



# Westray Development Trust Annual Report 2013-2014



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

## Chairman's report

Here we are again at the end of what has been another busy and successful year for Westray Development Trust.

We began the year with a review of the constitution which was essential to bring the company in line with the Companies Act 2006. As well as that, the Board proposed adding in two new charitable objectives to allow the Trust to help many more folk and groups within the community.

Those aims are to advance the arts, heritage, culture and science; and to relieve those in need by reason of age, ill-health, disability, financial hardship and other disadvantage (includes relief given by the provision of accommodation and care). Although the membership did not accept the first draft of the proposed articles, we continued to work on it and it was put back to the membership at an EGM in August and was then successfully adopted.

As well as the review of the governing document, there has been, and continues to be, a review of the funding process. It's nearly four years since the turbine fund opened for applications, in that time the project evaluation process has evolved and the Project Evaluation Group continues to do sterling work for the board of WDT.

We were very pleased to welcome Andy Makin onto the team in April this year as Operations Manager. He has settled in well and has hit the ground running in terms of project work.

It became very apparent that there were no major projects coming in that would require a high level of funding in the near future and so the Board decided that some of the funds in the current bank account should be transferred into an account that pays interest. After much discussion and looking around for the best deal, the Board decided to go with Adam & Co who were offering a 90 day notice account that is paying 0.6% (much higher than equivalent accounts elsewhere). Adam & Co is an offshoot of the Royal Bank of Scotland. It seems this is about the best return we can get for minimal risk.

This transfer is in progress.

This year has seen a large sum of money paid out in funding as you will see from the report on successful funding applications later on in this report. The training grant scheme is proving to be very successful. This is in part due to the employment of a Learning Centre coordinator and we'd like to thank Corinne Curtis for her work and dedication in this role. It's good to see the learning centre up and running again and it has also been supported by Orkney College upgrading the equipment. There is no age limit when it comes to learning, young and old alike are gaining in the use of new technology.

We are sure that the work of WDT will continue to grow and change over the coming years and we are excited to see where it takes us next.

WRE is continuing to earn excellent amounts of money for WDT which enables us to do so much for our Island community. They are our greatest financial asset and the directors are diligently working away to keep the blades turning.

The Community Interest Company, WECIC is sitting ready to run as and when it is required to be another trading arm of WDT.

We will be voting for directors again at the AGM. We have 2 of the present directors due to stand down or stand for re-election and we hope other members would consider becoming a director. It's good to have new faces coming onto the board with fresh enthusiasm and energy and it helps to spread the workload.

I also take this opportunity to thank our present staff, Andy and Janice for running the office very successfully. They are making the work of the directors much easier and less time consuming in between meetings, a pleasure to work with you both.

I also give credit to the directors of WDT, of WRE and of PEG for all the work you put in throughout the year and give your time free to make this organisation what it is. It is a credit to you all that we are where we are on this exciting journey with WDT.

**Thank you.**

**Danny Harcus**

## Treasurer's report – July 2013 to June 2014

As you will see from the Westray Community Turbine Fund report, there have been a lot of successful applications this year especially under the training grants scheme which has proved to be very successful. As expected, the funding process continues to evolve as more applications come through. Currently, the application forms are being amended to suit the process better.

We are continuing to work with the loan management company, Developing Strathclyde Limited and we received our first annual payment back on the loan paid out to Tulloch Crab Fishing Ltd. We are currently reviewing the loan application process too to ensure that it is satisfactory to WDT and also to applicants in terms of information required and disclosed.

It was noted that there was a substantial sum of money sitting in the Trust's current account which is not being utilised at present and the board decided to investigate depositing some of it into an interest paying account. This work will continue past the end of the financial year. It is envisaged that some of these funds will be used in the near future for larger projects that develop.

The WDT Board wishes to thank the Project Evaluation Group members for their hard work in processing and reviewing project proposals and grant applications before presenting their recommendations to the Trust. Their commitment is very much appreciated by the Board.

## Financial Report – Westray Development Trust and Subsidiaries

As in previous years we were engaged to prepare consolidated accounts and carry out an audit of the Group's accounts for the year ended 30 June 2014.

The group is very strong financially and this is in part due to the foresight of those current and former directors who pushed forward the development of the wind turbine long before many other development trusts had even realised the potential. That foresight and vision now means that while many other wind turbines in Orkney are subject to curtailment, your turbine is not and so it continues generating funds for the island. You should not underestimate just how devastating curtailment can be when the first and easiest won part of your income has to be used to repay loans. The loss of income from curtailment impacts on the top slice of your profits available for community use.

The consolidated accounts show that the WDT Group made an overall surplus of £368K. WDT benefits from this because it receives Gift Aid

donations out of the profits generated by WRE as well as loan repayments and rent also received from WRE. This has all come together to produce a bank balance for WDT of £954K at the year end.

Not all of the profit of WRE can be donated to the Trust. WRE had paid £84K in loan repayments and interest to Triodos Bank in the last year. However, there is still a healthy surplus available to be put at the disposal of WDT for community benefit.

### Westray Development Trust:

The Trust's own accounts show income of £313K in this year. £200K was a donation by WRE, £32K was interest paid by WRE to WDT for funds loaned to help finance the turbine and there was also a small amount of rent for the turbine site.

The turbine was originally financed from loans made by WDT from funds that it could access as a charity and also by loans from Triodos Bank.

The remaining income of WDT itself in

the year was further assistance obtained to develop the golf course along with sundry other lesser amounts derived from the Hofn and other operations.

### Westray Renewable Energy:

The income generated by the company in the year amounted to £584K, an increase of nearly £50k on the previous year. After expenses this left a profit before tax of £486K, from which £200K was paid by way of Gift Aid to the Trust. Subject to the level of donation made by WRE to the trust before 31 March 2015, WRE should pay no tax on this profit.

### Westray Enterprise CIC:

This new company was largely dormant but has incurred expenses.

\* The consolidated totals exclude all intercompany transactions such as Gift Aid payments, rent, loan interest and service charges as well as inter-company balances on loans etc.

### The Long Partnership Kirkwall.

## Financial Summary

	WDT	WRE	WECIC	Consolidated Total*
Statement of Financial Activities	£000	£000	£000	£000
Incoming resources	313	584	0	662
Expenditure	175	298	1	294
Surplus before Taxes	138	286	(1)	368
<b>Balance Sheet</b>				
Fixed Assets at NBV	473	1024	0	1497
Current Assets	1077	537	0	1614
Intra group balances (net)	494	(488)	(6)	
Current Liabilities incl. tax charge	(15)	(80)	0	(93)
Long Term Liabilities	0	(358)	0	(359)
<b>Total Assets</b>	<b>2029</b>	<b>635</b>	<b>(6)</b>	<b>2659</b>

## Successful funding applications July 2013 to June 2014:

The training grants scheme introduced last year is proving to be enormously successful. This scheme is designed to fit under our charitable aim *“To advance education and in particular to promote opportunities for learning for the benefit of the general public.”*

The scheme is split into two categories: statutory training grants, for businesses that are required under law to have staff members trained in a specific area; and individual training grants. The individual training grants are for people who may want to gain a qualification to enable them to have better employment opportunities



or a course which is of a personal interest to them and so on. It is also for training that is not necessarily required by law but that is advantageous to the individual and/or business.

### Statutory training grants awarded within the year:

Safe working in Agriculture (training provided through the NFU), at a cost of £41.67 per person. Successful applicants were:

Shane Rendall, William Drever, Raymond Rendall, Drew McCracken, Mark Harcus, Sandy Drever, Philip Bews, Richard Jarvis, Malcolm Seatter, Alistair Harcus, Geordie Drever, Colin Kirkness, Wayne Nicolson, Steven Drever, Denis Fergus, Louis Pottinger, Tommy Rendall, John Stout, Brian Scott, Andrew Seatter, Ben Drever, and Luke Rendall.

**Total cost to WDT: £916.74**

Westray Processors Ltd received £13.75 per person towards an Elementary Food Hygiene course for the following employees:

Kimberley Paterson, Uvis Gurauskis, Nigel Spurgeon, Benjamin Kemp, Patryk Lukas, Lee Dunnett, Pari Drever, Jacob Bilner, Aleksandra Pazgrat, Piotr Lichanski, and Michal Lipski.

**Total cost to WDT, £151.25**

Westray Processors also secured funding for a Controlling Cross Contamination course, at a cost of £23 each for the following employees: Denise Spurgeon, Jennifer Leslie, Mary Ann Rendall, Eileen Rendall and Tim Libicki.

**Total cost to WDT: £115.**

Pierowall Hotel received £13.75 per person towards the Elementary Food Hygiene course for the following employees: Alison Drever, Allison Pottinger, Gill McEwen, Nicola Fergus, Amy Booth and Kasia Winskiewicz. **Total cost to WDT: £82.50.**

Pierowall Fish received £23 each for Kevin and Ann Rendall towards the cost of the Controlling Cross Contamination course.

**Total cost to WDT: £46.**

All these courses were delivered on Westray thanks to Corinne Curtis as the learning centre co-ordinator. Courses that were delivered on Westray through Orkney College saved the candidates a considerable amount because Corinne managed to negotiate a whole course cost rather than the normal college rate for a day course.

Another course delivered to a group/business, rather than individuals was a Sage training course for the Westray Heritage Trust.

**Total cost to WDT: £214.**

Individual training grants awarded throughout the year:

Yvonne Rorie, Cindy Paterson, Margaret Rendall and Frances Nicolson all received £400 towards the cost of SVQ2 Health and Social Care.

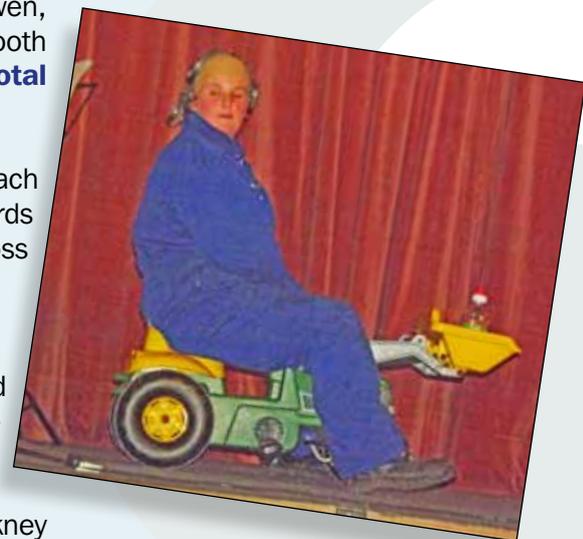
**Total cost to WDT: £1600.**

John William Stout: **£55**, Heddle Costie and Hugh Costie were all awarded £66 towards the cost of a Fork Lift Driving course.

**Total cost to WDT: £197.**

Louis Pottinger and Sheena Costie both took advantage of the driving lessons grant scheme that WDT runs which awards learners 50% of lesson fees up to a maximum of 10 lessons per person. Louis has claimed £150 and Sheena has been awarded up to £150 (depending on the number of lessons required, this grant is still to be claimed).

**Total cost to WDT: £300.**



**The total amount of funding awarded under the training grants scheme during the year was £3612.49. There were also another three grants approved that were not required; this would have been another £778. The total budget for training grants for the year is £10,000.**





Gina Rendall, on behalf of the Westray Nursery successfully applied for funding for the healthy snack for the youngsters that attend the nursery. Total cost to WDT of **£536**;

WDT sponsored the Screen Machine visit in April and will be sponsoring the second visit of 2014 later in the year.

**Total cost to WDT (for the year) £100.**

Westray Junior High School asked for sponsorship for a new football strip. WDT contributed 50%, **£173.55**;

Westray Sailing Club applied for sponsorship for the plaques that are awarded to the first, second and third placed sailors in each race at the Regatta for the next three years. The total cost of this is £1066.96. They also applied for £400 to go towards the costs of the accommodation for the Cullivoe Jarl Squad for the Regatta weekend this year.

**Total cost of grant to WDT: £1466.96.**

Senior Youth Club was awarded **£500** to purchase fireworks for a public firework display on 5th November this year.

There were a number of applications under the **small grants scheme** (up to £1000, or in exceptional cases £2,500). Successful applications were:

Westray Community Association received **£291** for a replacement lighting desk for the community hall; Westray Baptist Church received **£1000** for car park materials.

Kayleigh Seatter asked for sponsorship for her Jig for Jim event which was used to pay for the bands travel costs at a cost of **£255.50**.

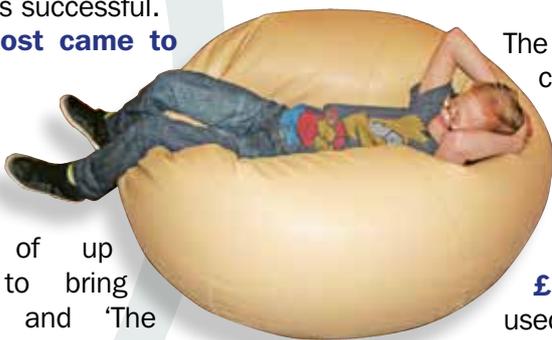
Corinne Curtis, learning centre coordinator applied for £850 to purchase i-Pads for the learning centre and was successful.

**The actual cost came to £840.51.**

The Tuesday Night Singers applied for underwriting of up to £1000 to bring 'The Linties' and 'The Poptarts' across for a concert. Unfortunately, due to bad weather, 'The Poptarts' didn't make it.

**The total cost to WDT: £353.60.**

Westray Community Council applied for funding for 50% of the costs of new notice boards for the village (at Tulloch's shop and at The Gallery). **Total cost to WDT: £332.40.**



The organising committee for the Bisgeos Run/Walk applied for sponsorship for the 2014 event at a cost of **£1300**. This was used to purchase

new race numbers and signage along with raffle tickets and race books.

**The total budget for small grants and sponsorships for the year is £10,000 with actual expenditure of £7149.52.** There was one application that was declined and one application was withdrawn.

### **Larger grant awards include:**

As part of a three year project, Westray Heritage Trust was awarded £30,000 to employ a person to take the organisation through museum accreditation.

**The cost to WDT during this year is £10,000.**

Westray Heritage Trust also applied for **£2989** to purchase new IT equipment and a backup system for the data held within the centre.

Westray Golf Club applied for funding to employ a green keeper for the next two years. The total cost to WDT will be £16,000. **The cost for this year is £8,000.**

Following a request from a local group, WDT decided to purchase a marquee that could be used by groups doing fundraising events or hired out to people holding private functions.

**The total cost is £4,100.**

As well as this, there were a couple of loan applications that were withdrawn by the interested parties and one which is still on hold pending further information. There are also a few other enquiries that are still in the system but we are waiting for further information.

**The total funding awarded through the year was £35,851.01. We also still have to pay out the play park funding of £40,000 and there is committed expenditure of £28,000 (to WHT and WGC) and £6,000 for Chapel of Rest facilities.**



## Progress on key themes:

### Theme 1 – Housing:

WDT attended a housing seminar in with Orkney Islands Council and Orkney Housing Association Ltd looking at the broader options and learning from other development trusts experiences.

#### Future plans:

WDT are looking at housing development on the island, with the possibility of partnership working with OIC and OHAL, which targets identified housing needs on Westray.

The Operations manager is continuing to investigate possible schemes which would contribute towards energy cost reduction. Several households have shown interest in being part of a scheme.

### Theme 2 – Industry and Business:

The loan offered under the business loan scheme is proving to be successful with minimum input from WDT in terms of loan management. The partnership with Developing Strathclyde Ltd is working well. A second business loan application was submitted to DSL for assessment but was later withdrawn by the applicant.

The business review at Westray Processors Ltd is proving to be very advantageous to the company. This was funded by a Big Lottery: Investing in Ideas grant obtained through WDT. The consultant is continuing to work closely with management at the factory and it is expected that the work will be completed in the late autumn.

Investigations into re-opening the Rapness Quarry led to the realisation that it would not be a viable option. This remains an objective for the Trust.

The Operations Manager met with the Westray and Papa Westray Tourist Association and between them, they identified the need for a salaried post to promote tourism on the two islands.

### Future plans:

Following on from the meeting the Trust is developing a Tourism Development Officer post, jointly funding by the Trust, WPWTA and HIE.

It remains the policy of the Trust to support private enterprise, when appropriate and in the first instance, in the purchase of any of the vital outlets and services, ensuring a continued presence in Westray

Set up a budget for a revolving loan fund.

### Theme 3 – Youth and children

The extension to the Hofn building was completed earlier in the year and the re-opening ceremony was held in March. Liam MacArthur performed the re-opening and the youngsters who use it were on hand to show folk around the newly refurbished building. Edith Costie was presented with flowers and a voucher as a thank you for all her hard work in regards to the Hofn refurbishment and work with the youngsters.

#### Future plans:

In her role as learning centre coordinator, Corinne Curtis is planning to run a First Aid course for youngsters on the island. This would be offered free of charge to those the same age on the mainland and WDT has committed to contacting Orkney Islands Council to lobby for the same opportunities for youngsters on the islands.

Peedie DT

Maintenance strategy for Hofn

### Theme 4 – Health and Care:

WDT has again supported the nursery healthy snack initiative whereby youngsters receive a full portion of fruit or veg per day. Previously, with the budget provided, the Early Years Worker could only offer a half portion.

WDT provided funding to four people towards their SVQ2 Health and Social Care qualification. Although this qualification is not compulsory at

present, it is believed it will come to be in future.

#### Future plans:

WDT have committed to assisting with the provision of Chapel of Rest facilities on the island. After pursuing other avenues to no avail, it was decided to approach Westray Community Council to ask if it would be suitable to use the former Auk Club bus garage for this purpose. WCC will take the lead on this project with WDT committing to supporting financially.

WDT are considering supporting Age Concern Orkney and its Here2Help project which delivers support to older folk (60+) in their own homes who may either be out of scope for the OHAC services or would enhance the service already being received.

### Theme 5 – Environment

There have been no major projects or achievements within this area.

### Theme 6 Recreation & Leisure and Voluntary groups

This area has received the most financial support from WDT over the year with local community events receiving over £2000 in funding. These included the Regatta, the Island Picnic, Westray Connections, Tuesday Night singers (The Linties), Screen Machine, Jig for Jim and the fireworks event organised by the Senior Youth Club.

Support for other groups has included funding for a new lighting desk in the community hall received by the Community Association. There has also been major commitment made to the Westray Heritage Trust and the Westray Golf Club.

WDT recognised the need to include heritage within the aims of the Trust and therefore put to the membership at AGM in November, the inclusion of the aim 'To advance the arts, heritage, culture and science'. A few amendments to the document were required and so it was post year end before the changes were implemented.

## Progress on key themes continued

### Future plans:

WDT is continuing to work with Westray Golf Club on stage two of the redevelopment. There is still funding in the CDF pot for a machinery shed.

### Theme 7: Transport

WDT continues to support in principle the small boat access at Rapness and is awaiting further information on costs and siting etc.

### Theme 8: Education & training

WDT employed a Learning Centre coordinator for an initial period of six months. This was reviewed and building on the success WDT has extended and increased the budget.

Orkney College provided new computer equipment and also installed a new line to enable internet access within the Learning Centre. WDT also provided funding for i-Pads.

The training grants scheme set up by WDT is proving to be hugely popular and very successful.

### Future plans:

WDT will continue to monitor the development of the Learning Centre, reviewing it in May 2015.

### Other Areas:

Broadband – BT Step Change programme is rolling out ahead of schedule which should see superfast broadband being accessible to Pierowall and other properties within a radius of 1.5km by the end of 2015. Once the impact of the roll out has been assessed, WDT will consider support for those areas not reached by BTs service.

A staffing review was carried out and the Board decided that the Community Development Officer post had run its course and took the decision to end it in December. It was recognised that

there was a need for a management role within the Trust and so it was decided to establish an Operations Manger post.

The Trust website was changed to new operating system and overhauled to provide easier access.

There is a huge amount of information stored on the IT equipment within the Trust office and it was realised that there was an insufficient backup system. It was decided to purchase a central server system with backup facilities to ensure that the information is stored securely.

### The future:

The funding processes are continuing to evolve and the staff and board are continuing to review them.

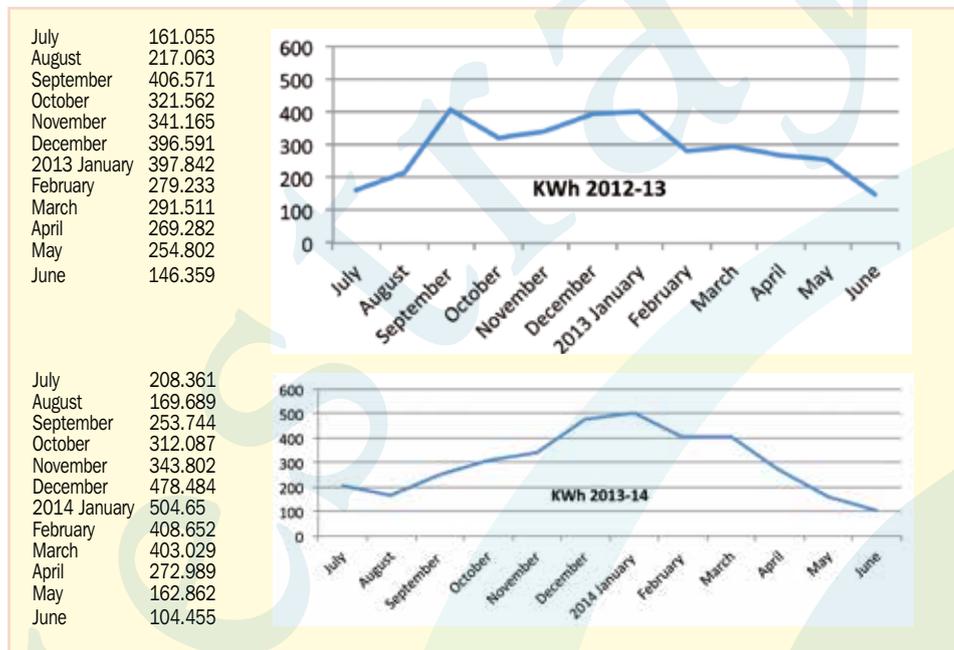
Partnership working – HIE, OREF, CES promote Westray.

## Projected 5 year cash flow budget for Westray Development Trust commencing July 2014

Income		2014/15	2015/16	2016/17	2017/18	2018/19
C/F from previous year		£ 953,747	£ 292,699	£ 440,033	£ 592,665	£ 748,465
Westray Renewable Energy Ltd	Loan	£ 99,828	£ 99,828	£ 99,828	£ 99,828	£ 99,828
	Gift Aid	£ 339,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000
	Management charge	£ 6,500	£ 6,500	£ 6,500	£ 6,500	£ 6,500
	Rent	£ 2,400	£ 2,400	£ 2,400	£ 2,400	£ 2,400
Project specific grant funding	TDO	£ 3,515	£ 7,030	£ 3,515	£-	£-
	Golf Course	£-	£ 39,000	£-	£-	£-
Other income	Miscellaneous*	£ 2,000	£ 2,000	£ 2,000	£ 2,000	£ 2,000
	Loan repayments	£ 1,153	£ 6,500	£ 6,500	£ 6,500	£ 6,500
	WPWTA	£-	£ 2,130	£ 2,130	£-	£-
Return on Financial Investment		£ 2,800	£ 4,217	£ 4,242	£ 4,268	£ 4,293
<b>Totals</b>		<b>£ 457,196</b>	<b>£ 369,605</b>	<b>£ 327,115</b>	<b>£ 321,496</b>	<b>£ 321,521</b>
Expenditure						
General & Capital		£ 99,416	£ 101,656	£ 101,656	£ 101,656	£ 101,656
Funding	Small grants	£ 10,000	£ 10,000	£ 10,000	£ 10,000	£ 10,000
	Small projects	£ 30,000	£ 30,000	£ 30,000	£ 30,000	£ 30,000
	Training grants	£ 10,000	£ 10,000	£ 10,000	£ 10,000	£ 10,000
	Entertainment events	£ 4,000	£ 4,000	£ 4,000	£ 4,000	£ 4,000
	Large projects	£-	£-	£-	£-	£-
	Loans	£ 200,000	£-	£-	£-	£-
Project specific	Learning centre	£ 10,040	£ 10,040	£ 10,040	£ 10,040	£ 10,040
	Golf course	£-	£ 39,000	£-	£-	£-
	TDO	£ 8,788	£ 17,575	£ 8,787	£-	£-
	Chapel of Rest	£ 6,000	£-	£-	£-	£-
	Play park	£ 40,000	£-	£-	£-	£-
Financial Investments		£ 700,000	£-	£-	£-	£-
		£ 1,118,244	£ 222,271	£ 174,483	£ 165,696	£ 165,696
Income less expenditure		-£ 661,048	£ 147,334	£ 152,632	£ 155,800	£ 155,825
<b>Closing balance</b>		<b>£ 292,699</b>	<b>£ 440,033</b>	<b>£ 592,665</b>	<b>£ 748,465</b>	<b>£ 904,290</b>

## Report of Westray Renewable Energy July 2013 – June 2014

The Community wind turbine operated by Westray Renewable Energy Ltd (WRE) functioned without significant interruption from any mechanical failure during the financial year. A total of 3622.804MWh power was exported into the national grid giving a total gross income (including weighted average) of £507087. All operating profits are transferred to WDT as the sole shareholder. Audited accounts have been submitted indicating payments of over £230,000 to WDT (including gift donations, intercompany loan repayments and ground rent).



## Funders and Partners for 2013 to 2014

Thanks go to the following funders and partners:

Community Development Fund  
LEADER  
Highlands & Islands Enterprise  
Orkney Renewable Energy Forum  
Community Energy Scotland  
Community Power Orkney  
Orkney Islands Council  
Sport Scotland  
Westray Golf Club  
Friends of Westray Play Park  
Westray Community Council  
Sorton Partners  
Voluntary Action Orkney  
Big Lottery: Investing in Ideas  
Office of Scottish Charity Regulator (OSCR)  
Companies House  
Clark Associates  
Westray Renewable Energy Ltd  
Westray & Papa Westray Tourist Association  
Development Trust Association Scotland  
Burness Paull LLP  
Adam & Company

Pictured below: work has now started on the refurbishment of the Childrens' play park.



[www.westraydt.co.uk](http://www.westraydt.co.uk)

### Westray Development Trust

Unit 1, Pierowall, Westray, Orkney, KW17 2DF

Tel: 01857 677858

Email: [office@westraydt.co.uk](mailto:office@westraydt.co.uk)