies

#### Charity information

Westray Development Trust is a private company limited by guarantee incorporated in Scotland. The registered office is Unit 1, Quarry Road, Westray, Orkney, KW17 2DF.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's articles of association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, with the exception of charity's investment in the CIOF Ethical Investment Fund which is included at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the directors in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the directors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### 1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Donations, legacies and other forms of voluntary income are recognised as incoming resources in the Statement of Financial Activities (SOFA) when receivable, except insofar as they are incapable of financial measurement. The value of services provided by volunteers has not been included in these accounts.

Grants, including grants for the purchase of fixed assets, are recognised in full in the SOFA in the year in which they are receivable. Grants relating to future accounting periods are deferred.

Donations received from the charity's wholly owned subsidiary company, Westray Renewable Energy Limited, are recognised as investment income in the year in which they are receivable.

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT where applicable. It includes amounts receivable for electricity produced and exported in the period and associated government subsidies.

# WESTRAY DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

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### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Expenditure is included in resources expended on an accruals basis, inclusive of any VAT which cannot be recovered.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of fundraising events.

Charitable expenditure comprises those costs incurred in the delivery of the charity's activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

#### 1.6 Concessionary loans

Loans made in the furtherance of the charity's objectives are treated as concessionary loans and are valued at the amount advanced less any capital repayments received or receivable. Interest accrued on the loans is recorded as investment income.

#### 1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Plant and equipment	25% reducing balance; 4% - 7% straight line

Freehold land and assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.8 Fixed asset investments

The charity's investments in the subsidiary and other unlisted investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in statement of financial activity for the year.

The charity's investment in the Ethical Investments Fund are stated at fair value with any gains or losses recognised immediately in statement of financial activity for the year.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# WESTRAY DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

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### 1 Accounting policies

(Continued)

#### 1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately.

#### 1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks.

#### 1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

# WESTRAY DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

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### 1 Accounting policies

(Continued)

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Basic financial liabilities***

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

### 1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax of the subsidiary company.

#### ***Current***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences. Such liabilities are not recognised if the timing difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

The parent charitable company is exempt from corporation tax, and therefore does not provide for current or deferred tax.

### 1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# WESTRAY DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

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### 1 Accounting policies

(Continued)

#### 1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.15 Leases

Rentals payable and receivable under operating leases are recognised in income and expenditure on a straight line basis over the term of the relevant lease.

#### 1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

#### 1.17 Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

#### 1.18 Distributions

Donations from the charity's subsidiary, Westray Renewable Energy Limited are classified as investment income in line with UK accounting guidance.

#### 1.19 Group accounts

The consolidated financial statements include the results of the company and its subsidiary, Westray Renewable Energy Limited, drawn up to 30 June each year.

### 2 Change in accounting policy

The charity has adopted a change in the classification of concessionary loans. These have been moved from current assets and are now shown under fixed assets on the balance sheet, in line with UK accounting guidance. The comparative figures have also been restated.

### 3 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**WESTRAY DEVELOPMENT TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**4 Grants and donations - Group and Charity**

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Grants receivable from core activities	979	182,921	183,900	27,507	222,829	250,336
<b>Grants receivable for core activities</b>						
Scottish Government - Islands Housing Fund	-	164,921	164,921	-	215,079	215,079
Orkney Islands Council - Graduate Support Programme	-	18,000	18,000	-	-	-
Covid Job Retention Scheme	979	-	979	-	3,115	3,115
Orkney Islands Council - Covid Support	-	-	-	19,250	-	19,250
Highlands and Islands Enterprise - Supporting Communities	-	-	-	3,257	-	3,257
Orkney Islands Council - Other	-	-	-	-	3,375	3,375
Highlands and Islands Enterprise - Other	-	-	-	-	1,260	1,260
Westray Community Council	-	-	-	5,000	-	5,000
	979	182,921	183,900	27,507	222,829	250,336

## WESTRAY DEVELOPMENT TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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#### 5 Charitable activities - Group and Charity

	2022 £	2021 £
Growing project sales	2,081	2,353
Bargain box commission	-	148
Home help services	646	405
	<u>2,727</u>	<u>2,906</u>

#### 6 Other trading activities - Charity

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Electricity and ROCS	<u>1,599</u>	<u>2,588</u>

#### Other trading activities - Group

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Electricity and ROCS	<u>587,013</u>	<u>584,068</u>

## WESTRAY DEVELOPMENT TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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#### 7 Investments - Charity

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Rental income	2,400	1,810
Income from unlisted investments	270,000	565,000
Interest receivable	12,198	7,409
	<u>284,598</u>	<u>574,219</u>

#### Investments - Group

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Interest receivable	<u>12,214</u>	<u>7,100</u>

#### 8 Other income - Charity

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Other income	<u>5,827</u>	<u>5,827</u>

# WESTRAY DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

### 9 Raising funds - Charity

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2022	2022	2022	2021
	£	£	£	£
Fundraising				
Depreciation and impairment	716	1,559	2,275	3,998
Support costs	945	-	945	1,008
	<u>1,661</u>	<u>1,559</u>	<u>3,220</u>	<u>5,006</u>
<u>Trading costs</u>				
Other trading activities	2,294	-	2,294	3,421
	<u>3,955</u>	<u>1,559</u>	<u>5,514</u>	<u>8,427</u>

### 10 Raising funds - Group

The wholly owned trading subsidiary Westray Renewable Energy Limited, is incorporated in the United Kingdom (company number SC280113) and distributes post-tax profits to the charity under the gift aid scheme. Westray Renewable Energy Limited owns and operates a wind turbine situated on land leased to it by the charity. A summary of the trading results is shown below.

	2022	2021
	£	£
Turnover	477,134	581,480
Cost of sales and administration	(135,084)	(120,085)
Other operating income	108,296	65
Interest payable	(241)	(384)
	<u>450,105</u>	<u>461,076</u>
Net profit	450,105	461,076
Taxation	(44,092)	(6,265)
Donations of profit gift aided to charity	(270,000)	(565,000)
	<u>136,013</u>	<u>(110,189)</u>
Retained in subsidiary	136,013	(110,189)
Assets	1,094,731	895,639
Liabilities	(156,096)	(93,017)
	<u>938,635</u>	<u>802,622</u>
Funds	938,635	802,622

Income and expenditure on raising funds in the consolidated SOFA includes the results of Westray Renewable Energy Limited excluding transactions with the charity. The accounts of the subsidiary include auditors remuneration for the audit of the financial statements of £1,868 (2021: £nil as not audited).

# WESTRAY DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 11 Charitable activities - Group and Charity

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Staff costs	101,454	97,323	101,454	97,323
Depreciation and impairment	14,045	14,487	14,045	14,487
Direct costs	642	1,526	642	1,526
Other costs	33,261	21,724	33,261	20,924
Governance costs	12,783	13,065	12,783	10,543
Information technology costs	2,065	5,028	2,065	5,028
	<u>164,250</u>	<u>153,153</u>	<u>164,250</u>	<u>149,831</u>
Grant funding of activities (see note 12)	185,500	94,825	185,500	94,825
	<u>349,750</u>	<u>247,978</u>	<u>349,750</u>	<u>244,656</u>
<b>Analysis by fund</b>				
Unrestricted funds	332,767	239,051	332,767	235,729
Restricted funds	16,983	8,927	16,983	8,927
	<u>349,750</u>	<u>247,978</u>	<u>349,750</u>	<u>244,656</u>

### 12 Grants payable

	2022 £	2021 £
Grants to institutions:		
Cycling Without Age: Westray	24,100	-
Westray Sailing Club	19,415	526
Westray Golf Club	12,138	8,350
Westray Heritage Centre	12,000	6,526
Westray Parish Church	6,192	-
Westray Processors	7,500	-
Westray Auk Club	6,000	4,486
Westray Junior High School	5,995	-
Friends of Kalisgarth	5,785	1,362
Westray Learning Centre	-	12,796
Other	6,118	21,212
	<u>105,243</u>	<u>55,258</u>
Grants to individuals	80,257	39,567
	<u>185,500</u>	<u>94,825</u>

Grants paid to individuals include fuel grants of £74,000.

## WESTRAY DEVELOPMENT TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

#### 13 Auditor's remuneration

<b>Fees payable to the charity's auditor and associates:</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Audit of the charity's annual accounts	5,500	4,855
	<u>          </u>	<u>          </u>

#### 14 Directors

The following trustees received fuel grants during the year: A Burgher, £300; C Drake, £300; S Drever, £300; D Leslie, £300; G McEwan, £300; D Stephenson, £300.

#### 15 Employees - group and charity

The average monthly number of employees during the year was:

	<b>Group 2022 Number</b>	<b>Group 2021 Number</b>	<b>Charity 2022 Number</b>	<b>Charity 2021 Number</b>
	14	13	8	7
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Charity 2022 £</b>	<b>Charity 2021 £</b>
<b>Employment costs</b>				
Wages and salaries	108,375	97,152	102,545	91,152
Social security costs	(3,703)	3,786	(3,703)	3,786
Other pension costs	2,612	2,385	2,612	2,385
	<u>107,284</u>	<u>103,323</u>	<u>101,454</u>	<u>97,323</u>

There were no employees whose annual remuneration was more than £60,000.

#### 16 Other - Group and Charity

	<b>Restricted funds</b>	Restricted funds
	<b>2022</b>	2021
	<b>£</b>	<b>£</b>
Net loss on disposal of tangible fixed assets	15,689	-
	<u>          </u>	<u>          </u>

## WESTRAY DEVELOPMENT TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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17 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Revaluation of investments	(35,473)	170,124

# WESTRAY DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

### 18 Tangible fixed assets - Charity

	Freehold land and buildings £	Plant and equipment £	Total £
<b>Cost</b>			
At 1 July 2021	907,483	211,894	1,119,377
Additions	346,691	996	347,687
Disposals	-	(43,096)	(43,096)
At 30 June 2022	1,254,174	169,794	1,423,968
<b>Depreciation and impairment</b>			
At 1 July 2021	50,542	135,700	186,242
Depreciation charged in the year	8,159	8,161	16,320
Eliminated in respect of disposals	-	(27,406)	(27,406)
At 30 June 2022	58,701	116,455	175,156
<b>Carrying amount</b>			
At 30 June 2022	1,195,473	53,339	1,248,812
At 30 June 2021	856,941	76,194	933,135

### Tangible fixed assets - Group

	Freehold land and buildings £	Plant and equipment £	Total £
<b>Cost</b>			
At 1 July 2021	907,484	1,550,218	2,457,702
Additions	346,691	21,117	367,808
Disposals	-	(43,096)	(43,096)
At 30 June 2022	1,254,174	1,528,239	2,782,413
<b>Depreciation and impairment</b>			
At 1 July 2021	50,542	918,491	969,033
Depreciation charged in the year	8,159	77,743	85,902
Eliminated in respect of disposals	-	(27,406)	(27,406)
At 30 June 2022	58,701	968,828	1,027,529
<b>Carrying amount</b>			
At 30 June 2022	1,195,473	559,411	1,754,884
At 30 June 2021	856,942	631,727	1,488,669

# WESTRAY DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

### 19 Fixed asset investments

	CIOF Ethical Investment Fund	Unlisted investments	Other investments	Total
	£	£		£
<b>Cost or valuation</b>				
At 1 July 2021	1,202,466	2,000	100	1,204,566
Valuation changes	(35,473)	-	-	(35,473)
<b>At 30 June 2022</b>	<u>1,166,993</u>	<u>2,000</u>	<u>100</u>	<u>1,169,093</u>
<b>Carrying amount</b>				
At 30 June 2022	<u>1,166,993</u>	<u>2,000</u>	<u>100</u>	<u>1,169,093</u>
At 30 June 2021	<u>1,202,466</u>	<u>2,000</u>	<u>100</u>	<u>1,204,566</u>

Other investments comprise:	Notes	2022 £	2021 £
Investments in subsidiaries	31	<u>100</u>	<u>100</u>

### 20 Concessionary loans

	£
At 1 July 2021	363,458
Interest charged	10,380
Repayments	(30,980)
<b>At 30 June 2022</b>	<u>342,858</u>

Concessionary loans include amounts falling due within year of £23,514 (2021: £21,374) and £319,344 (2021: £342,084) falling due after one year.

Concessionary loans carry either a fixed or variable rate of interest and monthly repayments over the term of the loan. Fixed rate loans carry an interest rate of between 2.3% and 2.6% and a floating charge over the borrower's assets. Variable rate loans carry an interest rate of 1% above the rate of inflation and a standard security over the borrower's property.

21 Financial instruments	2022 £	2021 £
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through statement of financial activity	<u>1,166,993</u>	<u>1,202,466</u>

## WESTRAY DEVELOPMENT TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

#### 22 Debtors - Group and Charity

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
<b>Amounts falling due within one year:</b>				
Trade debtors	37,474	-	-	-
Other debtors	207,664	120,775	18,374	19,015
Prepayments and accrued income	3,279	3,033	3,279	3,033
	<u>248,417</u>	<u>123,808</u>	<u>21,653</u>	<u>22,048</u>
	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
<b>Amounts falling due after more than one year:</b>				
Other debtors	6,715	6,715	-	-
	<u>6,715</u>	<u>6,715</u>	<u>-</u>	<u>-</u>
<b>Total debtors</b>	<u>255,132</u>	<u>130,523</u>	<u>21,653</u>	<u>22,048</u>

#### 23 Creditors: amounts falling due within one year - Group and Charity

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Other taxation and social security	48,105	17,371	6,693	(1,096)
Trade creditors	9,856	1,809	9,856	-
Amounts owed to subsidiary undertakings	-	-	827	827
Other creditors	550	560	550	491
Accruals and deferred income	90,355	85,795	80,106	76,620
	<u>148,866</u>	<u>105,535</u>	<u>98,032</u>	<u>76,842</u>

## WESTRAY DEVELOPMENT TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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24 Provisions for liabilities - Group	2022 £	2021 £
Decommissioning liabilities	19,300	-
Deferred tax liabilities	85,135	63,500
	<u>104,435</u>	<u>63,500</u>
 Movements on provisions:		
		<b>Decommissioning liabilities</b> £
Additional provisions in the year		19,300
		<u>19,300</u>

A provision of £19,300 has been raised for the anticipated cost to Westray Renewable Energy Limited of fulfilling its obligation to decommission the turbine at the end of its useful life.

## WESTRAY DEVELOPMENT TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

#### 25 Restricted funds - Group and Charity

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 July 2020		Movement in funds			Movement in funds			Balance at 30 June 2022	
	£	£	Incoming resources	Resources expended	Transfers	Balance at 1 July 2021	Incoming resources	Resources expended	Transfers	£
Growing Project	36,998	-	-	-	(2,846)	34,152	-	(2,846)	-	31,306
Bayview House	187,927	215,079	-	-	(45,426)	357,580	164,921	-	(1)	522,500
Capital Fund	358,120	-	-	-	(37,186)	320,934	-	(19,385)	-	301,549
Job Retention Scheme	-	3,115	3,115	(3,115)	-	-	-	-	-	-
Website	-	1,260	1,260	(2,337)	1,077	-	-	-	-	-
Defibrillator	-	3,375	3,375	(3,475)	100	-	-	-	-	-
Graduate Support Programme	-	-	-	-	-	-	18,000	(12,000)	-	6,000
	583,045	222,829	222,829	(8,927)	(84,281)	712,666	182,921	(34,231)	(1)	861,355

Growing Project: Funds for the development of community greenhouses for the growing and sale of locally grown vegetables.

Bayview House: The represents the funds received for the development of Bayview House.

Capital Fund: This is the value of funds represented by tangible fixed assets used by the charity on an ongoing basis.

Job Retention Scheme: Job Retention Scheme funds received and applied in making furlough payments.

Website: Funding received and applied towards the cost of the charity's website.

Defibrillator: Funding received and applied towards the establishment of a defibrillator station in the old telephone box.

Graduate Support Programme: Funds received to contribute towards the salary of a graduate involved in development activity related to community led horticulture and food security.

## WESTRAY DEVELOPMENT TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

#### 26 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 July 2020		Movement in funds		Balance at 1 July 2021		Movement in funds		Balance at 30 June 2022		
	£	£	Incoming resources	Transfers	Revaluations, gains and losses	£	£	Incoming resources	Revaluations, gains and losses	£	£
Investment Fund	2,067,891	358	358	(220,000)	170,124	2,018,373	1,498	1,498	(35,473)	1,984,398	
Loans Fund	422,529	6,214	6,214	67,639	-	496,382	10,380	(945)	-	505,817	
	<u>2,490,420</u>	<u>6,572</u>	<u>6,572</u>	<u>(152,361)</u>	<u>170,124</u>	<u>2,514,755</u>	<u>11,878</u>	<u>(945)</u>	<u>(35,473)</u>	<u>2,490,215</u>	

Investment Fund: this fund represents the value of moneys set aside for investing for the long term to cushion the effects of the cessation of the community wind farm and permit local development to continue.

Loans Fund: this is a revolving fund set aside for the provision of loans to preserve local businesses and to assist their development.

## WESTRAY DEVELOPMENT TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

#### 27 Analysis of net assets between funds - Charity

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 30 June 2022 are represented by:						
Tangible assets	393,457	855,355	1,248,812	138,662	794,473	933,135
Investments	1,169,093	-	1,169,093	1,204,566	-	1,204,566
Concessionary loans	342,858	-	342,858	363,459	-	363,459
Current assets/(liabilities)	1,548,957	6,000	1,554,957	1,824,142	(81,807)	1,742,335
	<u>3,454,365</u>	<u>861,355</u>	<u>4,315,720</u>	<u>3,530,829</u>	<u>712,666</u>	<u>4,243,495</u>

#### Analysis of net assets between funds - Group

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 30 June 2022 are represented by:						
Tangible assets	899,529	855,355	1,754,884	694,196	794,473	1,488,669
Investments	1,168,993	-	1,168,993	1,204,466	-	1,204,466
Concessionary loans	342,858	-	342,858	363,459	-	363,459
Current assets/(liabilities)	2,085,955	6,000	2,091,955	2,134,725	(81,807)	2,052,918
Provisions	(104,435)	-	(104,435)	(63,500)	-	(63,500)
	<u>4,392,900</u>	<u>861,355</u>	<u>5,254,255</u>	<u>4,333,346</u>	<u>712,666</u>	<u>5,046,012</u>

#### 28 Financial commitments, guarantees and contingent liabilities

The charity has granted to The Scottish Ministers, a standard security over the property known as and forming Bayview, Westray, Orkney, KW17 2DL, as security for a grant awarded for the development of the property. The Big Lottery Fund also hold a floating charge over the charity's assets and a standard security over the area of ground leased to Westray Renewable Energy Limited and used by the community turbine.

# WESTRAY DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

### 29 Operating lease commitments

#### Lessor

The charity leases land to its subsidiary, Westray Renewable Energy Limited, for a consideration of £2,400 per annum under the terms of a 25 year lease expiring in 2034.

At the reporting end date the charity had contracted with tenants for the following minimum lease payments:

	2022 £	2021 £
Within one year	2,400	2,400
Between two and five years	9,600	9,600
In over five years	16,600	19,000
	<u>28,600</u>	<u>31,000</u>

### 30 Related party transactions

#### Transactions with related parties

During the year the charity entered into the following transactions with its subsidiary, Westray Renewable Energy Limited as follows:

	Sale of goods	
	2022 £	2021 £
Distributions receivable	270,000	565,000
Investment income	2,400	1,800
Other income	5,827	5,827
	<u>278,227</u>	<u>572,627</u>

### 31 Subsidiaries

Details of the charity's subsidiaries at 30 June 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Westray Renewable Energy Limited	Scotland	Production of energy	Ordinary shares	100.00	

The investments in subsidiaries are all stated at cost.

## WESTRAY DEVELOPMENT TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

<b>32 Cash generated from operations - Charity</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Surplus for the year	72,225	752,917
Adjustments for:		
Investment income recognised in statement of financial activities	(284,598)	(574,219)
Loss on disposal of tangible fixed assets	15,689	-
Fair value gains and losses on investments	35,473	(170,124)
Depreciation and impairment of tangible fixed assets	16,320	18,485
Movements in working capital:		
Decrease in debtors	394	46,806
Increase in creditors	21,190	25,630
<b>Cash (absorbed by)/generated from operations</b>	<b>(123,307)</b>	<b>99,495</b>
<b>Cash generated from operations - Group</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Surplus for the year	208,238	642,727
Adjustments for:		
Investment income recognised in statement of financial activities	(12,214)	(7,090)
Taxation charged	22,457	-
Loss on disposal of tangible fixed assets	15,689	-
Fair value gains and losses on investments	35,473	(170,124)
Depreciation and impairment of tangible fixed assets	85,903	85,402
Movements in working capital:		
(Increase)/decrease in debtors	(124,609)	152,043
Increase in creditors	33,815	28,342
(Decrease)/increase in provisions	40,935	(12,500)
<b>Cash generated from operations</b>	<b>305,687</b>	<b>718,800</b>
<b>33 Non-audit services provided by auditor</b>		

The relevant circumstances requiring disclosure in accordance with the requirements of APB Ethical Standard - Provisions Available for Small Entities are that, in common with many charities of our size and nature we use our auditor to assist with the preparation of the accounts.