

**Report of the Directors and
Unaudited Financial Statements for the Year Ended 31 March 2020
for
South West Mull And Iona Development**

South West Mull And Iona Development

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South West Mull And Iona Development

**Company Information
for the Year Ended 31 March 2020**

DIRECTORS:

David Greenhalgh
Marilyn Elizabeth Jane Halcrow
Anthony Alan Jeffree
Stewart Macdougall
Cameron Anson
Julie Ward
Martin John Putsey
Neil Douglas Harvey
Alison Margaret Mckenzie
Richard Paul Hawkes
John Nicholas Clare

REGISTERED OFFICE:

Columba Centre
Fionnphort
Isle Of Mull
PA66 6BL

REGISTERED NUMBER:

SC472460 (Scotland)

ACCOUNTANTS:

Andrew Mead & Co Ltd
Chartered Certified Accountants
Craigoran
Glenmore Road
Oban
Argyll
PA34 4NB

South West Mull And Iona Development

Report of the Directors for the Year Ended 31 March 2020

The directors present their report with the financial statements of the company for the year ended 31 March 2020.

REVIEW OF BUSINESS PROJECTS REPORT APRIL 2019 - MARCH 2020

Bendoran

Our big news of 2019 to 2020 was the successful purchase of a site at Bendoran on behalf of the local community, thanks to funding from the Scottish Land Fund. The sale finally went through in October 2019. Plans for this prime site include land facilities for a community owned seaweed farm, a lease of part of the site for a locally run water-sports social enterprise, and, in the future, facilities such as moorings.

Tiroran Community Forest

April 2019 - March 2020 was not a good year for timber haulage due to the excessively long process of having our long-term forest management plan approved by Scottish Forestry. It took many months and by the time of its approval it was too late in the year to start felling timber in the areas agreed in the plan. This severely affected our income for the year and it was necessary for us to make an agreement with Tilhill Forestry to forward sell timber to us in exchange for a commitment to a three year agreement for felling and selling timber from April 2020. We received our first advance payment in February 2020 but no further payments due to the Covid-19 lockdown.

The good news during this period was that our new forester fenced a protected area within the wider fence and **planted 7,000 native broadleaf trees in April and May 2019**. This was the beginning of our plans to dramatically increase the biodiversity of the forest. The intention for these first newly planted trees is that they will form part of the amenity area of the forest and will remain standing for the benefit of wildlife and future generations.

We added to our amenities in the forest firstly in July 2019 with the creation of a **natural playground** by local and visiting children in collaboration with Woodland Tribe. This was a brilliant event and the playground proved a hit on our very well attended family fun day in August 2019, part of Community Land Scotland's second Community Land Week. Our second addition to the forest was the **willow sculptures** produced by a dedicated team in February 2020 under the expert teaching of Alexandra James of Isle of Mull Baskets. The sculptures of a woman, man, highland cow and hens represent the people who used to live in the abandoned village of Knockroy in the forest, where they were placed on a snowy day!

Work on a **woodland croft masterplan** continued including an onsite visit with our planning consultant, Richard Heggie, Jamie McIntyre of the Woodland Crofts Partnership and members of our woodland croft working group. Another visit was planned for the end of the period but Covid-19 lockdown meant that this had to be postponed.

Columba Centre, Fionnphort

The South West Mull Makers continued to occupy the main area of the shop and had a very successful year. Meanwhile, the Ross of Mull Community Gym opened and people from all over the South West Mull and Iona area joined up! There were also a few tourists who signed up for a temporary membership - helping to fill some of the quieter times when local folk were working. By the end of the period, the whole building was closed due to lockdown.

Staffing

For most of the year April 2019 to March 2020 we had a staff team of five - Morven Gibson, General Manager; Celia Compton, Finance and Project Manager; Philip Yelder, Community Forester; Saskia Davidson, Administrator; Helen Petrie, Project Support Officer.

Helen Petrie's ScotGrad funding ended in September 2019 but we were able to continue her post part-time due to the Scottish Land Fund revenue funding we received when we bought Bendoran in the October. Sadly, Helen left in February 2020 to move to Edinburgh. She has been greatly missed!

South West Mull And Iona Development

Report of the Directors for the Year Ended 31 March 2020

Looking forward

It is always strange to be writing a report for a year that seems a long time ago. Especially as the end of the period - March 2020 - saw the beginning of a year when nothing has been as we expected. Looking forward to 2020-2021 is really looking back a few months. The details for that period are for next year's Directors' report but in summary we survived through lockdown thanks to some emergency funding from the Scottish Government and continue to progress our projects as best we can!

FINANCIAL REVIEW

During the year under review the turnover of South West Mull and Iona Development was £75,164. Due to the delayed forest management plan, described above in the Projects report, timber sales were very low - only £1,892, although an advanced payment of £35,000 was received for timber due to be felled after April 2020. Forest costs in this period were low - £12,311 - mainly for trees and labour to assist our forester with tree planting.

Grant income this year amounted to £59,850. This comprised grants from Highlands and Islands Enterprise (HIE):- 50% grant support for the General Manager post and 70% support for the Scotgrad Project Support Officer post. We also received a Scottish Land Fund revenue grant for Bendoran and several smaller grants to cover project costs including grants for the Woodland Tribe adventure playground activity and the Knockroy willow project.

Our capital grant from the Scottish Land Fund to pay for the purchase of Bendoran is not included in income figures. This amounted to £409,737 - around 94% of the final purchase price for Bendoran, including fees and taxes. The remainder was funded by SWMID.

During the period our expenditure exceeded our income by £107,632. We ended the period with a bank/cash balance of £33,852 while our net assets amounted to £71,841.

By the end of the period we still had £109,826 outstanding of our £200,000 Social Investment Scotland (SIS) loan to repay. This is the loan that we took out to help finance the purchase of Tiroran Forest in November 2015. SIS agreed to extend our repayment holiday so that we were only paying interest on the loan throughout the period.

FUTURE PLANS

2019-2020 was a difficult year financially and really highlighted the need for SWMID to develop different income streams. Covid-19 and lockdown did not help with our financial issues and we started 2020-2021 in an uncomfortable position. However, thanks to support from the Scottish Government's Third Sector Resilience Fund, further revenue funding from the Scottish Land Fund and finally some timber income, our position improved.

Highlands and Islands Enterprise committed to 50% fund the General Manager's post for a further two years, although the grant now only covers salary costs and no expenses. Going forward we are focused on getting the seaweed farm in operation with the expectation that this will help to cover core costs as well as exploring other income streams for the forest.

South West Mull And Iona Development

Report of the Directors for the Year Ended 31 March 2020

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2019 to the date of this report.

David Greenhalgh
Marilyn Elizabeth Jane Halcrow
Anthony Alan Jeffree
Stewart Macdougall
Cameron Anson
Julie Ward
Martin John Putsey
Neil Douglas Harvey
Alison Margaret Mckenzie
Richard Paul Hawkes

Other changes in directors holding office are as follows:

Jack Degnan - resigned 23 November 2019
Colin Cameron Macdonald - resigned 23 November 2019
Sandra Jean Fox - resigned 23 November 2019
John Nicholas Clare - appointed 15 August 2019

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

ON BEHALF OF THE BOARD:


M. E. J Halcrow (Dec 16, 2020 15:43 GMT)

Marilyn Elizabeth Jane Halcrow - Director

14 December 2020

South West Mull And Iona Development

Income Statement for the Year Ended 31 March 2020

	Notes	31.3.20 £	31.3.19 £
TURNOVER		1,892	154,563
Cost of sales		12,311	116,294
		<u>(10,419)</u>	<u>38,269</u>
GROSS (DEFICIT)/SURPLUS			
Administrative expenses		162,776	123,808
		<u>(173,195)</u>	<u>(85,539)</u>
Other operating income		73,272	74,758
		<u>(99,923)</u>	<u>(10,781)</u>
OPERATING DEFICIT	4		
Interest payable and similar expenses		7,709	7,808
		<u>(107,632)</u>	<u>(18,589)</u>
DEFICIT BEFORE TAXATION			
Tax on deficit	5	-	-
		<u>(107,632)</u>	<u>(18,589)</u>
DEFICIT FOR THE FINANCIAL YEAR		<u>(107,632)</u>	<u>(18,589)</u>

The notes form part of these financial statements

South West Mull And Iona Development (Registered number: SC472460)

Balance Sheet

31 March 2020

	Notes	31.3.20		31.3.19	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		1,363,698		927,684
CURRENT ASSETS					
Debtors	7	25,387		16,870	
Cash at bank and in hand		33,852		127,076	
		<u>59,239</u>		<u>143,946</u>	
CREDITORS					
Amounts falling due within one year	8	102,735		32,331	
			<u>(43,496)</u>		<u>111,615</u>
NET CURRENT (LIABILITIES)/ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES					
			1,320,202		1,039,299
CREDITORS					
Amounts falling due after more than one year	9		(88,624)		(109,826)
ACCRUALS AND DEFERRED INCOME					
			<u>(1,159,737)</u>		<u>(750,000)</u>
NET ASSETS					
			<u>71,841</u>		<u>179,473</u>
RESERVES					
Income and expenditure account	12		71,841		179,473
			<u>71,841</u>		<u>179,473</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the 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 company.

The notes form part of these financial statements

South West Mull And Iona Development (Registered number: SC472460)

Balance Sheet - continued
31 March 2020

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

The financial statements were approved by the Board of Directors and authorised for issue on 14 December 2020 and were signed on its behalf by:


Cameron Anson (Dec 16, 2020 12:10 GMT)

Cameron Anson - Director


M. E. J Halcrow (Dec 16, 2020 15:43 GMT)

Marilyn Elizabeth Jane Halcrow - Director

South West Mull And Iona Development

Notes to the Financial Statements for the Year Ended 31 March 2020

1. STATUTORY INFORMATION

South West Mull And Iona Development is a private company, limited by guarantee, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

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

Freehold property	- not provided
Plant and machinery	- 15% on reducing balance
Computer equipment	- 25% on reducing balance

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

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.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

South West Mull And Iona Development

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 5 (2019 - 5).

4. OPERATING DEFICIT

The operating deficit is stated after charging:

	31.3.20	31.3.19
	£	£
Depreciation - owned assets	436	545
	<u> </u>	<u> </u>

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 March 2020 nor for the year ended 31 March 2019.

6. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Computer equipment £	Totals £
COST				
At 1 April 2019	925,329	1,800	1,100	928,229
Additions	436,450	-	-	436,450
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2020	1,361,779	1,800	1,100	1,364,679
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION				
At 1 April 2019	-	270	275	545
Charge for year	-	230	206	436
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2020	-	500	481	981
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE				
At 31 March 2020	1,361,779	1,300	619	1,363,698
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2019	925,329	1,530	825	927,684
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20	31.3.19
	£	£
Trade debtors	11,385	129
Other debtors	12,752	4,768
VAT	-	10,723
Prepayments	1,250	1,250
	<u> </u>	<u> </u>
	25,387	16,870
	<u> </u>	<u> </u>

South West Mull And Iona Development

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20	31.3.19
	£	£
Other loans (see note 10)	21,202	-
Trade creditors	-	30,842
VAT	4,746	-
Deferred income	75,787	-
Accrued expenses	1,000	1,489
	<u>102,735</u>	<u>32,331</u>

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

	31.3.20	31.3.19
	£	£
Other loans (see note 10)	<u>88,624</u>	<u>109,826</u>

10. LOANS

An analysis of the maturity of loans is given below:

	31.3.20	31.3.19
	£	£
Amounts falling due within one year or on demand:		
Other loans	<u>21,202</u>	<u>-</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>88,624</u>	<u>109,826</u>

In November 2015 the organisation borrowed £200,000 from Social Investment Scotland (SIS). Repayments commenced on 31 March 2017 with an initial capital repayment of £40,221. From April 2017 to June 2018 capital and interest repayments were made to SIS on a regular monthly basis.

To aid cashflow, the offer of a 12 month capital repayment holiday from July 2018 was accepted. A subsequent 12 month repayment holiday was negotiated in July 2019. A further three month extension to this payment holiday was negotiated to preserve cashflow while the organisation came to terms with the implications and affect of the Covid-19 pandemic.

During the holiday period only the interest due on the loan has been repaid.

Capital repayments re-commenced on 31 October 2020 and will continue until the loan is fully repaid in February 2023.

South West Mull And Iona Development

Notes to the Financial Statements - continued for the Year Ended 31 March 2020

11. ACCRUALS AND DEFERRED INCOME

	31.3.20	31.3.19
	£	£
Deferred government grants	1,159,737	750,000

In 2015 the organisation received £750,000 from The Scottish Land Fund to purchase the land and forest at Tiroran to allow the creation of Tiroran Community Forest.

On 22 October 2019 the organisation purchased land and property at Bendoran at a cost of £436,450; to assist with this purchase another grant was received from The Scottish Land Fund.

Total capital grant funding received from the Scottish Land Fund for this project was £409,737; this was fully utilized on the purchase of the land and property at Bendoran.

The generally accepted accounting policy for the treatment of Government Grants used to purchase a capital asset, is to defer recognising the whole grant as income at the time of receipt and instead recognise the grant over the useful life of the asset funded. For a wasting asset this grant recognition would normally be on the same terms as the depreciation policy associated with that asset.

In the case of both Tiroran Community Forest and Bendoran the Directors have taken the view that the asset has an infinite useful life and have therefore chosen not to depreciate it. An equivalent policy has been adopted in respect of the Government Grant and as such, none of the deferred grant is recognised as in the income statement.

The Scottish Land Fund also provided £30,500 of revenue funding during the year. This was to assist with specialist advice and revenue expenditure associated with the Bendoran project. This grant funding has been recognised as income in the financial statements.

12. RESERVES

	Income and expenditure account £
At 1 April 2019	179,473
Deficit for the year	(107,632)
At 31 March 2020	<u>71,841</u>

**Chartered Certified Accountants' Report to the Board of Directors
on the Unaudited Financial Statements of
South West Mull And Iona Development**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of South West Mull And Iona Development for the year ended 31 March 2020 which comprise the Income Statement, Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at <http://www.accaglobal.com/rulebook>.

This report is made solely to the Board of Directors of South West Mull And Iona Development, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of South West Mull And Iona Development and state those matters that we have agreed to state to the Board of Directors of South West Mull And Iona Development, as a body, in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at <http://www.accaglobal.com/factsheet163>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that South West Mull And Iona Development has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of South West Mull And Iona Development. You consider that South West Mull And Iona Development is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of South West Mull And Iona Development. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



Andrew Mead & Co Ltd
Chartered Certified Accountants
Craigoran
Glenmore Road
Oban
Argyll
PA34 4NB

Date: December 2020

South West Mull And Iona Development

Detailed Income and Expenditure Account for the Year Ended 31 March 2020

	31.3.20		31.3.19	
	£	£	£	£
Timber sales		1,892		154,563
Cost of sales				
Forest costs	12,311		114,794	
SPHN costs	-		1,500	
	<u>12,311</u>	<u>12,311</u>	<u>114,794</u>	<u>116,294</u>
GROSS (DEFICIT)/SURPLUS		(10,419)		38,269
Other income				
Rental and services	9,382		6,472	
Donations & fundraising	1,040		542	
Employer's NI allowance	3,000		3,000	
Grants	59,850		64,744	
	<u>93,272</u>	<u>73,272</u>	<u>74,758</u>	<u>74,758</u>
		<u>62,853</u>		<u>113,027</u>
Expenditure				
Rent, rates and water	5,000		5,000	
Insurance	5,422		4,676	
Forest maintenance	334		102	
Bendoran costs	340		-	
Wages	94,981		65,080	
Social security	7,256		5,316	
Pensions	5,699		3,905	
Staff & director training	511		223	
Telephone & internet	1,049		794	
Office costs & overheads	5,779		1,308	
Advertising	523		357	
Travelling & subsistence	3,619		3,178	
Electric van - leasing costs	4,924		915	
Columba Centre costs	2,574		1,215	
Community engagement	8,981		642	
Fundraising expenses	-		140	
Repairs and renewals	945		532	
Sundry expenses	54		197	
Subscriptions	740		190	
Accountancy	2,140		767	
Legal fees	236		5,004	
Consultancy fees	10,723		23,582	
Donations	-		28	
Depreciation	436		545	
	<u>162,266</u>	<u>162,266</u>	<u>123,696</u>	<u>123,696</u>
Carried forward		(99,413)		(10,669)

This page does not form part of the statutory financial statements

South West Mull And Iona Development

**Detailed Income and Expenditure Account
for the Year Ended 31 March 2020**

	31.3.20		31.3.19	
	£	£	£	£
Brought forward		(99,413)		(10,669)
Finance costs				
Bank charges	510		112	
Loan	<u>7,709</u>		<u>7,808</u>	
		<u>8,219</u>		<u>7,920</u>
NET DEFICIT		<u><u>(107,632)</u></u>		<u><u>(18,589)</u></u>

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REGISTERED NUMBER: SC472460 (Scotland)

**Report of the Directors and
Unaudited Financial Statements for the Year Ended 31 March 2020
for
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for the Year Ended 31 March 2020**

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Tiroran Community Forest

April 2019 - March 2020 was not a good year for timber haulage due to the excessively long process of having our long-term forest management plan approved by Scottish Forestry. It took many months and by the time of its approval it was too late in the year to start felling timber in the areas agreed in the plan. This severely affected our income for the year and it was necessary for us to make an agreement with Tilhill Forestry to forward sell timber to us in exchange for a commitment to a three year agreement for felling and selling timber from April 2020. We received our first advance payment in February 2020 but no further payments due to the Covid-19 lockdown.

The good news during this period was that our new forester fenced a protected area within the wider fence and **planted 7,000 native broadleaf trees in April and May 2019**. This was the beginning of our plans to dramatically increase the biodiversity of the forest. The intention for these first newly planted trees is that they will form part of the amenity area of the forest and will remain standing for the benefit of wildlife and future generations.

We added to our amenities in the forest firstly in July 2019 with the creation of a **natural playground** by local and visiting children in collaboration with Woodland Tribe. This was a brilliant event and the playground proved a hit on our very well attended family fun day in August 2019, part of Community Land Scotland's second Community Land Week. Our second addition to the forest was the **willow sculptures** produced by a dedicated team in February 2020 under the expert teaching of Alexandra James of Isle of Mull Baskets. The sculptures of a woman, man, highland cow and hens represent the people who used to live in the abandoned village of Knockroy in the forest, where they were placed on a snowy day!

Work on a **woodland croft masterplan** continued including an onsite visit with our planning consultant, Richard Heggie, Jamie McIntyre of the Woodland Crofts Partnership and members of our woodland croft working group. Another visit was planned for the end of the period but Covid-19 lockdown meant that this had to be postponed.

Columba Centre, Fionnphort

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Helen Petrie's ScotGrad funding ended in September 2019 but we were able to continue her post part-time due to the Scottish Land Fund revenue funding we received when we bought Bendoran in the October. Sadly, Helen left in February 2020 to move to Edinburgh. She has been greatly missed!

South West Mull And Iona Development (Registered number: SC472460)

Report of the Directors for the Year Ended 31 March 2020

Looking forward

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FINANCIAL REVIEW

During the year under review the turnover of South West Mull and Iona Development was £75,164. Due to the delayed forest management plan, described above in the Projects report, timber sales were very low - only £1,892, although an advanced payment of £35,000 was received for timber due to be felled after April 2020. Forest costs in this period were low - £12,311 - mainly for trees and labour to assist our forester with tree planting.

Grant income this year amounted to £59,850. This comprised grants from Highlands and Islands Enterprise (HIE):- 50% grant support for the General Manager post and 70% support for the Scotgrad Project Support Officer post. We also received a Scottish Land Fund revenue grant for Bendoran and several smaller grants to cover project costs including grants for the Woodland Tribe adventure playground activity and the Knockroy willow project.

Our capital grant from the Scottish Land Fund to pay for the purchase of Bendoran is not included in income figures. This amounted to £409,737 - around 94% of the final purchase price for Bendoran, including fees and taxes. The remainder was funded by SWMID.

During the period our expenditure exceeded our income by £107,632. We ended the period with a bank/cash balance of £33,852 while our net assets amounted to £71,841.

By the end of the period we still had £109,826 outstanding of our £200,000 Social Investment Scotland (SIS) loan to repay. This is the loan that we took out to help finance the purchase of Tiroran Forest in November 2015. SIS agreed to extend our repayment holiday so that we were only paying interest on the loan throughout the period.

FUTURE PLANS

2019-2020 was a difficult year financially and really highlighted the need for SWMID to develop different income streams. Covid-19 and lockdown did not help with our financial issues and we started 2020-2021 in an uncomfortable position. However, thanks to support from the Scottish Government's Third Sector Resilience Fund, further revenue funding from the Scottish Land Fund and finally some timber income, our position improved.

Highlands and Islands Enterprise committed to 50% fund the General Manager's post for a further two years, although the grant now only covers salary costs and no expenses. Going forward we are focused on getting the seaweed farm in operation with the expectation that this will help to cover core costs as well as exploring other income streams for the forest.

South West Mull And Iona Development (Registered number: SC472460)

**Report of the Directors
for the Year Ended 31 March 2020**

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2019 to the date of this report.

David Greenhalgh
Marilyn Elizabeth Jane Halcrow
Anthony Alan Jeffree
Stewart Macdougall
Cameron Anson
Julie Ward
Martin John Putsey
Neil Douglas Harvey
Alison Margaret Mckenzie
Richard Paul Hawkes

Other changes in directors holding office are as follows:

Jack Degnan - resigned 23 November 2019
Colin Cameron Macdonald - resigned 23 November 2019
Sandra Jean Fox - resigned 23 November 2019
John Nicholas Clare - appointed 15 August 2019

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

ON BEHALF OF THE BOARD:


M. E. J Halcrow (Dec 16, 2020 15:43 GMT)

Marilyn Elizabeth Jane Halcrow - Director

14 December 2020

South West Mull And Iona Development (Registered number: SC472460)

**Income Statement
for the Year Ended 31 March 2020**

	Notes	31.3.20 £	31.3.19 £
TURNOVER		1,892	154,563
Cost of sales		<u>12,311</u>	<u>116,294</u>
GROSS (DEFICIT)/SURPLUS		(10,419)	38,269
Administrative expenses		<u>162,776</u>	<u>123,808</u>
		(173,195)	(85,539)
Other operating income		<u>73,272</u>	<u>74,758</u>
OPERATING DEFICIT	4	(99,923)	(10,781)
Interest payable and similar expenses		<u>7,709</u>	<u>7,808</u>
DEFICIT BEFORE TAXATION		(107,632)	(18,589)
Tax on deficit	5	<u>-</u>	<u>-</u>
DEFICIT FOR THE FINANCIAL YEAR		<u><u>(107,632)</u></u>	<u><u>(18,589)</u></u>

The notes form part of these financial statements

South West Mull And Iona Development (Registered number: SC472460)

Balance Sheet

31 March 2020

	Notes	31.3.20		31.3.19	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		1,363,698		927,684
CURRENT ASSETS					
Debtors	7	25,387		16,870	
Cash at bank and in hand		33,852		127,076	
		<u>59,239</u>		<u>143,946</u>	
CREDITORS					
Amounts falling due within one year	8	102,735		32,331	
		<u>102,735</u>		<u>32,331</u>	
NET CURRENT (LIABILITIES)/ASSETS			(43,496)		111,615
TOTAL ASSETS LESS CURRENT LIABILITIES			1,320,202		1,039,299
CREDITORS					
Amounts falling due after more than one year	9		(88,624)		(109,826)
ACCRUALS AND DEFERRED INCOME			(1,159,737)		(750,000)
NET ASSETS			<u>71,841</u>		<u>179,473</u>
RESERVES					
Income and expenditure account	12		71,841		179,473
			<u>71,841</u>		<u>179,473</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which 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 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 company.

The notes form part of these financial statements

South West Mull And Iona Development (Registered number: SC472460)

Balance Sheet - continued
31 March 2020

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

The financial statements were approved by the Board of Directors and authorised for issue on 14 December 2020 and were signed on its behalf by:


Cameron Anson (Dec 16, 2020 12:10 GMT)

Cameron Anson - Director


M. E. J. Halcrow (Dec 16, 2020 15:43 GMT)

Marilyn Elizabeth Jane Halcrow - Director

**Notes to the Financial Statements
for the Year Ended 31 March 2020**

1. STATUTORY INFORMATION

South West Mull And Iona Development is a private company, limited by guarantee, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

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

Freehold property	- not provided
Plant and machinery	- 15% on reducing balance
Computer equipment	- 25% on reducing balance

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

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.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 5 (2019 - 5).

4. **OPERATING DEFICIT**

The operating deficit is stated after charging:

	31.3.20	31.3.19
	£	£
Depreciation - owned assets	436	545
	<u> </u>	<u> </u>

5. **TAXATION**

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 March 2020 nor for the year ended 31 March 2019.

6. **TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Computer equipment £	Totals £
COST				
At 1 April 2019	925,329	1,800	1,100	928,229
Additions	436,450	-	-	436,450
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2020	1,361,779	1,800	1,100	1,364,679
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION				
At 1 April 2019	-	270	275	545
Charge for year	-	230	206	436
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2020	-	500	481	981
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE				
At 31 March 2020	1,361,779	1,300	619	1,363,698
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2019	925,329	1,530	825	927,684
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

	31.3.20	31.3.19
	£	£
Trade debtors	11,385	129
Other debtors	12,752	4,768
VAT	-	10,723
Prepayments	1,250	1,250
	<u> </u>	<u> </u>
	25,387	16,870
	<u> </u>	<u> </u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20	31.3.19
	£	£
Other loans (see note 10)	21,202	-
Trade creditors	-	30,842
VAT	4,746	-
Deferred income	75,787	-
Accrued expenses	1,000	1,489
	<u>102,735</u>	<u>32,331</u>

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

	31.3.20	31.3.19
	£	£
Other loans (see note 10)	<u>88,624</u>	<u>109,826</u>

10. LOANS

An analysis of the maturity of loans is given below:

	31.3.20	31.3.19
	£	£
Amounts falling due within one year or on demand:		
Other loans	<u>21,202</u>	<u>-</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>88,624</u>	<u>109,826</u>

In November 2015 the organisation borrowed £200,000 from Social Investment Scotland (SIS). Repayments commenced on 31 March 2017 with an initial capital repayment of £40,221. From April 2017 to June 2018 capital and interest repayments were made to SIS on a regular monthly basis.

To aid cashflow, the offer of a 12 month capital repayment holiday from July 2018 was accepted. A subsequent 12 month repayment holiday was negotiated in July 2019. A further three month extension to this payment holiday was negotiated to preserve cashflow while the organisation came to terms with the implications and affect of the Covid-19 pandemic.

During the holiday period only the interest due on the loan has been repaid.

Capital repayments re-commenced on 31 October 2020 and will continue until the loan is fully repaid in February 2023.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

11. ACCRUALS AND DEFERRED INCOME

	31.3.20	31.3.19
	£	£
Deferred government grants	1,159,737	750,000

In 2015 the organisation received £750,000 from The Scottish Land Fund to purchase the land and forest at Tiroran to allow the creation to Tiroran Community Forest.

On 22 October 2019 the organisation purchased land and property at Bendoran at a cost of £436,450; to assist with this purchase another grant was received from The Scottish Land Fund.

Total capital grant funding received from the Scottish Land Fund for this project was £409,737; this was fully utilized on the purchase of the land and property at Bendoran.

The generally accepted accounting policy for the treatment of Government Grants used to purchase a capital asset, is to defer recognising the whole grant as income at the time of receipt and instead recognise the grant over the useful life of the asset funded. For a wasting asset this grant recognition would normally be on the same terms as the depreciation policy associated with that asset.

In the case of both Tiroran Community Forest and Bendoran the Directors have taken the view that the asset has an infinite useful life and have therefore chosen not to depreciate it. An equivalent policy has been adopted in respect of the Government Grant and as such, none of the deferred grant is recognised as in the income statement.

The Scottish Land Fund also provided £30,500 of revenue funding during the year. This was to assist with specialist advice and revenue expenditure associated with the Bendoran project. This grant funding has been recognised as income in the financial statements.

12. RESERVES

	Income and expenditur account £
At 1 April 2019	179,473
Deficit for the year	(107,632)
At 31 March 2020	71,841

Andrew Mead & Co Limited

South West Mull & Iona Development - 2020 Corporation Tax Return Approval

Income & Capital Gains for the accounting period ended 31 March 2020

Your Company's Corporation Tax Return is to be lodged electronically. In order to do so I need your approval of the content of that Return and your confirmation that everything is included that should be.

I attach a copy of the Corporation Tax computation which is based on the accounts that you have already approved, this sets out the information which is incorporated into the Tax Return. If you wish a full version of the Tax Return for reference please let me know.

Please review the attachments carefully and then, assuming you are satisfied that everything is correct, read and sign the declaration below. I will take this as my authority to submit the tax return to HMRC.

Declaration	
On behalf of South West Mull & Iona Development, I have checked that the attached schedule incorporates all sources of taxable income and capital gains, in respect of South West Mull & Iona Development both in and out of the UK.	
<ul style="list-style-type: none">· All trading income· Investment income· All sources of income from land and property· All Capital Gains· Any other relevant income	
Signature:	<u>M. E. J Halcrow</u> <small>M. E. J Halcrow (Dec 16, 2020 15:43 GMT)</small> _____
Name:	M. E. J Halcrow _____
Date:	Dec 16, 2020 _____

Please sign this form and return it to me; or send me an email confirming that you have signed the form.

If you have signed the form through Adobe Sign then the form will be automatically returned to me.

South West Mull And Iona Development

Tax Reference: 1627111587

**Corporation Tax Computation
For The Corporation Tax Accounting Period
from 1 April 2019 to 31 March 2020**

	£	£	£
TRADE COMPUTATION			
Loss per financial statements		(107,632)	
Add: Depreciation	436		
Forest costs	12,311		
	<hr/>	12,747	
Less: Donations & fundraising		(1,040)	
		<hr/>	
Trading losses		(95,925)	
		<hr/> <hr/>	
Net trading profit			0
			<hr/>
PROFITS CHARGEABLE TO CORPORATION TA			£NIL
			<hr/> <hr/>
MEMO: There are no 51% group companies			
CORPORATION TAX CHARGEABLE			
CORPORATION TAX OUTSTANDING			£NIL
			<hr/> <hr/>
MEMO: Summary of trading losses			
Trading loss	95,925		
Utilised:			
current year	0		
	<hr/>		
Loss remaining	95,925		
Losses brought forward	71,834		
	<hr/>		
Losses carried forward	£167,759		
	<hr/> <hr/>		

NO CAPITAL ALLOWANCES CLAIMED









SWMID Final 2020 Financial Statements

Final Audit Report

2020-12-16

Created:	2020-12-14
By:	Andrew Mead (info@a-mead.co.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAAq0rjzTeiD3ONU-OVv1R09aTPgAK6WPLq

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