

**REGISTERED COMPANY NUMBER: SC264198 (Scotland)**  
**REGISTERED CHARITY NUMBER: SC035316**

**Report of the Trustees and  
Financial Statements for the Year Ended 31 March 2017  
for  
SLEAT COMMUNITY TRUST**

Mann Judd Gordon Ltd  
Chartered Accountants  
26 Lewis Street  
Stornoway  
Isle of Lewis  
HS1 2JF

**SLEAT COMMUNITY TRUST**

**Contents of the Financial Statements  
for the Year Ended 31 March 2017**

|  | Page     |
|--|----------|
| Report of the Trustees                     | 1 to 4   |
| Independent Examiner's Report              | 5        |
| Statement of Financial Activities          | 6        |
| Balance Sheet                              | 7 to 8   |
| Notes to the Financial Statements          | 9 to 18  |
| Detailed Statement of Financial Activities | 19 to 20 |

## **SLEAT COMMUNITY TRUST**

### **Report of the Trustees for the Year Ended 31 March 2017**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2017. 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).

This report relates to the operations of the charity and its wholly owned subsidiaries, Sleat Community Trading Company Limited and Sleat Renewables Limited, which deliver specific elements of the charity's objectives, in order to clearly show the achievements of the organisation.

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

The principal objectives of the Trust are to promote for the benefit of the inhabitants of Sleat and environs the advancement of education, the relief of poverty, the development of industry and commerce and the provision of social and leisure facilities. The directors meet monthly as do the two trading subsidiaries. There are also several sub-groups each led by one of the directors pursuing particular areas of interest. These sub-groups report to the main board or its subsidiaries and are concerned with development of tourism, the environment and forest development. The charity has established an office which is staffed fully each day. There are over 500 members, representing over 70% of the adult population of Sleat.

##### **Grantmaking**

The Tormore Enterprise Fund (TEF) was a small grant fund for community groups, organisations, entrepreneurs and businesses which operate within the Sleat environs. Grants of up to £1,000 were available to constituted groups and up to £500 to un-constituted groups. In 2013 the fund also accepted applications from local entrepreneurs, existing Sleat businesses or from the creative arts looking for investment of up to £750 in their bright idea. The funding was to be used for a variety of purposes (e.g. new piece of equipment to grow or start your business, funding for a business plan, knowledge visits or for training to learn a new skill). A small grant award committee of trustees and staff met to decide on each submission to the fund and the award to be given to successful applicants.

The fund was closed to new applications at the end of March 2014 and fully expended by 31 March 2015.

#### **ACHIEVEMENT AND PERFORMANCE**

##### **Charitable activities**

Activities during the year to 31 March 2017 included:

- The successful connection of Skynet to the West Highland Access Network, bringing superfast backhaul via the West Coast Backbone, research and development programme by the University of Edinburgh.
- An increase to 93 Skynet subscribers
- A volunteer-run café operating from the portacabin during the summer.
- The carrying out of a review of the Long Term Forest Plan.
- Retention of the subsidised taxi service through funding from Highland Council.
- The carrying out of a community consultation into proposed house sites at Tormore.
- The running of a logo competition for Tormore, with Bun Sgoil Shlèite.
- The organisation of the third 'Made in Sleat' exhibition of the work of local artists and makers.
- The continuation of split log supply to Sleat householders.
- The continued expansion of the Visit Sleat project through new visitor leaflets and the development of a new website.
- A winter series of talks facilitated by the Trust's Environment Advisory Group.
- The creation of a commemorative stone seat at the Fank area with a natively grown Aspen Grove.
- The improvement of the Tormore Fank BBQ area.
- The creation of a Land Managers Advisory Group.
- The expansion of the path network in Tormore, linking the Forest School area to the Fank area.
- The addition of a fuel pump controller in the shop.
- Another successful series of Forest School sessions in Tormore Forest, run by a local volunteer, Emma Micski.
- The successful engagement of the wider community of volunteers to enable facilitation of recreational activities within Tormore Forest.

The trustees are grateful to the bodies that assisted in funding the projects undertaken during the year.

## **SLEAT COMMUNITY TRUST**

### **Report of the Trustees for the Year Ended 31 March 2017**

#### **FINANCIAL REVIEW**

##### **Reserves policy**

The trustees have set a target of maintaining liquid reserves to cover at least three months of core funding. Current calculations put this figure at approximately £25,000 and therefore the target was met at 31 March 2017.

#### **FUTURE PLANS**

The Trust and its subsidiaries aim to deliver the following within the next financial year:

- The expansion of Skyenet to 110 subscribers.
- The progression of the development of the Armadale Trading Site for redevelopment.
- The beginning of a phase of felling, according to the amended Long Term Forest Plan.
- The completion of the new Visit Sleat website.
- The beginning of the establishment of a community kiln project in Tormore.
- The continuation of Post Office, fuel and retail services for the benefit of the community.
- The creation of additional path networks and signage within Tormore Forest.
- The progression of plans of a potential micro hydro project in Tormore Forest.
- The progression of plans to sell house plots in Tormore, to reduce the Trust's debt burden and to help fund the redevelopment of the Armadale Trading Site.
- The expansion of wood fuel products along with an increase of the woodchip customer base.
- The continued engagement with community volunteers to further Tormore: Explore activities.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The Trust is incorporated as a company limited by guarantee, incorporated on 1 March 2004. It was granted recognition by the Inland Revenue as a charity on 1 March 2004.

The objects and powers of the Trust are set out in its Memorandum of Association, in terms of which its principal purpose is to promote for the benefit of the inhabitants of Sleat and environs in partnership with public and voluntary organisations and locals, the advancement of education, the relief of poverty, development of industry and commerce and provision of social and leisure facilities.

##### **Recruitment and appointment of new trustees**

Directors are appointed to represent the community and are elected at the annual general meeting. Newly appointed directors are given a short period of induction on the operation and aims of the board by existing directors following appointment.

##### **Organisational structure**

The Trust has two wholly owned subsidiaries Sleat Renewables Ltd (SRL) and Sleat Community Trading Company Limited (SCTCL).

##### **Trust Manager**

Following the resignation of the Trust manager in February 2017, the board decided not to replace her, in order to increase the direct involvement of the trustees in the management of the Trust.

##### **Related parties**

The charity is a member of the Development Trusts Association Scotland (DTAS). DTAS is the national body for development trusts in Scotland, supporting organisations in unlocking the potential within their community. The Trust is also a member of the Community Woodlands Association, Community Energy Scotland and Community Land Scotland.

##### **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 principal risk to which the charity is exposed is the inability to raise sufficient funds to achieve its objectives. The directors ensure that adequate funding is in place before committing the charity to any expenditure. Monthly cash flow reports and discussion of finances at each board meeting ensure robust fiscal management by the trustees and staff.

**SLEAT COMMUNITY TRUST**

**Report of the Trustees  
for the Year Ended 31 March 2017**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

SC264198 (Scotland)

**Registered Charity number**

SC035316

**Registered office**

Faolinn Cottage  
Armadale  
Sleat  
Isle of Skye  
IV45 8RS

**Trustees**

A MacCalman  
P H Roberts  
H Petri  
E C Armstrong  
J MacInnes  
J D MacInnes  
H J Micski  
S Smart  
D A MacLennan - appointed 5.10.16  
J N Macleod - resigned 5.10.16

**Company Secretary**

H Petri

**Independent examiner**

A Cumming  
Fellow - Association of Chartered Certified Accountants  
Mann Judd Gordon Ltd  
Chartered Accountants  
26 Lewis Street  
Stornoway  
Isle of Lewis  
HS1 2JF

**Bankers**

Royal Bank of Scotland  
Main Street  
Kyle of Lochalsh  
IV40 8AB

## **SLEAT COMMUNITY TRUST**

### **Report of the Trustees for the Year Ended 31 March 2017**

#### **STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of Sleat Community Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the 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 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

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 26 October 2017 and signed on its behalf by:

A MacCalman - Trustee

## **Independent Examiner's Report to the Trustees of Sleat Community Trust**

I report on the accounts for the year ended 31 March 2017 set out on pages six to eighteen.

### **Respective responsibilities of trustees and examiner**

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

### **Basis of the independent examiner's report**

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

### **Independent examiner's statement**

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

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

have not been met; or

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

A Cumming  
Fellow - Association of Chartered Certified Accountants  
Mann Judd Gordon Ltd  
Chartered Accountants  
26 Lewis Street  
Stornoway  
Isle of Lewis  
HS1 2JF

26 October 2017

**SLEAT COMMUNITY TRUST**

**Statement of Financial Activities  
for the Year Ended 31 March 2017**

|                                    | Notes | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 31.3.17<br>Total funds<br>£ | 31.3.16<br>Total funds<br>£ |
|------------------------------------|-------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| <b>INCOME AND ENDOWMENTS FROM</b>  |       |                            |                          |                             |                             |
| Donations and legacies             | 2     | 72,126                     | 53,640                   | 125,766                     | 229,432                     |
| Other trading activities           | 3     | 1,841                      | -                        | 1,841                       | 2,416                       |
| Investment income                  | 4     | <u>9,000</u>               | <u>-</u>                 | <u>9,000</u>                | <u>9,012</u>                |
| <b>Total</b>                       |       | 82,967                     | 53,640                   | 136,607                     | 240,860                     |
| <b>EXPENDITURE ON</b>              |       |                            |                          |                             |                             |
| <b>Charitable activities</b>       |       |                            |                          |                             |                             |
| Charitable activities              |       | 76,091                     | 45,231                   | 121,322                     | 142,584                     |
| Depreciation                       |       | <u>-</u>                   | <u>34,106</u>            | <u>34,106</u>               | <u>11,561</u>               |
| <b>Total</b>                       |       | <u>76,091</u>              | <u>79,337</u>            | <u>155,428</u>              | <u>154,145</u>              |
| <b>NET INCOME/(EXPENDITURE)</b>    |       | 6,876                      | (25,697)                 | (18,821)                    | 86,715                      |
| <b>Transfers between funds</b>     | 15    | <u>9,238</u>               | <u>(9,238)</u>           | <u>-</u>                    | <u>-</u>                    |
| <b>Net movement in funds</b>       |       | 16,114                     | (34,935)                 | (18,821)                    | 86,715                      |
| <b>RECONCILIATION OF FUNDS</b>     |       |                            |                          |                             |                             |
| <b>Total funds brought forward</b> |       | <u>79,716</u>              | <u>519,271</u>           | <u>598,987</u>              | <u>512,273</u>              |
| <b>TOTAL FUNDS CARRIED FORWARD</b> |       | <u><u>95,830</u></u>       | <u><u>484,336</u></u>    | <u><u>580,166</u></u>       | <u><u>598,988</u></u>       |

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements



**SLEAT COMMUNITY TRUST**

**Balance Sheet  
At 31 March 2017**

|  | Notes | Unrestricted funds<br>£ | Restricted funds<br>£ | 31.3.17<br>Total funds<br>£ | 31.3.16<br>Total funds<br>£ |
|--|-------|-------------------------|-----------------------|-----------------------------|-----------------------------|
| <b>FIXED ASSETS</b>                          |       |                         |                       |                             |                             |
| Tangible assets                              | 9     | 194,001                 | 485,836               | 679,837                     | 705,963                     |
| Investments                                  | 10    | <u>200</u>              | <u>-</u>              | <u>200</u>                  | <u>200</u>                  |
|  |       | 194,201                 | 485,836               | 680,037                     | 706,163                     |
| <b>CURRENT ASSETS</b>                        |       |                         |                       |                             |                             |
| Debtors                                      | 11    | 22,230                  | 1,587                 | 23,817                      | 31,976                      |
| Cash at bank                                 |       | <u>5,750</u>            | <u>-</u>              | <u>5,750</u>                | <u>30,398</u>               |
|  |       | 27,980                  | 1,587                 | 29,567                      | 62,374                      |
| <b>CREDITORS</b>                             |       |                         |                       |                             |                             |
| Amounts falling due within one year          | 12    | <u>(21,085)</u>         | <u>(3,087)</u>        | <u>(24,172)</u>             | <u>(46,488)</u>             |
| <b>NET CURRENT ASSETS/(LIABILITIES)</b>      |       | <u>6,895</u>            | <u>(1,500)</u>        | <u>5,395</u>                | <u>15,886</u>               |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                         |                       |                             |                             |
|  |       | 201,096                 | 484,336               | 685,432                     | 722,049                     |
| <b>CREDITORS</b>                             |       |                         |                       |                             |                             |
| Amounts falling due after more than one year | 13    | <u>(105,266)</u>        | <u>-</u>              | <u>(105,266)</u>            | <u>(123,062)</u>            |
| <b>NET ASSETS</b>                            |       | <u>95,830</u>           | <u>484,336</u>        | <u>580,166</u>              | <u>598,987</u>              |
| <b>FUNDS</b>                                 |       |                         |                       |                             |                             |
| Unrestricted funds                           | 15    |                         |                       | 95,830                      | 79,716                      |
| Restricted funds                             |       |                         |                       | <u>484,336</u>              | <u>519,271</u>              |
| <b>TOTAL FUNDS</b>                           |       |                         |                       | <u>580,166</u>              | <u>598,987</u>              |

The notes form part of these financial statements

**SLEAT COMMUNITY TRUST**

**Balance Sheet - continued**  
**At 31 March 2017**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2017.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2017 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These 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 statements were approved by the Board of Trustees on 26 October 2017 and were signed on its behalf by:

A MacCalman - Trustee

J MacInnes - Trustee

**Notes to the Financial Statements  
for the Year Ended 31 March 2017**

**1. ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

The presentation currency of the accounts is Pound sterling (£).

The accounts are rounded to the nearest £1.

**Going Concern**

The Charity is a going concern and there are **no** material uncertainties casting significant doubt over its ability to continue as a going concern.

**Financial reporting standard 102 - reduced disclosure exemptions**

The charity has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A.

**Preparation of consolidated financial statements**

The financial statements contain information about Sleat Community Trust as an individual charity and do not contain consolidated financial information as the parent of a group. The charity has taken the option under Section 398 of the Companies Act 2006 not to prepare consolidated financial statements.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. 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.

|                       |                |
|-----------------------|----------------|
| Heritable property    | - 2% on cost   |
| Tormore forest        | - not provided |
| Property improvements | - 10% on cost  |
| Office equipment      | - 20% on cost  |
| Community Broadband   | - 10% on cost  |

Depreciation is not charged on the purchase price of Tormore Forest due to fact that the value is based on the land and is therefore non-depreciable.

**SLEAT COMMUNITY TRUST**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2017**

**1. ACCOUNTING POLICIES - continued**

**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.

**2. DONATIONS AND LEGACIES**

|  | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 31.3.17<br>Total<br>funds<br>£ | 31.3.16<br>Total<br>funds<br>£ |
|--|----------------------------|--------------------------|--------------------------------|--------------------------------|
| Donations                                    | 60                         | -                        | 60                             | 160                            |
| Grants                                       | 7,236                      | 53,640                   | 60,876                         | 166,874                        |
| Membership fees                              | -                          | -                        | -                              | 300                            |
| Donation from Sleat Renewables Limited       | 691                        | -                        | 691                            | 7,024                          |
| Woodland occupation charge                   | 54,000                     | -                        | 54,000                         | 45,000                         |
| Infra-red camera hire                        | -                          | -                        | -                              | 462                            |
| Skyenet                                      | 139                        | -                        | 139                            | 1,012                          |
| Skyenet Community Broadband<br>match-funding | 6,000                      | -                        | 6,000                          | 7,600                          |
| Visit Sleat MoU                              | <u>4,000</u>               | <u>-</u>                 | <u>4,000</u>                   | <u>1,000</u>                   |
|  | <u>72,126</u>              | <u>53,640</u>            | <u>125,766</u>                 | <u>229,432</u>                 |

Grants received, included in the above, are as follows:

|                                      | 31.3.17<br>£  | 31.3.16<br>£   |
|--------------------------------------|---------------|----------------|
| Highlands and Islands Enterprise     | 8,413         | 121,805        |
| Highland Council                     | 10,000        | 19,500         |
| Development Trust Association        | 35,377        | -              |
| Big Lottery fund                     | -             | 10,000         |
| Scottish Rural Development Programme | 7,086         | 5,975          |
| Carbon Clever Fund                   | -             | 8,094          |
| Paths for All                        | <u>-</u>      | <u>1,500</u>   |
|                                      | <u>60,876</u> | <u>166,874</u> |

**3. OTHER TRADING ACTIVITIES**

|                     | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 31.3.17<br>Total<br>funds<br>£ | 31.3.16<br>Total<br>funds<br>£ |
|---------------------|----------------------------|--------------------------|--------------------------------|--------------------------------|
| Fundraising events  | 1,355                      | -                        | 1,355                          | 1,554                          |
| Other earned income | <u>486</u>                 | <u>-</u>                 | <u>486</u>                     | <u>862</u>                     |
|                     | <u>1,841</u>               | <u>-</u>                 | <u>1,841</u>                   | <u>2,416</u>                   |

**SLEAT COMMUNITY TRUST**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2017**

**4. INVESTMENT INCOME**

|                          | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 31.3.17<br>Total<br>funds<br>£ | 31.3.16<br>Total<br>funds<br>£ |
|--------------------------|----------------------------|--------------------------|--------------------------------|--------------------------------|
| Rents received           | 9,000                      | -                        | 9,000                          | 9,000                          |
| Deposit account interest | -                          | -                        | -                              | 12                             |
|                          | <u>9,000</u>               | <u>-</u>                 | <u>9,000</u>                   | <u>9,012</u>                   |

**5. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

|                             | 31.3.17<br>£  | 31.3.16<br>£  |
|-----------------------------|---------------|---------------|
| Depreciation - owned assets | <u>34,106</u> | <u>11,561</u> |

**6. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2017 nor for the year ended 31 March 2016.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2017 nor for the year ended 31 March 2016.

**7. STAFF COSTS**

The average monthly number of employees during the year was as follows:

|  | 31.3.17  | 31.3.16  |
|--|----------|----------|
| Management, administration & development | <u>3</u> | <u>4</u> |

No employees received emoluments in excess of £60,000.

**SLEAT COMMUNITY TRUST**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2017**

**8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

|                                    | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total funds<br>£      |
|------------------------------------|----------------------------|--------------------------|-----------------------|
| <b>INCOME AND ENDOWMENTS FROM</b>  |                            |                          |                       |
| Donations and legacies             | 74,433                     | 154,999                  | 229,432               |
| Other trading activities           | 1,533                      | 883                      | 2,416                 |
| Investment income                  | <u>9,012</u>               | <u>-</u>                 | <u>9,012</u>          |
| <b>Total</b>                       | 84,978                     | 155,882                  | 240,860               |
| <b>EXPENDITURE ON</b>              |                            |                          |                       |
| <b>Charitable activities</b>       |                            |                          |                       |
| Charitable activities              | 89,702                     | 52,882                   | 142,584               |
| Depreciation                       | <u>-</u>                   | <u>11,561</u>            | <u>11,561</u>         |
| <b>Total</b>                       | <u>89,702</u>              | <u>64,443</u>            | <u>154,145</u>        |
| <b>NET INCOME/(EXPENDITURE)</b>    | (4,724)                    | 91,439                   | 86,715                |
| <b>Transfers between funds</b>     | <u>(12,669)</u>            | <u>12,669</u>            | <u>-</u>              |
| <b>Net movement in funds</b>       | (17,393)                   | 104,108                  | 86,715                |
| <b>RECONCILIATION OF FUNDS</b>     |                            |                          |                       |
| <b>Total funds brought forward</b> | <u>97,109</u>              | <u>415,164</u>           | <u>512,273</u>        |
| <b>TOTAL FUNDS CARRIED FORWARD</b> | <u><u>79,716</u></u>       | <u><u>519,272</u></u>    | <u><u>598,988</u></u> |

SLEAT COMMUNITY TRUST

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2017

9. TANGIBLE FIXED ASSETS

|                       | Heritable<br>property<br>£ | Tormore<br>forest<br>£      | Property<br>improvements<br>£ |
|-----------------------|----------------------------|-----------------------------|-------------------------------|
| <b>COST</b>           |                            |                             |                               |
| At 1 April 2016       | 281,431                    | 330,000                     | 34,740                        |
| Additions             | -                          | -                           | -                             |
| At 31 March 2017      | <u>281,431</u>             | <u>330,000</u>              | <u>34,740</u>                 |
| <b>DEPRECIATION</b>   |                            |                             |                               |
| At 1 April 2016       | 45,027                     | -                           | 8,380                         |
| Charge for year       | <u>5,629</u>               | <u>-</u>                    | <u>3,474</u>                  |
| At 31 March 2017      | <u>50,656</u>              | <u>-</u>                    | <u>11,854</u>                 |
| <b>NET BOOK VALUE</b> |                            |                             |                               |
| At 31 March 2017      | <u>230,775</u>             | <u>330,000</u>              | <u>22,886</u>                 |
| At 31 March 2016      | <u>236,404</u>             | <u>330,000</u>              | <u>26,360</u>                 |
|                       | Office<br>equipment<br>£   | Community<br>Broadband<br>£ | Totals<br>£                   |
| <b>COST</b>           |                            |                             |                               |
| At 1 April 2016       | 6,418                      | 117,035                     | 769,624                       |
| Additions             | <u>7,980</u>               | <u>-</u>                    | <u>7,980</u>                  |
| At 31 March 2017      | <u>14,398</u>              | <u>117,035</u>              | <u>777,604</u>                |
| <b>DEPRECIATION</b>   |                            |                             |                               |
| At 1 April 2016       | 6,417                      | 3,837                       | 63,661                        |
| Charge for year       | <u>1,596</u>               | <u>23,407</u>               | <u>34,106</u>                 |
| At 31 March 2017      | <u>8,013</u>               | <u>27,244</u>               | <u>97,767</u>                 |
| <b>NET BOOK VALUE</b> |                            |                             |                               |
| At 31 March 2017      | <u>6,385</u>               | <u>89,791</u>               | <u>679,837</u>                |
| At 31 March 2016      | <u>1</u>                   | <u>113,198</u>              | <u>705,963</u>                |

**SLEAT COMMUNITY TRUST**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2017**

**10. FIXED ASSET INVESTMENTS**

|                                   | Shares in<br>group<br>undertakings<br>£ |
|-----------------------------------|---|
| <b>MARKET VALUE</b>               |   |
| At 1 April 2016 and 31 March 2017 | <u>200</u>                              |
| <br><b>NET BOOK VALUE</b>         |   |
| At 31 March 2017                  | <u>200</u>                              |
| At 31 March 2016                  | <u>200</u>                              |

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:

**Sleat Community Trading Company Limited**

Nature of business: Operating Skye Ferry Filling Station & Shop

|                                | %       |              |              |
|--------------------------------|---------|--------------|--------------|
| Class of share:                | holding |              |              |
| Ordinary                       | 100     |              |              |
|                                |         | 31.3.17      | 31.3.16      |
|                                |         | £            | £            |
| Aggregate capital and reserves |         | (459)        | (5,129)      |
| Profit for the year            |         | <u>4,670</u> | <u>3,156</u> |

A memorandum of understanding exists between the Trust and SCTCL which details the financial interaction between both companies in relation to trading activities in Skyenet and Visit Sleat and remuneration thereof.

**Sleat Renewables Limited**

Nature of business: Management of Tormore Community Forest

|                                | %       |                 |               |
|--------------------------------|---------|-----------------|---------------|
| Class of share:                | holding |                 |               |
| Ordinary                       | 100     |                 |               |
|                                |         | 31.3.17         | 31.3.16       |
|                                |         | £               | £             |
| Aggregate capital and reserves |         | 321,331         | 337,979       |
| (Loss)/profit for the year     |         | <u>(16,648)</u> | <u>86,075</u> |

A memorandum of understanding exists between the Trust and SRL which details the financial interaction between both companies in relation to trading activities in Tormore Forest and remuneration thereof.

Comprising shares in group undertakings, which are unlisted companies, and are social investments in wholly owned trading subsidiary companies. These investments are made primarily to further the objects of the charity.

As permitted by SORP 2015 module 'Accounting for social investments', these investments are included at cost rather than market value.



**SLEAT COMMUNITY TRUST**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2017**

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    | 31.3.17       | 31.3.16       |
|------------------------------------|---------------|---------------|
|                                    | £             | £             |
| Trade debtors                      | 231           | -             |
| Amounts owed by group undertakings | 21,899        | 23,899        |
| Other debtors                      | 100           | 100           |
| Accrued income                     | <u>1,587</u>  | <u>7,977</u>  |
|                                    | <u>23,817</u> | <u>31,976</u> |

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|   | 31.3.17       | 31.3.16       |
|---|---------------|---------------|
|   | £             | £             |
| Bank loans and overdrafts (see note 14) | 87            | 4,274         |
| Other loans (see note 14)               | 17,500        | 23,881        |
| Trade creditors                         | 1,927         | 14,700        |
| Amounts owed to group undertakings      | -             | 691           |
| Social security and other taxes         | 254           | 732           |
| Accruals and deferred income            | -             | 1,250         |
| Accrued expenses                        | <u>4,404</u>  | <u>960</u>    |
|   | <u>24,172</u> | <u>46,488</u> |

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|                           | 31.3.17        | 31.3.16        |
|---------------------------|----------------|----------------|
|                           | £              | £              |
| Other loans (see note 14) | <u>105,266</u> | <u>123,062</u> |

**SLEAT COMMUNITY TRUST**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2017**

**14. LOANS**

An analysis of the maturity of loans is given below:

|   | 31.3.17<br>£  | 31.3.16<br>£  |
|---|---------------|---------------|
| Amounts falling due within one year on demand:  |               |               |
| Bank overdraft                                  | 87            | 4,274         |
| Social Investment Scotland                      | 17,500        | 9,600         |
| Highland Opportunity                            | -             | 2,751         |
| Triodos Bank UK                                 | -             | 5,159         |
| Social Investment Scotland 2                    | <u>-</u>      | <u>6,371</u>  |
|   | <u>17,587</u> | <u>28,155</u> |
| Amounts falling between one and two years:      |               |               |
| Social Investment Scotland                      | 18,300        | 9,600         |
| Social Investment Scotland 2                    | <u>-</u>      | <u>7,000</u>  |
|   | <u>18,300</u> | <u>16,600</u> |
| Amounts falling due between two and five years: |               |               |
| Social Investment Scotland                      | 63,100        | 28,800        |
| Social Investment Scotland 2                    | <u>-</u>      | <u>24,000</u> |
|   | <u>63,100</u> | <u>52,800</u> |
| Amounts falling due in more than five years:    |               |               |
| Repayable by instalments:                       |               |               |
| Social Investment Scotland                      | 23,866        | 11,532        |
| Social Investment Scotland 2                    | <u>-</u>      | <u>42,130</u> |
|   | <u>23,866</u> | <u>53,662</u> |

**15. MOVEMENT IN FUNDS**

|  | At 1.4.16<br>£ | Net movement<br>in funds<br>£ | Transfers<br>between funds<br>£ | At 31.3.17<br>£ |
|--|----------------|-------------------------------|---------------------------------|-----------------|
| <b>Unrestricted funds</b>              |                |                               |                                 |                 |
| General fund                           | (46,842)       | 6,876                         | 135,796                         | 95,830          |
| Tormore Forest Loans - designated fund | <u>126,558</u> | <u>-</u>                      | <u>(126,558)</u>                | <u>-</u>        |
|  | 79,716         | 6,876                         | 9,238                           | 95,830          |
| <b>Restricted funds</b>                |                |                               |                                 |                 |
| General revenue fund                   | 7,309          | 6,813                         | (9,238)                         | 4,884           |
| Tormore Forest - restricted fund       | 136,000        | -                             | -                               | 136,000         |
| Capital fund                           | <u>375,962</u> | <u>(32,510)</u>               | <u>-</u>                        | <u>343,452</u>  |
|  | 519,271        | (25,697)                      | (9,238)                         | 484,336         |
|  | <u>598,987</u> | <u>(18,821)</u>               | <u>-</u>                        | <u>580,166</u>  |
| <b>TOTAL FUNDS</b>                     | <u>598,987</u> | <u>(18,821)</u>               | <u>-</u>                        | <u>580,166</u>  |

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2017**

**15. MOVEMENT IN FUNDS - continued**

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

|                           | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Movement in<br>funds<br>£ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| <b>Unrestricted funds</b> |                            |                            |                           |
| General fund              | 82,967                     | (76,091)                   | 6,876                     |
| <b>Restricted funds</b>   |                            |                            |                           |
| General revenue fund      | 53,640                     | (46,827)                   | 6,813                     |
| Capital fund              | -                          | (32,510)                   | (32,510)                  |
|                           | 53,640                     | (79,337)                   | (25,697)                  |
|                           | <u>136,607</u>             | <u>(155,428)</u>           | <u>(18,821)</u>           |
| <b>TOTAL FUNDS</b>        | <u>136,607</u>             | <u>(155,428)</u>           | <u>(18,821)</u>           |

**Purpose of funds**

- Tormore Forest Loans - Unrestricted Designated Fund - this is being used to account for the loan financing used to purchase the forest, being a capital total of £194,000. The loan interest and various charges are charged to the fund. These costs are either covered from existing funds in relation to the project, as detailed above, or else by a transfer from unrestricted reserves. During the year the decision was taken to close this fund and account for the loans through the Unrestricted General Fund. A corresponding transfer was processed at the year-end.

- Tormore Community Fund (TCF) - Unrestricted Designated Fund - this is a small grant fund for community groups and organisations which operate within the Sleat environs. Grants of up to £1,000 are available to constituted groups with grants of up to £500 to un-constituted groups. A small grant award committee of Trustees and staff meet to decide on each submission to the fund and the award to be given to successful applicants. This fund has been inactive since 2015.

- General Revenue - Restricted Fund - this is primarily used for receiving grants that are expended by the trading subsidiaries, enabling the charity to pass the money on as required. In addition this fund is used to account for restricted grant funding received for revenue projects.

- Tormore Forest - Restricted Fund - this has been used for receiving donations and grants for the purchase of the forest. The expenditure on the forest not covered by the loan financing has been allocated to this, together with the cost of the professional fees.

- Capital - Restricted Fund - this funds accounts for the grant-funded property purchased in previous years by the Trust, together with any major improvements that are grant-funded.

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2017**

**16. RELATED PARTY DISCLOSURES**

Sleat Community Trading Company Limited

Included within debtors falling due within one year is a balance due from Sleat Community Trading Company Limited of £21,899 (2016 - £23,899). The trustees have indicated that early repayment is not being sought. No interest is charged on the balance.

During the year the charity received £10,000 (2016 - 15,000) from Highland Council, in relation to the subsidised taxi service. These funds were transferred to Sleat Community Trading Company Limited as part of the furtherance of the charitable objectives. (The amounts received and paid during the year under review were less than the £15,000 usual amount due to accounting adjustments for year end balances.)

During the year the Sleat Community Trading Company Limited paid the following amounts to the parent company in relation to 'Memorandum of Understanding' arrangements for specific activities:

- Skyenet - £6,000
- Visit Sleat - £4,000

Sleat Renewables Limited

Included within creditors falling due within one year is a balance due to Sleat Renewables Limited of £NIL (2016 - £691). There are no repayment terms in place and interest is not due on the balance.

During the year Sleat Renewables Limited paid a total donation of £691 (2016 - £7,024) to its parent company, Sleat Community Trust. This related to the profits earned through the commercial operation of the woodland at Tormore Forest, owned by Sleat Community Trust.

The company also paid £54,000 (2016 - £45,000) to Sleat Community Trust in relation to woodland occupation charges, in order to cover the un-funded costs of Tormore Forest that were incurred by the charity during the year.

**17. ULTIMATE CONTROLLING PARTY**

There is no ultimate controlling party.

**18. FIRST YEAR ADOPTION**

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).

The transition to this new accounting framework has not resulted in any material changes to accounting policies or to the previously reported accounting results for the year ended 31 December 2015. As such no restatement of figures reported in either the 2015 Balance Sheet or Statement of Financial Activities was deemed necessary.

Note 8 to the accounts replicates the figures which were published in the Statement of Financial Activities in the Financial statements for the year ended 31 March 2016 and confirms that there has been no change when these are compared to the comparative figures shown on the Statement of Financial Activities on page 6.

**SLEAT COMMUNITY TRUST**

**Detailed Statement of Financial Activities  
for the Year Ended 31 March 2017**

|  | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 31.3.17<br>Total<br>funds<br>£ | 31.3.16<br>Total<br>funds<br>£ |
|--|----------------------------|--------------------------|--------------------------------|--------------------------------|
| <b>INCOME AND ENDOWMENTS</b>               |                            |                          |                                |                                |
| <b>Donations and legacies</b>              |                            |                          |                                |                                |
| Donations                                  | 60                         | -                        | 60                             | 160                            |
| Grants                                     | 7,236                      | 53,640                   | 60,876                         | 166,874                        |
| Membership fees                            | -                          | -                        | -                              | 300                            |
| Donation from Sleat Renewables Limited     | 691                        | -                        | 691                            | 7,024                          |
| Woodland occupation charge                 | 54,000                     | -                        | 54,000                         | 45,000                         |
| Infra-red camera hire                      | -                          | -                        | -                              | 462                            |
| Skyenet                                    | 139                        | -                        | 139                            | 1,012                          |
| Skyenet Community Broadband match-funding  | 6,000                      | -                        | 6,000                          | 7,600                          |
| Visit Sleat MoU                            | 4,000                      | -                        | 4,000                          | 1,000                          |
|  | <u>72,126</u>              | <u>53,640</u>            | <u>125,766</u>                 | <u>229,432</u>                 |
| <b>Other trading activities</b>            |                            |                          |                                |                                |
| Fundraising events                         | 1,355                      | -                        | 1,355                          | 1,554                          |
| Other earned income                        | 486                        | -                        | 486                            | 862                            |
|  | <u>1,841</u>               | <u>-</u>                 | <u>1,841</u>                   | <u>2,416</u>                   |
| <b>Investment income</b>                   |                            |                          |                                |                                |
| Rents received                             | 9,000                      | -                        | 9,000                          | 9,000                          |
| Deposit account interest                   | -                          | -                        | -                              | 12                             |
|  | <u>9,000</u>               | <u>-</u>                 | <u>9,000</u>                   | <u>9,012</u>                   |
| <b>Total incoming resources</b>            | <b>82,967</b>              | <b>53,640</b>            | <b>136,607</b>                 | <b>240,860</b>                 |
| <b>EXPENDITURE</b>                         |                            |                          |                                |                                |
| <b>Charitable activities</b>               |                            |                          |                                |                                |
| Wages                                      | 40,307                     | 9,537                    | 49,844                         | 77,650                         |
| Subsidies to Sleat Trading Company Limited | -                          | 14,000                   | 14,000                         | 15,000                         |
| Subsidies to Sleat Renewables Limited      | -                          | -                        | -                              | 785                            |
| Visit Sleat tourism project                | 35                         | -                        | 35                             | -                              |
| Environment group costs                    | -                          | -                        | -                              | 1,923                          |
| Lucky2BHere - defibrillator                | 225                        | -                        | 225                            | -                              |
| Premises and office costs                  | 7,298                      | -                        | 7,298                          | 4,172                          |
| Subscriptions and computer software        | 160                        | -                        | 160                            | 155                            |
| Advertising                                | 827                        | -                        | 827                            | 324                            |
| Insurance                                  | 4,899                      | -                        | 4,899                          | 5,190                          |
| Travel and conferences                     | 1,664                      | -                        | 1,664                          | 733                            |
| Training                                   | 439                        | -                        | 439                            | 37                             |
| Loan charges and interest                  | 10,115                     | -                        | 10,115                         | 12,266                         |
| Skyenet expenses                           | 5,497                      | 3,305                    | 8,802                          | 243                            |
| Feasibility Study                          | -                          | -                        | -                              | 18,964                         |
| Community Broadband conference             | -                          | 871                      | 871                            | 3,682                          |
| Carried forward                            | 71,466                     | 27,713                   | 99,179                         | 141,124                        |

This page does not form part of the statutory financial statements

**SLEAT COMMUNITY TRUST**

**Detailed Statement of Financial Activities  
for the Year Ended 31 March 2017**

|                                      | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 31.3.17<br>Total<br>funds<br>£ | 31.3.16<br>Total<br>funds<br>£ |
|--------------------------------------|----------------------------|--------------------------|--------------------------------|--------------------------------|
| <b>Charitable activities</b>         |                            |                          |                                |                                |
| Brought forward                      | 71,466                     | 27,713                   | 99,179                         | 141,124                        |
| Redevelopment Officer & expenses     | -                          | 15,931                   | 15,931                         | -                              |
| LTFP expenses                        | 2,381                      | 1,587                    | 3,968                          | -                              |
| Depreciation - heritable property    | -                          | 5,629                    | 5,629                          | 5,629                          |
| Depreciation - property improvements | -                          | 3,474                    | 3,474                          | 2,095                          |
| Depreciation - office equipment      | -                          | 1,596                    | 1,596                          | -                              |
| Depreciation - community broadband   | -                          | 23,407                   | 23,407                         | 3,837                          |
|                                      | <u>73,847</u>              | <u>79,337</u>            | <u>153,184</u>                 | <u>152,685</u>                 |
| <b>Support costs</b>                 |                            |                          |                                |                                |
| <b>Governance costs</b>              |                            |                          |                                |                                |
| Accountancy fees                     | 2,244                      | -                        | 2,244                          | 960                            |
| Legal fees                           | -                          | -                        | -                              | 500                            |
|                                      | <u>2,244</u>               | <u>-</u>                 | <u>2,244</u>                   | <u>1,460</u>                   |
| <b>Total resources expended</b>      | <u>76,091</u>              | <u>79,337</u>            | <u>155,428</u>                 | <u>154,145</u>                 |
| <b>Net (expenditure)/income</b>      | <u><u>6,876</u></u>        | <u><u>(25,697)</u></u>   | <u><u>(18,821)</u></u>         | <u><u>86,715</u></u>           |