

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

**Report of the Trustees and
Audited Financial Statements For The Year Ended 31 October 2009
for
Westray Development Trust**

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

Westray Development Trust

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For The Year Ended 31 October 2009**

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Westray Development Trust

Report of the Trustees For The Year Ended 31 October 2009

The Trustees who are also Directors of the charity for the purposes of the Companies Act 2006, present their report with the consolidated financial statements of the charity for the year ended 31 October 2009. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC201004 (Scotland)

Registered Charity number

SC029471

Registered office

Hewison Room
Westray Parish Kirk
Westray
Orkney
KW17 2DB

Trustees

D A Stephenson	
Mrs E L Drever	
Mrs L S Brown	- resigned 8.6.09
A H McVicar	
G Thomson	
S J Harcus	- resigned 6.7.09
M Mawer	- resigned 2.11.09
W R O McEwen	- resigned 3.11.08
R K Rendall	
S H Rendall	
Ms C Eden	- appointed 8.6.09

Company Secretary

Mrs E L Drever

Auditors

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

Bankers

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

Westray Development Trust

Report of the Trustees For The Year Ended 31 October 2009

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Lows Orkney
5 Broad Street
Kirkwall
Orkney
KW15 1DJ

STRUCTURE, GOVERNANCE AND MANAGEMENT GOVERNING INSTRUMENT AND ADMINISTRATIVE STATUS

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

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

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

Recruitment and appointment of new Trustees

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

Directors are appointed by Ordinary Resolution at an AGM provided that they have first been nominated and seconded. In addition the Board may appoint Directors at other times to fill a vacancy. Directors are appointed for a period of 2 years and after 2 years one third of the Board retires but is eligible for re-appointment by Ordinary Resolution at an AGM provided that no Director serves more than 6 consecutive years.

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

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

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

Organisational structure

The Board of the Trust consists of between 9 and 15 Directors. The Board meets regularly in connection with the affairs of the Trust. Subcommittees are formed with responsibility for various aspects of the running of the specific projects.

Related parties

Westray Development Trust has 2 wholly owned subsidiaries. Orkney Bio-Fuels Limited is developing a fuel substitute and the Trust provides equipment and resources to the Company to assist with its research and development. Westray Renewable Energy Limited is a Company set up to build and operate a wind turbine in Westray. The Trust has been active in the planning and development of the wind turbine and obtaining finance for the project. The turbine is now operational and funds will start to flow to the Trust to repay loans and under Gift Aid in the near future.

Westray Development Trust

Report of the Trustees For The Year Ended 31 October 2009

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

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

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects for which the charity is established are:

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

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

Volunteers

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

THE CHAIRMAN'S REPORT

Present

After 5 long years Westray Development Trust, with the hard work of Westray Renewable Energy Limited, finally achieve a major goal. A community turbine, which will produce an income, not only for the Trust but for the benefit of community. That does not mean the work is done. The Trust now has the responsibility of ensuring the money does not just slowly disappear but continues to work for the benefit of Westray for years to come.

The success of the wind turbine may have over-shadowed some other significant projects.

- i. The fuel poverty sub-group, secured funding in the region of £143,000 for the island. This money was used to help nine households out of fuel poverty.
- ii. The golf sub-group are waiting to see if they have secured the £300,000 funding bid from the Scotland Rural Development Program and the Community Development Fund from Orkney Islands Council.
- iii. The waste project manager is making headway into a difficult job and is making plans for the Gallowhill Zero Waste Centre, so it will not be long before we see something happening.

Our learning centre is also going from strength to strength and has courses available to suit everyone's needs. The newest addition to the Trust's workforce is a Community Development Officer who works two and a half days per week. This post, funded by Highlands and Island Enterprise, has proved invaluable in the past and funding will be in place until September 2011. The CDO has been doing a lot of research, updating our files and giving us more up to date information with which to plan ahead and move forward.

Past

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

Westray Development Trust

Report of the Trustees For The Year Ended 31 October 2009

Community Support

Westray Development Trust has a busy twelve months ahead once more and the Trust is indebted to those Directors, past and present, who have committed their time to make these things happen. The Directors can only go forward with the support of the community, but everyone must bear in mind that many hands make light work, so volunteers are always welcome, either to become Directors or to provide support in other ways. Westray is a forward thinking Isle and in many ways, ahead of its time, and it is important that we continue supporting one another and the Trust to make a stronger community which is fondly known as 'The Queen o the Isles'.

We should also remember and thank all our employees for their contribution to the work of Westray Development Trust and the projects they are involved in. We hope they continue to enjoy delivering the aims and objectives of the Trust.

FINANCIAL REVIEW

Incoming Resources

This was an important year for Westray Development Trust. It was in many ways a watershed. It marks the transition from total dependency on outside grant assistance to fund developments, to at least partial self sufficiency. The turbine will produce significant funding for the island. The importance of this is that the decisions about how that funding will be used will be made in Westray and the people of Westray, through Westray Development Trust and Westray Renewable Energy Limited will have the final say in how it is to be spent or used.

Westray Development Trust secured funding from the lottery and most of this has been lent under a commercial loan arrangement to Westray Renewable Energy Limited. This provided much of the funding required for Westray Renewable Energy Limited to purchase and erect the turbine. The balance of the funding came from Triodos Bank, who specialise in funding for this type of project.

The loan will be repaid from Westray Renewable Energy Limited to Westray Development Trust out of the profits from electricity generation and so will be available within Westray Development Trust for other purposes in years to come.

The financial statements therefore show a significant surplus in 2009, but as the Trust is a charity, this does not mean that it has made a profit. It represents a surplus of resources flowing into the Trust in the year. These resources have already been applied in making the loan to Westray Renewable Energy Limited, which appears in the balance sheet of Westray Development Trust as a debt owing to the Trust and will be repaid in due course.

Consolidated Accounts

In previous years accounts have been prepared for the three individual companies:

- i. Westray Development Trust
- ii. Westray Renewable Energy Ltd
- iii. Orkney Bio-Fuels Ltd

These were all "small" Companies that required no special treatment or disclosures. The turbine project has changed this. The level of expenditure incurred and the resulting grants attracted to finance it have meant that certain thresholds have been exceeded. The accounts that will be presented at this year's AGM will be consolidated accounts and will have been formally audited.

Consolidated accounts show the results of the "group" as if the operations of all three companies had been carried out by a single company. The income, expenses and balances from the individual accounts are added together but certain transactions between members of the group must be eliminated from the consolidated figures. So, for example, the intercompany loan from Westray Development Trust to Westray Renewable Energy to finance the wind turbine will not appear in the consolidated accounts because for the purposes of consolidation, the funding came into the group and has been applied to purchase the turbine. However, the external finance from Triodos will appear in the consolidated balance sheet.

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

Westray Development Trust

Report of the Trustees For The Year Ended 31 October 2009

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Trustees are required to:

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, The Long Partnership, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

ON BEHALF OF THE BOARD:

S H Rendall - Trustee

30 April 2010

Report of the Independent Auditors to the Trustees and Members of Westray Development Trust

We have audited the consolidated financial statements of Westray Development Trust for the year ended 31 October 2009 on pages eight to twenty. The consolidated financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the charitable company's Trustees those matters we are required to state to them in an auditors' 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 and the charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

The Trustees' (who are also the Directors of the charitable company for the purposes of company law) responsibilities for preparing the Report of the Trustees and the consolidated financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the consolidated financial statements give a true and fair view are set out on page four.

We have been appointed as auditors under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with those Acts.

Our responsibility is to audit the consolidated financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the consolidated financial statements give a true and fair view, are properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and are prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether, in our opinion the information given in the Report of the Trustees is consistent with those consolidated financial statements.

We also report to you if, in our opinion, the charitable company has not kept adequate and proper accounting records, if the charitable company's financial statements are not in agreement with these accounting records, or if we have not received all the information and explanations we require for our audit, or if certain disclosures of Trustees' remuneration specified by law are not made.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the consolidated financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the consolidated financial statements.

**Report of the Independent Auditors to the Trustees and Members of
Westray Development Trust**

Opinion

In our opinion:

- the consolidated financial statements give a true and fair view of the state of the charitable company's affairs as at 31 October 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities;
- the consolidated financial statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information given in the Report of the Trustees is consistent with the consolidated financial statements.

Alan E Long FCA, CTA (Senior Statutory Auditor)
for and on behalf of The Long Partnership
Chartered Accountants
Registered Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
1 Castle Street
Kirkwall
Orkney
KW15 1HD
01856 878600

12 May 2010.....

Westray Development Trust

**Consolidated Statement of Financial Activities
For The Year Ended 31 October 2009**

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	31.10.09 Total funds £	31.10.08 Total funds £
INCOMING RESOURCES						
Incoming resources from generated funds						
Grants received	4	5,680	150,902	499,523	656,105	102,105
Activities for generating funds						
Electricity Generation		15,809	-	-	15,809	1,380
Rent received		550	-	-	550	500
Incoming resources from Charitable activities	5	646	597	-	1,243	1,718
Total incoming resources		<u>22,685</u>	<u>151,499</u>	<u>499,523</u>	<u>673,707</u>	<u>105,703</u>
RESOURCES EXPENDED						
Costs of generating funds						
Electricity generation		13,741	-	-	13,741	6,509
Charitable activities						
Community operations	6	1,953	4,325	-	6,278	4,788
General overheads	6	23,255	36,163	-	59,418	47,777
Governance costs	7	<u>6,942</u>	<u>-</u>	<u>-</u>	<u>6,942</u>	<u>5,928</u>
Total resources expended		<u>45,891</u>	<u>40,488</u>	<u>-</u>	<u>86,379</u>	<u>65,002</u>
NET INCOMING/ (OUTGOING) RESOURCES before transfers						
		(23,206)	111,011	499,523	587,328	40,701
Gross transfers between funds	17	<u>60,146</u>	<u>(60,146)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net incoming/(outgoing) resources		36,940	50,865	499,523	587,328	40,701
Total funds brought forward		<u>44,570</u>	<u>220,695</u>	<u>159,046</u>	<u>424,311</u>	<u>383,610</u>
TOTAL FUNDS CARRIED FORWARD		<u>81,510</u>	<u>271,560</u>	<u>658,569</u>	<u>1,011,639</u>	<u>424,311</u>

The notes form part of these consolidated financial statements

Westray Development Trust

Balance Sheet At 31 October 2009

	Notes	Group 31.10.09 £	Group 31.10.08 £	Charity 31.10.09 £	Charity 31.10.08 £
FIXED ASSETS					
Tangible assets	10	1,575,875	362,695	342,077	362,695
Investments	11	-	-	103	103
		<u>1,575,875</u>	<u>362,695</u>	<u>342,180</u>	<u>362,798</u>
CURRENT ASSETS					
Stocks		1,000	1,100	200	-
Debtors: amounts falling due within one year	12	117,500	23,740	110,371	29,713
Debtors: amounts falling due after more than one year	12	-	-	547,062	-
Cash at bank and in hand		266,535	75,737	66,459	71,055
		<u>385,035</u>	<u>100,577</u>	<u>724,092</u>	<u>100,768</u>
CREDITORS					
Amounts falling due within one year	13	391,757	10,196	53,364	8,200
NET CURRENT ASSETS/(LIABILITIES)					
		<u>(6,722)</u>	<u>90,381</u>	<u>670,728</u>	<u>92,568</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>1,569,153</u>	<u>453,076</u>	<u>1,012,908</u>	<u>455,366</u>
CREDITORS					
Amounts falling due after more than one year	14	557,514	28,765	-	28,765
NET ASSETS					
		<u>1,011,639</u>	<u>424,311</u>	<u>1,012,908</u>	<u>426,601</u>
FUNDS					
Unrestricted funds	18	81,510	44,570	82,781	46,860
Restricted funds		271,560	220,695	271,558	220,695
Endowment funds		658,569	159,046	658,569	159,046
		<u>1,011,639</u>	<u>424,311</u>	<u>1,012,908</u>	<u>426,601</u>

The notes form part of these consolidated financial statements

Westray Development Trust

Balance Sheet - continued

At 31 October 2009

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

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

The consolidated financial statements were approved by the Board of Trustees on 30 April 2010 and were signed on its behalf by:

S H Rendall -Trustee

Westray Development Trust

Notes to the Consolidated financial statements For The Year Ended 31 October 2009

1. ACCOUNTING POLICIES

Accounting convention

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

Group financial statements

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

The subsidiaries consolidated are:

Westray Renewable Energy Limited
Orkney Bio-Fuels Limited

Incoming resources

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

Resources expended

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

Tangible fixed assets

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

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

Taxation

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

Fund accounting

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

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

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

Westray Development Trust

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

2. FINANCIAL PERFORMANCE OF THE CHARITY

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

	Unrestricted funds £	Restricted funds £	Endowment funds £	31.10.09 Total funds £	31.10.08 Total funds £
INCOMING RESOURCES					
Grants received	5,680	150,902	499,523	656,105	102,105
Electricity Generation	5,557	-	-	5,557	1,260
Rent received	550	-	-	550	500
Incoming resources from Charitable activities	646	597	-	1,243	1,626
Total incoming resources	12,433	151,499	499,523	663,455	105,491
RESOURCES EXPENDED					
Costs of generating funds					
Electricity generation	5,559	-	-	5,559	5,601
Charitable activities					
Community operations	1,953	4,324	-	6,277	4,788
General overheads	23,255	36,163	-	59,418	47,740
Governance costs	5,892	-	-	5,892	5,247
Total resources expended	36,659	40,487	-	77,146	63,376
NET RESOURCES before transfers	(24,226)	111,012	499,523	586,309	42,115
Gross transfers	60,146	(60,146)	-	-	-
Net incoming/(outgoing) resources	35,920	50,866	499,523	586,309	42,115
Total funds brought forward	46,860	220,695	159,046	426,601	384,486
TOTAL FUNDS CARRIED FORWARD	82,780	271,561	658,569	1,012,910	426,601

The notes form part of these consolidated financial statements

3. ACTIVITIES FOR GENERATING FUNDS – COMMERCIAL TRADING OPERATIONS

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

	Westray Renewable Energy Ltd		Orkney Bio-Fuels Ltd	
	31.10.09	31.10.08	31.7.09	31.7.08
	£	£	£	£
Summary Profit and Loss				
Turnover	10,201		50	120
Cost of sales and administrative costs	(8,822)	(717)	(360)	(908)
Interest receivable		85	-	7
Net profit/ (loss)	1,379	(632)	(310)	(781)
Summary Balance Sheet				
	£	£	£	£
Fixed assets	1,233,798	-	-	-
Current assets	210,250	4,699	1,062	1,372
Current liabilities	(341,221)	(6,498)	(1,759)	(1,759)
Long term liabilities	(1,103,247)	-	-	-
Total net assets	(420)	(1,799)	(697)	(387)
Aggregate share capital and reserves	(420)	(1,799)	(697)	(387)

4. Grants

Grants received are as follows:

	31.10.09	31.10.08
	£	£
Scottish Executive	25,689	17,804
OIC	105	6,949
Highlands & Islands Enterprise	554,315	68,332
HIE Orkney	-	2,500
Scottish Power	19,848	-
Heritage Lottery Fund	51,148	4,020
Lloyds TSB	-	2,500
Fairer Scotland Fund	5,000	-
	<u>656,105</u>	<u>102,105</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	31.10.09	31.10.08
	£	£
Hofn Bus Fares	-	70
Hofn Centre Hires and other income	597	749
Sundry Other Income	646	899
	<u>1,243</u>	<u>1,718</u>

Westray Development Trust

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

6. COSTS OF CHARITABLE ACTIVITIES

	31.10.09	31.10.08
Community operations:	£	£
Bus operating expenses	-	630
Hofn Centre overheads	4770	3844
Bad debts	1508	-
WCWA	-	314
	<u>6278</u>	<u>4788</u>

	31.10.09	31.10.08
General overheads:	£	£
Wages	34,813	18,617
Travel & Subsistence	887	790
Insurance	-	117
Small Local projects	315	1,138
Charitable Donation to Church	1,000	
Sundries	2,071	15,271
Depreciation - Excluding turbines	<u>20,332</u>	<u>11,844</u>
	<u>59,418</u>	<u>47,777</u>

7. GOVERNANCE COSTS

	Group 31.10.09	Group 31.10.08	Charity 31.10.09	Charity 31.10.08
	£	£	£	£
Professional fees	5944	4930	4894	3000
PI Insurance	998	998	998	998
	<u>6942</u>	<u>5928</u>	<u>5892</u>	<u>3998</u>

8. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	31.10.09	31.10.08
	£	£
Depreciation		
Turbines (included in cost of electricity generation)	10,721	5,545
Other assets (included in overheads)	<u>20,332</u>	<u>11,844</u>

Westray Development Trust

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

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustees' remuneration or other benefits for the year ended 31 October 2009 nor for the year ended 31 October 2008.

Trustees' Expenses

The following expenses were reimbursed to Trustees in the year:

Name of Trustee	Nature of expense reimbursed	Amount £
David Stephenson	Travel and subsistence	574.73

Westray Development Trust

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

10. TANGIBLE FIXED ASSETS

	Freehold property £	Biofuels £	Anaerobic digester £	
COST				
At 1 November 2008	182,326	55,237	31,663	
Additions	<u>-</u>	<u>5,105</u>	<u>-</u>	
At 31 October 2009	<u>182,326</u>	<u>60,342</u>	<u>31,663</u>	
DEPRECIATION				
At 1 November 2008	2,880	12,031	31,662	
Charge for year	<u>1,440</u>	<u>4,661</u>	<u>-</u>	
At 31 October 2009	<u>4,320</u>	<u>16,692</u>	<u>31,662</u>	
NET BOOK VALUE				
At 31 October 2009	<u>178,006</u>	<u>43,650</u>	<u>1</u>	
At 31 October 2008	<u>179,446</u>	<u>43,206</u>	<u>1</u>	
	Equipment £	Turbines £	Motor vehicles £	Totals £
COST				
At 1 November 2008	14,486	138,968	37,428	460,108
Additions	<u>169</u>	<u>1,238,960</u>	<u>-</u>	<u>1,244,234</u>
At 31 October 2009	<u>14,655</u>	<u>1,377,928</u>	<u>37,428</u>	<u>1,704,342</u>
DEPRECIATION				
At 1 November 2008	9,388	16,979	24,474	97,414
Charge for year	<u>1,278</u>	<u>10,721</u>	<u>12,953</u>	<u>31,053</u>
At 31 October 2009	<u>10,666</u>	<u>27,700</u>	<u>37,427</u>	<u>128,467</u>
NET BOOK VALUE				
At 31 October 2009	<u>3,989</u>	<u>1,350,228</u>	<u>1</u>	<u>1,575,875</u>
At 31 October 2008	<u>5,098</u>	<u>121,989</u>	<u>12,954</u>	<u>362,694</u>

Included in turbines shown above is the Gallowhill wind turbine owned by Westray Renewable Energy Limited at a cost of £1,238,960 and depreciation to date of £5162. Included in cost or valuation of land and buildings is freehold land of the charity of £110,324 (2008 - £110,324).

Westray Development Trust

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

11. FIXED ASSET INVESTMENTS

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

Westray Renewable Energy Limited

Country of incorporation: Scotland

Nature of business: Wind energy production (in development)

Holding: 100 Ordinary shares of £1 each

Orkney Bio-Fuels Limited

Country of incorporation: Scotland

Nature of business: Production of organic road fuel substitute

Holding: 3 Ordinary shares of £1 each

12. DEBTORS

	Group 31.10.09	Group 31.10.08	Charity 31.10.09	Charity 31.10.08
	£	£	£	£
Amounts falling due within one year				
Trade debtors	5,944	1,732		1,573
Amounts owed by group undertakings			3,308	6,258
Other debtors	117,500	22,008	107,063	21,882
	123,444	23,740	110,371	29,713
Amounts falling due after more than one year:				
Amounts owed by group undertakings			547,062	
Aggregate amounts	123,444	23,740	657,433	29,713

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Creditors: amounts falling due within one year	Group 31.10.09	Group 31.10.08	Charity 31.10.09	Charity 31.10.08
	£	£	£	£
Trade creditors	142	736	142	736
Other creditors	303,784	9,460	52,784	7,464
Creditcard	438		438	
Bank Loan (Secured)	87,393			
	391,757	10,196	53,364	8,200

Westray Development Trust

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

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

	Group 31.10.09	Group 31.10.08	Charity 31.10.09	Charity 31.10.08
	£	£	£	£
OIC Loan	-	28,765	-	28,765
Bank Loan (Secured)	557,514	-	-	-
	<u>557,514</u>	<u>28,765</u>	<u>-</u>	<u>28,765</u>
Bank Loan (repayable by instalment):				
Current liability	87,393	-	-	-
Repayable in 1 - 2 years	128,657	-	-	-
Repayable in 2 - 5 years	385,971	-	-	-
Repayable in more than 5 years	42,886	-	-	-
	<u>644,907</u>	<u>-</u>	<u>-</u>	<u>-</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	Group 31.10.09	Group 31.10.08	Charity 31.10.09	Charity 31.10.08
	£	£	£	£
Triodos Bank BV	644,907	-	-	-

Triodos Bank has a bond and floating charge over all property and assets of the company and a standard security over land in Westray.

16. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Endowment funds	31.10.09 Total funds	31.10.08 Total funds
	£	£	£	£	£
Fixed assets	1,423,199	8,773	143,903	1,575,875	362,695
Current assets	385,035	-	-	385,035	100,577
Current liabilities	(391,757)	-	-	(391,757)	(10,196)
Long term liabilities	(557,514)	-	-	(557,514)	(28,765)
	<u>858,963</u>	<u>8,773</u>	<u>143,903</u>	<u>1,011,639</u>	<u>(424,311)</u>

Westray Development Trust

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

17. MOVEMENT IN CHARITABLE FUNDS

	At 1.11.08 £	Net movement in funds £	Transfers between funds £	At 31.10.09 £
Unrestricted funds				
General fund	46,860	(24,225)	60,146	82,781
Restricted funds				
Hofn Centre & Bus	6,253	(4,167)	-	2,086
Young Roots	593	(66)	-	527
Quoygrew	121	-	-	121
Other Renewables Development	7,674	(1)	(4,610)	3,063
Other Income Funds	3,375	-	(3,375)	-
Capital Funds	137,059	25,491	(51,351)	111,199
Wind to Heat Project	16,197	-	(810)	15,387
Winter Workshops	3,424	(2,523)	-	901
Big Lottery	45,999	73,486	-	119,485
Energy Surveys	-	18,789	-	18,789
	<u>220,695</u>	<u>111,009</u>	<u>(60,146)</u>	<u>271,558</u>
Endowment funds				
Hofn Centre	87,028	-	-	87,028
Golf Course	72,018	-	-	72,018
Lottery (WRE loan funding)	-	499,523	-	499,523
	<u>-</u>	<u>499,523</u>	<u>-</u>	<u>499,523</u>
TOTAL FUNDS	<u><u>426,601</u></u>	<u><u>586,307</u></u>	<u><u>-</u></u>	<u><u>1,012,908</u></u>

Westray Development Trust

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

18. MOVEMENT IN CHARITABLE FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	12,433	(36,658)	(24,225)
Restricted funds			
Hofn Centre & Bus	598	(4,765)	(4,167)
Young Roots	(1)	(65)	(66)
Other Renewables Development	(1)	-	(1)
Capital Funds	25,509	(18)	25,491
Winter Workshops	105	(2,628)	(2,523)
Big Lottery	105,439	(31,953)	73,486
Energy Surveys	<u>19,848</u>	<u>(1,059)</u>	<u>18,789</u>
	151,497	(40,488)	111,009
Endowment funds			
Turbine (WRE loan funding)	499,523	-	499,523
	<u>663,453</u>	<u>(77,146)</u>	<u>586,307</u>

19. CONTINGENT LIABILITIES

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

20. RELATED PARTY DISCLOSURES

Expenses were paid by Westray Development Trust to David Stephenson as disclosed in note 9.

21. ULTIMATE CONTROLLING PARTY

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

Westray Development Trust

**Detailed Consolidated Statement of Financial Activities
For The Year Ended 31 October 2009**

	31.10.09	31.10.08
	£	£
INCOMING RESOURCES		
Incoming resources from generated funds:		
Grants	656,105	102,105
Activities for generating funds		
Electricity generation - Charity	5,608	1,380
Electricity generation – Subsidiary	10,201	-
Rent received	550	500
Charitable activities		
Hofn Centre hires and other income	597	750
Hofn Bus fares		69
Sundry income	646	899
Total incoming resources	673,707	105,703
RESOURCES EXPENDED		
Electricity generation	13,741	6,509
Charitable activities		
Community operations		
Hofn Centre overheads	4,771	3,844
Hofn Bus operating expenses		630
WCWA		314
Bad debts	1,507	
General overheads		
Wages	34,813	18,616
Insurance		118
Travel & Subsistence	887	790
Sundries	1,936	15,271
Local projects	315	1,138
Biofuel Research & Development	135	
Charitable Donation to Church	1,000	
Depreciation of freehold property	1,440	1,440
Depreciation of biofuels equipment	4,661	4,699
Depreciation of other of equipment	1,278	1,387
Depreciation of motor vehicles	12,953	4,318
Governance costs		
Professional fees	5,944	4,930
PI Insurance	998	998
Total resources expended	86,379	65,002
Net incoming/(outgoing) resources	587,328	40,701

This page does not form part of the statutory financial statements