

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

**Report of the Trustees and
Audited Consolidated Financial Statements For Year Ended 30 June 2019
for
Westray Development Trust and Subsidiary**

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 30 June 2019**

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Westray Development Trust

Report of the Trustees For The Year Ended 30 June 2019

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 and its subsidiary for the year ended 30 June 2019. The trustees have adopted the provisions of 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 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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.

OBJECTIVES AND ACTIVITIES

Significant activities

The gardening project succeeded in expanding the growing space in the area outside the polytunnels allowing a greater range of produce to be sold to the local community while continuing the successful use of the tunnels to grow tomatoes. The project also planted strawberries and raspberries this year with a view to getting a crop out next season in the projects continuing efforts to improve the quality of the produce available locally while simultaneously reducing food miles.

Following on from the success of the Fundraising shop over £17,000 was raised by groups in its second year of running. Plans have been put into place for an extension to the current WDT office which will include a permanent fundraising shop allowing for more space and also a new WDT office incorporating a meeting room.

The Community Garden was finally completed and was officially opened in June 2017.

Westray Development Trust

Report of the Trustees For The Year to 30 June 2019

OBJECTIVES AND ACTIVITIES

Significant activities

The Trust has invested significant funds in the quarry project with the appointment of Dalgleish Associates to carry out the legal work including screening and planning applications. With the absence of an Operations Manager this project was put on the back burner for most of this financial year but it is hoped with the appointment of a new Operations Manager it shall start to move forward once again.

The Bayview Housing Project has moved forward several stages. The property has been purchased from Orkney Island's Council with funding secured from the Scottish Land Fund. It has been decided to continue to pursue renovating the original building into 4 1-2-bedroom flats but not continue with plans to build a 3-bed house at the rear of the property. An application has been drafted to be submitted to the Rural Housing Fund and plans are in progress to pursue additional funding from LEADER for renovation costs. Once funding has been secured work on renovating the building can begin.

Following on from the Board's concerns about the viability of the 3 bedroom house on Bayview land WDT is in negotiation with Westray Sailing Club (WSC) to lease part of the land to them in order for WSC to construct a boat shed. This shed will act as storage for the club's boats but also act as the site of teaching young sailors how to sail as well as traditional Westray boat building skills.

Westray Development Trust continues to support learning and education on the island by providing funding for a learning centre coordinator post and by also providing education and training grants to individuals.

The Trust continues to provide its home help scheme which offers cleaning and cooking services to those who may be in need of extra support. This has seen seven individuals benefitting from the service since it was set up in April 2016 and currently employs one person.

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), Development Grants (DG) 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 1 and 3 for five criteria: 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 4 and it is rejected, between 5 and 10 and the application is referred back to the applicant for more information and a score of between 11 and 15 means that it is passed onto the WDT Board for funding consideration.

Community Grants are for one-off projects that have a direct benefit to residents of Westray, further the charitable objectives of the Trust and that fit well with the key themes of the WDT plan. Grants awarded are between £50 and £10,000.

Westray Development Trust

Report of the Trustees For The Year to 30 June 2019

OBJECTIVES AND ACTIVITIES

Development Grants are for projects that will have a direct, long-term benefit to the community of Westray that further the charitable objectives of WDT and that fit with the key themes of the WDT plan or with identified priorities. Grants will be up to a maximum of £50,000 however, applications for larger amounts may be considered.

The Local Investment Budget is for projects that don't fit within the Community or Development Grants 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 AGM for membership 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 & Training Grants (ETG) and the Entertainment Grants (EG) schemes to the Staff Team (ST). 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 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 £500 per event which should be used for the travel and accommodation costs of travelling acts (or for freight costs, if equipment is being brought across). 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 benefited 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 to each monthly Board meeting.

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.

ACHIEVEMENT 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.

ACHIEVEMENT AND PERFORMANCE

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.

Westray Development Trust

Report of the Trustees For The Year to 30 June 2019

ACHIEVEMENT AND PERFORMANCE - Continued

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 three 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 for these existing loans is carried out by Developing Strathclyde Limited. The Loan scheme was relaunched after completion of it was reviewed during the year and future loan applications shall now be made through a company called Scottish Communities Finance.

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.

FINANCIAL REVIEW

Reserves policy

Westray Development Trust operates two types of Reserve. A General Reserve with a balance at the year-end of £1,727,111 is used to fund day to day operations, and a Restricted Reserve with a balance at the year-end of £1,283,218 which represents funds received for a specific purpose or project. The Restricted Reserve is subdivided into funds that reflect the purpose for which the finance was received and any conditions attached to its use.

Donations were received in the year from Westray Renewable Energy Ltd amounting to £370,000. Grant income received was £155,042.

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. Estimated income each year was in the region of £200,000 with the reality being in the region of £350,000-£450,000 per year.

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 three 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 on 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 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 within the 6 years after the turbine was commissioned 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 at present have £750,000 invested with CCLA and this will increase year on year as surplus funds are transferred; it is anticipated that this could earn around 4% per year in interest. Concurrently, WDT and WRE are looking at an income generating project to replace the turbine.

Westray Development Trust

Report of the Trustees For The Year to 30 June 2019

FINANCIAL REVIEW - Continued

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.

FUTURE PLANS

It is still anticipated that a Community Interest Company will be set up to run the quarry operations and that WDT staff will carry out the administration of the company under a Service Level Agreement. This will be dependent on the results of feasibility investigations and planning permissions.

WDT will work with other organisations to investigate provision of superfast broadband to the whole island. The Board agreed to add digital connectivity as a key theme within the development plan.

Funding applications will be submitted to the Scottish Land Fund and Islands Housing Fund for investigation work into housing provision on Westray. Several plots of land have already been identified and expressions of interest will be submitted through our legal experts.

Second year production within the greenhouses will commence in February 2019. Depending on the results of the research, this project may be extended on a more commercial basis. Alternatively, the greenhouses may be offered to the community for plot rental.

Finally, WDT will be continuing to engage with Alan Flint of Bank of Scotland to explore future planning strategies including the setup of a subgroup to investigate potential future income generating projects.

STRUCTURE, GOVERNANCE AND MANAGEMENT GOVERNING INSTRUMENT AND ADMINISTRATIVE STATUS

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).

The directors have taken advantage of the special exemption conferred by section 60 of the Companies Act 2006 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 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 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. At each AGM one third or 3 - 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.

Westray Development Trust

**Report of the Trustees
For The Year to 30 June 2019**

**STRUCTURE, GOVERNANCE AND MANAGEMENT
GOVERNING INSTRUMENT AND ADMINISTRATIVE STATUS - Continued**

Organisational structure

The structure of the company consists of;

(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 shall be 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 and 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 1 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

**Report of the Trustees
For The Year Ended 30 June 2019**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
SC201004 (Scotland)

Registered Charity number
SC029471

Registered office
Unit 1
Quarry Road
Westray
Orkney
KW17 2DF

Trustees

G Drever	- resigned 6.11.18
D H Leslie	
J P M Bews	- resigned 10.9.19
P Needham	- resigned 30.7.18
W Turnbull	
I W Ricketts	- resigned 30.7.18
A G Seatter	
L T Pottinger	- appointed 7.8.18
Mrs H Bain	- appointed 6.11.18
Mrs A Burgher	- appointed 6.11.18
Mrs G McEwen	- appointed 6.11.18
J Barnett	- appointed 6.11.18
	- resigned 9.7.19

Company Secretary
L T Pottinger

Senior Statutory Auditor
Alan E Long FCA, CTA

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

Bankers
Triodos
Brunel House
The Promenade
Clifton
Bristol BS8 3NN

Solicitors
Burness Paul
50 Lothian Road
Festival Square
Edinburgh
EH3 9WJ

Westray Development Trust

Report of the Trustees For The Year Ended 30 June 2019

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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare consolidated financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group 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 consolidated financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and group 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

Auditors for the coming year will be proposed for approval at the 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.

Approved by order of the board of trustees on 30 September 2019 and signed on its behalf by:



D H Leslie - Trustee

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

Opinion

We have audited the financial statements of Westray Development Trust for the year ended 30 June 2019 which comprise Group and Parent Charitable Company Statement of Financial Activities, Balance Sheets, Statement of Cash Flows and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 June 2019 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and the parent's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 22 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the consolidated financial statements is not appropriate; or
- the trustees have not disclosed in the consolidated financial statements any identified material uncertainties that may cast significant doubt about the group's and the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, 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 audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

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

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

- the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

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 charitable company's members and 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 members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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

30 September 2019

Westray Development Trust

**Consolidated Statement of Financial Activities
For The Year Ended 30 June 2019**

	Notes	Unrestricted funds £	Restricted funds £	30.06.19 Total funds £	30.06.18 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income		-	-	-	150
Grants Received	4	-	155,042	155,042	45,719
Activities for generating funds					
Electricity Generation		612,232	-	612,232	586,396
Investment income		2,564	-	2,564	696
Commercial lending		8,601	-	8,601	10,564
Sundry income (Hofn etc)		12,182	4,274	16,456	7,325
Total incoming resources		635,579	159,316	794,895	650,850
RESOURCES EXPENDED					
Costs of generating funds					
Electricity generation		129,468	-	129,468	136,362
Fundraising Shop		9,284	-	9,284	385
Charitable activities					
Project Purchases			25,146	25,146	29,575
Overheads	5	231,030	11,243	242,273	224,183
Governance costs	6	12,389	-	12,389	12,793
Taxation - Subsidiary		(3,810)	-	(3,810)	98,925
Total resources expended		378,361	36,389	414,750	502,223
NET INCOMING/(OUTGOING)					
RESOURCES before transfers		257,218	122,927	380,145	148,627
Gross transfers between funds		(3,343)	3,343	-	-
Net incoming/(outgoing) resources		253,875	126,270	380,145	148,627
RECONCILIATION OF FUNDS					
Total funds brought forward		2,335,993	1,156,948	3,492,941	3,344,314
TOTAL FUNDS CARRIED FORWARD		2,589,868	1,283,218	3,873,086	3,492,941

The notes form part of these consolidated financial statements

Westray Development Trust

**Balance Sheet
At 30 June 2019**

	Notes	Group 30.06.19 £	Group 30.06.18 £	Charity 30.06.19 £	Charity 30.06.18 £
FIXED ASSETS					
Tangible assets	11	1,166,278	1,240,899	476,911	484,616
Investments	12	2,000	2,000	2,100	2,100
		<u>1,168,278</u>	<u>1,242,899</u>	<u>479,011</u>	<u>486,716</u>
CURRENT ASSETS					
Debtors: amounts falling due within one year	13	255,290	155,148	122,398	129,794
Debtors: amounts falling due after more than one year	13	327,229	344,830	353,406	466,055
Cash at bank and in hand		<u>2,307,193</u>	<u>2,019,052</u>	<u>2,065,867</u>	<u>1,655,818</u>
		<u>2,889,712</u>	<u>2,519,030</u>	<u>2,541,671</u>	<u>2,251,667</u>
CREDITORS					
Amounts falling due within one year	14	<u>103,682</u>	<u>125,181</u>	<u>10,353</u>	<u>12,115</u>
NET CURRENT ASSETS/(LIABILITIES)					
		<u>2,786,030</u>	<u>2,393,849</u>	<u>2,531,318</u>	<u>2,239,552</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>3,954,308</u>	<u>3,636,748</u>	<u>3,010,329</u>	<u>2,726,268</u>
CREDITORS					
Amounts falling due after more than one year	15	-	62,585	-	-
PROVISION FOR LIABILITIES					
	17	81,222	81,222	-	-
NET ASSETS					
	18	<u>3,873,086</u>	<u>3,492,941</u>	<u>3,010,329</u>	<u>2,726,268</u>
FUNDS					
19					
Unrestricted funds					
General Funds		1,501,752	1,219,322	638,994	452,649
Designated Funds		1,088,116	1,116,671	1,088,117	1,116,671
Restricted funds					
		<u>1,283,218</u>	<u>1,156,948</u>	<u>1,283,218</u>	<u>1,156,948</u>
		<u>3,873,086</u>	<u>3,492,941</u>	<u>3,010,329</u>	<u>2,726,268</u>

The notes form part of these consolidated financial statements

Westray Development Trust

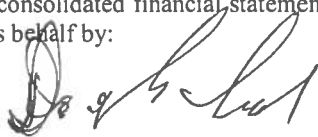
Balance Sheet – continued
At 30 June 2019

The Trustees have prepared group accounts in accordance with section 398 of Companies Act 2006 and section 44 of the Charities and Trustee Investment (Scotland) Act 2005.

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, and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

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

The consolidated financial statements were approved by the Board of Trustees on 30 September 2019 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'D H Leslie', is written over the text 'on its behalf by:'. The signature is cursive and somewhat stylized.

D H Leslie - Trustee

Westray Development Trust

**Cash Flow Statement
For The Year Ended 30 June 2019**

	30.6.19	30.6.18
	£	£
Cash flows from operating activities:		
Cash generated from operations – see below	283,792	248,850
Finance costs	<u>-</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>283,792</u>	<u>248,850</u>
Cash flows from investing activities:		
Purchase of tangible fixed assets	(12,816)	(9,497)
Sale of tangible fixed assets	6,000	-
Interest received	11,085	11,261
Dividends received	<u>80</u>	<u>60</u>
Net cash provided by (used in) investing activities	<u>4,349</u>	<u>1,824</u>
Change in cash and cash equivalents in the reporting period	288,141	250,674
Cash and cash equivalents at the beginning of the reporting period	<u>2,019,052</u>	<u>1,768,378</u>
Cash and cash equivalents at the end of the reporting period	<u><u>2,307,193</u></u>	<u><u>2,019,052</u></u>

RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	30.6.19	30.6.18
	£	£
Net income for the reporting period (as per the statement of financial activities)	380,145	148,627
Adjustments for:		
Depreciation charges	81,437	81,766
Deferred Taxation	-	81,222
Interest received	(11,085)	(11,261)
Dividends received	(80)	(60)
Increase / Decrease in debtors	(82,541)	203
Decrease/Increase in Creditors	<u>(84,084)</u>	<u>(51,241)</u>
Net cash provided by (used in) operating activities	<u>283,792</u>	<u>248,850</u>

The notes form part of these financial statements

Westray Development Trust

Notes to the consolidated financial statements For The Year Ended 30 June 2019

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Westray Development Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary, Westray Renewable Energy Limited on a line by line basis.

Interest Receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Investment income comprises interest receivable on loaned funds and is included when receivable and the amount can be measured reliably by the charity; this is normally calculated in accordance with the relevant loan documentation.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income, the amount can be quantified with reasonable accuracy and any performance conditions attached to the items of income have been met.

Voluntary income is received by way of donations and donated assets and is included in the Statement of Financial Activities when receivable. Donated assets are capitalised at a value equivalent to market value at the date of donation.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Expenditure and irrecoverable VAT

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.

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

1. Costs of generating funds comprise the costs of commercial wind generation (subsidiary) and their associated support costs.
2. Expenditure on charitable activities includes the costs of operating charitable venues (Hofn etc.), supporting local projects and events, and associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Westray Development Trust

Notes to the consolidated financial statements - continued For The Year Ended 30 June 2019

Tangible fixed assets

Fixed assets (excluding investments) are stated at cost less accumulated depreciation. The costs of minor additions are not capitalised. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property (Buildings)	2% on cost
Equipment	25% on reducing balance
Turbines	4% on cost

Investments held as fixed assets are valued at cost adjusted for impairment, where appropriate.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash held by the charity and bank deposits.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

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

Deferred tax (Subsidiary)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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 financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Westray Development Trust

**Notes to the consolidated financial statements – continued
For The Year Ended 30 June 2019**

2. FINANCIAL PERFORMANCE OF THE CHARITY

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

		Unrestricted	Restricted	30.06.19	30.06.18
	Notes	funds	funds	Total	Total
		£	£	£	£
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income		-		-	150
Grants Received	4	-	155,042	155,042	45,719
Activities for generating funds					
Electricity Generation		3,370	-	3,370	4,841
Rent Received		2,400	-	2,400	2,400
Donation from Subsidiary		370,000	-	370,000	350,000
Interest received from subsidiary		9,990	-	9,990	14,914
Investment Income		2,331		2,331	626
Commercial lending		8,601	-	8,601	10,564
Management Charge		5,827	-	5,827	5,827
Hofn Centre (hires and other income)		1,210		1,210	1,034
Sundry income		11,052	4,274	15,326	6,289
Total incoming resources		414,781	159,316	574,097	442,364
RESOURCES EXPENDED					
Costs of generated funds					
Project Purchases			25,146	25,146	
Fundraising shop		9,284		9,284	
Charitable activities					
Overheads		234,618	11,243	245,861	257,994
Governance costs	6	9,745		9,745	9,517
Total resources expended		253,647	36,389	290,036	267,511
NET INCOMING/(OUTGOING)					
RESOURCES before transfers		161,134	122,927	284,061	174,853
Gross transfers between funds		(3,343)	3,343	-	-
Net incoming/(outgoing) resources		157,791	126,270	284,061	174,853
RECONCILIATION OF FUNDS					
Total funds brought forward	18	1,569,320	1,156,948	2,726,268	2,551,415
TOTAL FUNDS CARRIED FORWARD		1,727,111	1,283,218	3,010,329	2,726,268

Westray Development Trust

Notes to the consolidated financial statements – continued For The Year Ended 30 June 2019

3. ACTIVITIES FOR GENERATING FUNDS – COMMERCIAL TRADING OPERATIONS

The wholly-owned trading subsidiary, Westray Renewable Energy Limited (WRE) is incorporated in the United Kingdom (company number SC280113) and pays all its profits to the charity under the gift aid scheme. WRE operates a wind turbine in Westray generating and selling electricity to the grid. A summary of the financial performance of the subsidiary alone is shown below:

	WRE Ltd	
	30.06.19	30.06.19
	£	£
Turnover	608,862	581,555
Cost of sales, administrative costs and interest	(146,587)	(158,856)
Donation to WDT	(370,000)	(350,000)
Taxation	3,810	(98,925)
Net profit/ (loss)	96,085	(26,226)
The assets and liabilities of the subsidiaries were:		
Fixed assets	689,368	756,284
Current assets	476,808	486,444
Current liabilities	(189,203)	(204,207)
Long term liabilities	(114,114)	(271,747)
Total net assets	862,859	766,774
Aggregate share capital and reserves	862,859	766,774

4. GRANTS

Grants received are as follows:	30.06.19	30.06.18
	£	£
Orkney Islands Council	8,156	13,195
Scottish Government	-	10,000
Highlands & Islands Enterprise	3,886	20,024
Westray & Papa Westray Tourist Association	-	-
Scottish Land Fund	142,500	-
Historic Scotland	500	-
Westray Community Council	-	2,500
	<u>155,042</u>	<u>45,719</u>

Westray Development Trust

**Notes to the consolidated financial statements – continued
For The Year Ended 30 June 2019**

5. COSTS OF CHARITABLE ACTIVITIES

General overheads:	30.06.19	30.06.18
	£	£
Wages	111,574	99,999
Grants and Donations (See below)	33,919	50,032
Support for Learning Centre	-	7,818
Education and Training Grants	10,717	879
Support for Local Events	1,267	832
Development Grants	9,439	12,064
Quarry Research & Development	9,810	8,434
Depreciation - Excluding turbines	10,537	10,866
Other Overheads	55,010	33,259
	<u>242,273</u>	<u>224,183</u>

The following is a summary of the principal grants and donations made by Westray Development Trust.

	£
Bisgeos Run	1,375
Rapness Kirk yard	3,360
Friends of Kalisgarth - garden claim	18,728
Golf Couse Fence	1,317
Sundry others (all < £1000)	9,139
Total	<u>33,919</u>

6. GOVERNANCE COSTS

	Group 30.06.19	Group 30.06.18	Charity 30.06.19	Charity 30.06.18
	£	£	£	£
Professional fees	11,831	12,191	9,187	8,915
PI Insurance	558	602	558	602
	<u>12,389</u>	<u>12,793</u>	<u>9,745</u>	<u>9,517</u>

7. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	30.06.19	30.06.18
	£	£
Depreciation :		
Turbines (included in cost of electricity generation)	70,901	70,901
Other assets (included in overheads)	15,521	10,866
Loss on disposal of fixed assets	-	-
Fees paid to auditor – Audit services	4,600	4,458
Other accounting services for group	<u>4,487</u>	<u>7,733</u>

Westray Development Trust

Notes to the consolidated financial statements – continued For The Year Ended 30 June 2019

8. TRUSTEES' AND DIRECTORS REMUNERATION AND BENEFITS

	30.06.19	30.06.18
	£	£
Directors' remuneration for services provided (subsidiary only)	<u>6,000</u>	<u>6,000</u>

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

No trustee received expenses in the year.

9. STAFF COSTS

	Group 30.06.19	Group 30.06.18	Charity 30.06.19	Charity 30.06.18
	£	£	£	£
Wages and Salaries	109,431	98,437	103,431	92,437
Social security costs	7,037	6,894	7,037	6,894
Pensions	1,106	668	1,106	668
	<hr/> 117,574	<hr/> 105,999	<hr/> 111,574	<hr/> 99,999
Average number of employees	13	13	7	7

Westray Development Trust

**Notes to the consolidated financial statements – continued
For The Year Ended 30 June 2019**

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOMING RESOURCES			
Incoming resources from generated funds			
Voluntary income	150	-	150
Grants Received	2,500	43,219	45,719
Activities for generating funds			
Electricity Generation	586,396	-	586,396
Investment income	696	-	696
Commercial lending	10,564	-	10,564
Sundry income (Hofn etc)	4,792	2,533	7,325
	<hr/>		
Total incoming resources	605,098	45,752	650,850
RESOURCES EXPENDED			
Costs of generating funds			
Electricity generation	136,747	29,575	166,322
Charitable activities			
Overheads	196,856	27,327	224,183
Governance costs	12,793	-	12,793
Taxation - Subsidiary	98,925	-	98,925
	<hr/>		
Total resources expended	445,321	56,902	502,223
NET INCOMING/(OUTGOING) RESOURCES before transfers			
	159,777	(11,150)	148,627
Gross transfers between funds	(17,464)	17,464	-
	<hr/>		
Net incoming/(outgoing) resources	142,313	6,314	148,627
RECONCILIATION OF FUNDS			
Total funds brought forward	2,193,680	1,150,634	3,344,314
TOTAL FUNDS CARRIED FORWARD	2,335,993	1,156,948	3,492,941

Westray Development Trust

**Notes to the consolidated financial statements - continued
For The Year Ended 30 June 2019**

11. TANGIBLE FIXED ASSETS

	Freehold property	Equipment	Turbines	Totals
	£	£	£	£
COST				
At 1 July 2018	425,671	78,926	1,452,944	1,957,541
Additions	-	12,817	-	12,817
Disposals	(6,000)	-	-	(6,000)
	<u>419,671</u>	<u>91,743</u>	<u>1,452,944</u>	<u>1,964,358</u>
At 30 June 2019	<u>419,671</u>	<u>91,743</u>	<u>1,452,944</u>	<u>1,964,358</u>
DEPRECIATION				
At 1 July 2018	30,531	38,391	647,720	716,642
Charge for year	4,212	6,325	70,901	81,438
Eliminated on disposal	-	-	-	-
	<u>34,743</u>	<u>44,716</u>	<u>718,621</u>	<u>798,080</u>
At 30 June 2019	<u>34,743</u>	<u>44,716</u>	<u>718,621</u>	<u>798,080</u>
NET BOOK VALUE				
At 30 June 2019	<u>384,928</u>	<u>47,027</u>	<u>734,323</u>	<u>1,166,278</u>
At 30 June 2018	<u>395,140</u>	<u>40,535</u>	<u>805,224</u>	<u>1,240,899</u>

Included in turbines shown above is the Gallowhill wind turbine owned by Westray Renewable Energy Limited at a cost of £1,338,324 and depreciation to date of £689,368.

Included in cost or valuation of land and buildings is freehold land of the charity of £236,905 (2018 - £236,905). The Trustees consider that the current value of land and buildings is equal to that at which they are carried in the accounts.

12. FIXED ASSET INVESTMENTS

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Westray Renewable Energy Limited (wholly owned subsidiary)

Country of incorporation: Scotland

Nature of business: Wind energy production

Holding: 100 Ordinary shares of £1 each

The results of the subsidiary company are shown in note 3.

Other Investment

This comprises a small minority holding of 2,000 Ordinary £1 Shares in Westray Processors Ltd, which is an unlisted Industrial and Provident Society registered in Scotland.

Westray Development Trust

Notes to the consolidated financial statements – continued
For The Year Ended 30 June 2019

13. DEBTORS

	Group 30.06.19	Group 30.06.18	Charity 30.06.19	Charity 30.06.18
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	31,708	15,587	-	-
Amounts owed by group undertakings	-	-	95,048	89,838
Commercial loan	17,601	17,174	17,601	17,174
Other debtors and prepayments	205,981	122,387	9,749	22,782
	<u>255,290</u>	<u>155,148</u>	<u>122,398</u>	<u>129,794</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	32,892	127,940
Commercial loans	320,514	338,115	320,514	338,115
Triodos Bank Bond	6,715	6,715	-	-
	<u>327,229</u>	<u>344,830</u>	<u>353,406</u>	<u>466,055</u>
Aggregate amounts	<u><u>582,519</u></u>	<u><u>499,978</u></u>	<u><u>475,804</u></u>	<u><u>595,849</u></u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 30.06.19	Group 30.06.18	Charity 30.06.19	Charity 30.06.18
	£	£	£	£
Amount owing to Group Undertakings	-	-	827	827
Other creditors	41,097	45,407	9,526	11,288
Bank Loan (Secured – note 16)	62,585	79,774	-	-
	<u>103,682</u>	<u>125,181</u>	<u>10,353</u>	<u>12,115</u>

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

	Group 30.06.19	Group 30.06.18	Charity 30.06.19	Charity 30.06.18
	£	£	£	£
Bank Loan (Secured – note 16)	62,585	142,359	-	-
	<u>62,585</u>	<u>142,359</u>	<u>-</u>	<u>-</u>
Bank Loan (repayable by instalment):				
Current liability	62,585	79,774	-	-
Repayable in 1 - 2 years	-	62,585	-	-
Repayable in 2 - 5 years	-	-	-	-
Repayable in more than 5 years	-	-	-	-
	<u>62,585</u>	<u>142,359</u>	<u>-</u>	<u>-</u>

Westray Development Trust

Notes to the consolidated financial statements – continued For The Year Ended 30 June 2019

16. SECURED DEBTS

The following secured debts are included within creditors:

	Group 30.06.19	Group 30.06.18	Charity 30.06.19	Charity 30.06.18
	£	£	£	£
Triodos Bank NV	62,585	142,359	-	-

Triodos Bank NV has a bond and floating charge over all property and assets of Westray Renewable Energy Limited and a standard security over the company's interest in a lease between it and Westray Development Trust in respect of land in Westray. Triodos Bank NV also has security over the whole issued share capital of the company and has conditional contractual rights in connection with material contracts undertaken by Westray Renewable Energy Limited.

17. PROVISIONS FOR LIABILITIES

Deferred tax has been provided in the accounts of the trading subsidiary, Westray Renewable Energy Limited.

	30.6.19 £	30.6.18 £
Deferred tax	<u>81,222</u>	<u>81,222</u>
		Deferred Tax £
Provided during year		<u>81,222</u>
Balance at 30 June 2019		<u>81,222</u>

18. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	30.06.19 Total funds	30.06.18 Total funds
Fixed Assets	812,278	354,000	1,166,278	1,240,899
Investments	2,000	-	2,000	2,000
Current Assets	1,960,494	929,218	2,889,712	2,519,030
Current Liabilities	(103,682)	-	(103,682)	(125,181)
Amounts due after more than 1 year	(81,222)	-	(81,222)	(143,807)
	<u>2,589,868</u>	<u>1,283,218</u>	<u>3,873,086</u>	<u>3,492,941</u>

Westray Development Trust

Notes to the consolidated financial statements – continued
For The Year Ended 30 June 2019

19. MOVEMENT IN CHARITABLE FUNDS - Charity

	At 1.7.18 £	Net movement in funds £	Transfers between funds £	At 30.6.19 £
Unrestricted funds				
General fund	419,042	156,195	(9,336)	565,901
Investment Budget	707,062	2,331	-	709,393
Loans budget	412,088	8,601	-	420,689
Renewable Energy Project	31,128	-	-	31,128
Fundraising Shop	-	(5,993)	5,993	-
	<u>1,569,320</u>	<u>161,134</u>	<u>(3,343)</u>	<u>1,727,111</u>
Restricted funds				
Capital Funds	1,120,724	-	-	1,120,724
Growing Project	36,224	6,467	-	42,691
Scotgrad	-	(3,090)	3,090	-
Housing	-	119,803	-	119,803
Links of Notland Legacy	-	(253)	253	-
	<u>1,156,948</u>	<u>122,927</u>	<u>3,343</u>	<u>1,283,218</u>
TOTAL FUNDS	<u>2,726,268</u>	<u>284,061</u>	<u>-</u>	<u>3,010,329</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	394,007	(237,812)	156,195
Investment Budget	2,331	-	2,331
Loans budget	8,601	-	8,601
Fundraising Shop	9,842	(15,835)	(5,993)
	<u>414,781</u>	<u>(253,647)</u>	<u>161,134</u>
Restricted funds			
Growing Project	12,430	(5,963)	6,467
Graduate	3,886	(6,976)	(3,090)
Housing	142,500	(22,697)	119,803
Links of Notland Legacy	500	(753)	(253)
	<u>159,316</u>	<u>(36,389)</u>	<u>122,927</u>
TOTAL FUNDS	<u>574,097</u>	<u>(290,036)</u>	<u>284,061</u>

Westray Development Trust

Notes to the consolidated financial statements - continued
For The Year Ended 30 June 2019

19. MOVEMENT IN CHARITABLE FUNDS – Charity (Continued)

Comparatives for movement in funds

	At 1.7.17 £	Net movement in funds £	Transfers between funds £	At 30.6.18 £
Unrestricted Funds				
General fund	261,693	174,819	(17,470)	419,042
Investment Budget	706,436	626	-	707,062
Loans budget	401,524	10,564	-	412,088
Renewable Energy Project	31,128	-	-	31,128
Fundraising Shop	-	(6)	6	-
	<u>1,400,781</u>	<u>186,003</u>	<u>(17,464)</u>	<u>1,569,320</u>
Restricted Funds				
Capital Funds	1,120,724	-	-	1,120,724
Growing Project	29,910	6,314	-	36,224
Graduate	-	(3,792)	3,792	-
Housing	-	(13,672)	13,672	-
	<u>1,150,634</u>	<u>(11,150)</u>	<u>17,464</u>	<u>1,156,948</u>
TOTAL FUNDS	<u>2,551,415</u>	<u>174,853</u>	<u>-</u>	<u>2,726,268</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	385,043	(210,224)	174,819
Investment Budget	626	-	626
Loans budget	10,564	-	10,564
Fundraising shop	379	(385)	(6)
	<u>396,612</u>	<u>(210,609)</u>	<u>186,003</u>
Restricted funds			
Growing Project	26,985	(20,671)	6,314
Graduate	8,453	(12,245)	(3,792)
Housing	10,314	(23,986)	(13,672)
	<u>45,752</u>	<u>(56,902)</u>	<u>(11,150)</u>
TOTAL FUNDS	<u>442,364</u>	<u>(267,511)</u>	<u>174,853</u>

Westray Development Trust

Notes to the consolidated financial statements - continued
For The Year Ended 30 June 2019

19. MOVEMENT IN CHARITABLE FUNDS – Charity (Continued)

A current year 12 months and prior year 12 months combined position is as follows:

Comparatives for movement in funds

	At 1.7.17 £	Net movement in funds £	Transfers between funds £	At 30.6.19 £
Unrestricted Funds				
General fund	261,693	331,013	(26,806)	565,900
Investment Budget	706,436	2,958	-	709,394
Loans budget	401,524	19,165	-	420,689
Renewable Energy Project	31,128	-	-	31,128
Fundraising Shop	-	(5,999)	5,999	-
	1,400,781	347,137	(20,807)	1,727,111
Restricted Funds				
Capital Funds	1,120,724	-	-	1,120,724
Growing Project	29,910	12,781	-	42,691
Graduate	-	(6,882)	6,882	-
House	-	106,131	13,672	119,803
Links of Noltland Legacy	-	(253)	253	-
	1,150,634	111,777	20,807	1,283,218
TOTAL FUNDS	<u>2,551,415</u>	<u>458,914</u>	<u>-</u>	<u>3,010,329</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	779,049	(448,036)	331,013
Investment Budget	2,958	-	2,958
Loans budget	19,165	-	19,165
Fundraising shop	10,221	(16,220)	(5,999)
	811,393	(464,256)	347,137
Restricted funds			
Growing Project	39,415	(26,634)	12,781
Graduate	12,339	(19,221)	(6,882)
House	152,814	(46,683)	106,131
Links of Noltland Legacy	500	(753)	(253)
	205,068	(93,291)	(111,777)
TOTAL FUNDS	<u>1,016,461</u>	<u>(557,547)</u>	<u>458,914</u>

Westray Development Trust

Notes to the consolidated financial statements - continued For The Year Ended 30 June 2019

19. MOVEMENT IN CHARITABLE FUNDS – Charity (Continued)

Name of fund	Description, nature and purpose of the fund
General fund	The “free reserves” after allowing for all designated funds.
Designated funds	1. Investment fund is the value of moneys set aside for invested for the long term development. 2. The loans fund is a revolving fund set aside for loans made to assist local development and the includes the returns on these loans.
Capital fund	This is the value of funds represented by the tangible fixed assets used by the charity on an ongoing basis along with funds committed to its subsidiary for the development of a wind turbine.
Growing Project	To develop a local vegetable growing facility in Westray
Quarry	This was to assess the feasibility for a community quarry
Housing	This was to assess the feasibility of providing more housing on the island
Fundraising shop	To set up and maintain a fund raising shop for Westray based projects
Graduate	Funding for a graduate placement for a year with in the Trust with Scotgrad contributing 70% cost of the overall cost.

20. CONTINGENT LIABILITIES

Charity

Contingent liabilities exist in respect of grants received from various bodies which could become repayable if the conditions relating to the payment of these grants are not met. The directors are not aware of any breaches of conditions that might lead to a grant being repayable.

Contingent liabilities also exist in respect of grant applications approved by Westray Development Trust but where no claim had been made for payment of funds at the year end. The unclaimed amount is £15,277.

21. RELATED PARTY DISCLOSURES

Westray Development Trust loaned funds to a wholly owned subsidiary, Westray Renewable Energy Ltd under the terms of a loan agreement to provide financial assistance to develop a wind turbine on the island. The 10 year loan is unsecured and interest is being charged at a commercial rate. Amounts due to or from group undertakings at the balance sheet date are shown in notes 13 and 14.

During the year Westray Development Trust provided assistance to local organisations with connections to one or more Trustees.

Westray Development Trust

**Notes to the Financial Statements – continued
For The Year Ended 30 June 2019**

22. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

23. ULTIMATE CONTROLLING PARTY

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