

Report of the Directors and
Unaudited Financial Statements for the Year Ended 31 March 2023
for
South West Mull And Iona Development

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for the Year Ended 31 March 2023

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DIRECTORS:

Cameron Anson
Rutger Emmelkamp
Hannah Elizabeth Fisher
Marilyn Elizabeth Jane Halcrow
Stewart Macdougall
Martin John Putsey
Julie Ward
David Greenhalgh
Matthew Oliver

REGISTERED OFFICE:

Columba Centre
Fionnphort
Isle Of Mull
Argyll
PA66 6BL

REGISTERED NUMBER:

SC472460 (Scotland)

ACCOUNTANTS:

Mackay & Co CA
120 George Street
Oban
Argyll
PA34 5NT

The directors present their report with the financial statements of the company for the year ended 31 March 2023.

REVIEW OF BUSINESS

Activities and Projects Report April 2022-March 2023

Bendoran

The introduction of the boat storage facility proved very popular with locals and visitors making enquiries about both long and short term storage for the forthcoming year, with several bookings confirmed.

Work started in spring 2023 on redesigning the entrance to Bendoran, repositioning the gates to allow easier access for vehicles with trailers. A section of wooden fencing was added, along with new signage to make the access more visible and welcoming. Further work to screen the seaweed processing area is expected to be completed mid-summer 2023 using larch boards from Tiroran Sawmill.

Bendoran Watersports continued to offer bookable guided sea kayaking expeditions and sailing lessons to a wide range of visitors and local people, as well as running regular free sessions for locals of all ages through Bendoran Water Activities Club.

Tiroran Community Forest

Timber felling and hauling continued throughout the year with a total of 12000 tonnes being sold. The Community Forester and a team of sessional workers replanted 30,239 broadleaf trees. Of these, 25,875 were productive for timber in the future e.g. oak, beech and the remaining 4,364 planted as native broadleaf permanent woodland e.g. hazel, rowan, oak.

The Community Forester also led a team of enthusiastic volunteers who took part in seed collecting in the forest over a couple of days.

Rutherford Plant commenced the final phase of the repair project on the main bridge in August and it was completed in December 2022. Rutherford Plant were also involved in another exciting new project in the forest. Thanks to funding from Argyll and Bute Council we were able to create an Aire, offering overnight stopovers for self-sufficient campervans and motorhomes. This was completed in spring 2023.

The Woodland Crofts application process is still ongoing and has taken longer than expected. We don't currently have a timeline for confirmation of the registration.

The Tiroran Timber Sawmill and Biochar project are recent developments at the forest; thanks to funding from the Prince's Countryside Fund and Scottish Forestry for the sawmill and the Scottish Government's Rural and Island Communities Ideas Into Action Fund for the biochar kiln.

From March 2023 we were in a position to supply saleable products from the timber that is owned by the local community; keeping added value from the timber in the community and reducing the carbon footprint of timber products used locally. The project has enabled us to take on another member of staff, who spent his first few weeks building a shelter for the sawmill and starting to build up stock. The first products were cladding, fence posts and rails cut from a supply of larch that has very little value as logs due to infection with Phytophthora ramorum.

The bark and other waste products from processing our larch will be made into biochar in our new specialised kiln.

Ross of Mull Community Garden

The 2022 - 2023 season started with the construction of the polytunnel which was purchased following the hugely successful fundraising campaign. Planting and sowing began as soon as the polytunnel was completed and helped contribute to our prize winning entries at the Bunessan show in August 2022. The garden continues to be a popular meeting place with regular sessions and events being hosted throughout the year, including school visits, plant swaps, seed swaps, Harvest celebration & food swap to name a few.

Columba Centre, Fionnphort

South West Mull Makers began their 2022-2023 season with minimal covid restrictions in place and these slowly eased throughout the year. Ross of Mull Community Gym and Rural Housing Scotland were also fully operational.

Aird Fada Seaweed Farm

This was our first year in production and, as with any new venture, it was a steep learning curve. The seaweed grew exceptionally well which gave us reassurance on the location of the farm. Unfortunately, the market was more difficult to break into than we had originally been advised, one customer dropped out last minute and another changed their requirements for the end product which had a knock-on effect on processing. Valuable lessons were learned from operations through to market and processing. We were also fortunate to secure funding from The Co-op Carbon Innovation Fund to support operations for the 2023-2024 season.

Staff

2022-2023 brought changes to our management team. Morven Gibson moved on to a new role with HIE and Celia Compton stepped up as General Manager. Mags Brennan took on the role of Finance and Administration Manager Philip Yelder, remains as Community Forester and Leigh Eisler as Project Officer for Aird Fada Seaweed Farm. Saskia Davidson, our Administrator, returned from Maternity leave in January 2023. We also welcomed our new Business Development Manager, Neil Harvey and our Sawmill and Forestry Worker, Matthew Burgess, who both started in November 2022. We also said goodbye to one of our Community Gardeners, Faith Fairbairn, who moved on to a new post in February 2023. Lorraine McCafferty, our other Community Gardener, is still in post and her National Lottery funded role has been extended for a further year.

We continued to offer flexible working throughout the year with a mix of home and office.

Other Projects

Unfortunately, our Housing Projects in Bunessan made little progress during this period, partly due to external partners and partly due to limited capacity within the staff team.

SWMID hosted the film premiere of Cliabh an t-Seanachais - the Creel of Stories at Creich Hall on the 23rd of July 2022. The film was funded by Visit Scotland's Year of Stories 2022 and created by SWMID in collaboration with Alasdair Satchel of Struthach Films. The Creel of Stories celebrated the fishing industry in the Ross of Mull and Iona, past and present, with the story being told by those involved. Children from Bunessan and Iona Primary Schools also had a starring role. Supported by Scottish Sea Farms, the premiere event was well attended with the hall at maximum capacity. As well as the film, folk enjoyed prosecco and delicious local nibbles, tea, cake, and great music.

FINANCIAL REVIEW; 2022-2023

Turnover

During the year under review the turnover, comprising timber sales, of South West Mull and Iona Development was £312,954.

Grant income

In April 2022 we received a restocking grant of £12,908 from Scottish Forestry. Throughout the year, the forest also received £25,000 from The Prince's Countryside Fund towards the purchase of a sawmill and grab. Scottish Forestry also supported this project with an award of £5,602, although this amount was not received until shortly after the year end. The Rural and Island Communities Ideas Into Action Fund, managed by Inspiring Scotland, provided funding of £32,810 for the addition of a biochar kiln and chipper. In August 2022, £9,980 was received from The Waterfall Fund for the Forest Masterplan and Argyll and Bute Council supported the creation of an Aire within the Forest with a grant of £5,000 in January 2023.

Report of the Directors
for the Year Ended 31 March 2023

Aird Fada Seaweed Farm received a grant from The Islands Infrastructure Fund (via Argyll and Bute Council). This funding was used to purchase essential items such as a chiller for keeping seaweed fresh, insulated storage boxes and a kiln for drying the seaweed. In addition to this we received a grant of £41,495 from The CO-OP Carbon Innovation Fund to fund another season of growing on the farm while we develop our knowledge and skills.

The salary support we have received from Highlands and Islands Enterprise over the past few years finished during this year - both the 50% funding for our General Manager's post and the 75% funding for our one year Graduate Programme Seaweed Farm Officer.

SWMID received a further £9,910 from The Waterfall Fund for feasibility work for one of our potential housing projects in Bunessan. In addition to this, we received £3,600 from the National Lottery's Scottish Land Fund for surveys for the site at Ardmeanach View - at the time, we were exploring purchase options for part of the West Highland Housing Association site. Finally, the National Lottery Community Fund continued to support the Community Garden with funding of £15,643 received in June 2022.

Donations

The garden also received £696.13 in donations throughout the year.

Other income

Our income from sub-leasing the Columba Centre remained steady with no change in tenants.

Funded expenditure

During this period much of our expenditure was funded by grants, some carried forward from the previous year such as the groundworks at Bendoran.

£28,575 was spent on trees and contractors for restocking at Tiroran Community Forest - the bulk of these costs were covered by grants from Scottish Forestry.

Salaries were partly funded by HIE (50% General Manager - to June 2022, 75% Aird Fada Project Officer to October 2022), and the National Lottery Community Fund (100% Community Gardeners)

Unfunded expenditure

The remainder of the salaries were paid directly from forest income.

Other expenditure such as insurance, overheads at Bendoran and the Columba Centre, other expenses relating to staff such as training, IT service contracts, accountancy and legal fees are primarily paid from forest income.

We ended the year with reserves of £446,575.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

Cameron Anson
Rutger Emmelkamp
Hannah Elizabeth Fisher
Marilyn Elizabeth Jane Halcrow
Stewart Macdougall
Martin John Putsey
Julie Ward
David Greenhalgh

Other changes in directors holding office are as follows:

Neil Douglas Harvey - resigned 21 September 2022

Matthew Oliver was appointed as a director after 31 March 2023 but prior to the date of this report.

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:


.....
Director

Date: 27/10/2023
.....

South West Mull And Iona Development

Income Statement
for the Year Ended 31 March 2023

	Notes	31.3.23 £	31.3.22 £
TURNOVER		312,954	304,035
Cost of sales		<u>108,357</u>	<u>33,971</u>
GROSS SURPLUS		204,597	270,064
Administrative expenses		<u>321,844</u>	<u>218,213</u>
		(117,247)	51,851
Other operating income		<u>223,175</u>	<u>107,691</u>
OPERATING SURPLUS	4	105,928	159,542
Interest payable and similar expenses		<u>1,832</u>	<u>5,047</u>
SURPLUS BEFORE TAXATION		104,096	154,495
Tax on surplus	5	-	-
SURPLUS FOR THE FINANCIAL YEAR		<u>104,096</u>	<u>154,495</u>

Balance Sheet
31 March 2023

	Notes	31.3.23		31.3.22	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		1,568,442		1,509,096
CURRENT ASSETS					
Stocks	7	-		18,333	
Debtors	8	28,908		33,680	
Cash at bank and in hand		272,083		263,445	
		300,991		315,458	
CREDITORS					
Amounts falling due within one year	9	89,024		195,182	
NET CURRENT ASSETS			211,967		120,276
TOTAL ASSETS LESS CURRENT LIABILITIES			1,780,409		1,629,372
CREDITORS					
Amounts falling due after more than one year	10		(174,097)		(127,156)
ACCRUALS & DEFERRED INCOME	11		(1,159,737)		(1,159,737)
NET ASSETS			446,575		342,479
RESERVES					
Income and expenditure account	12		446,575		342,479
			446,575		342,479

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2023.


The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2023 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 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 27/10/2023 and were signed on its behalf by:


 Director
 Martin Putsey

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
Improvements to property	- 4% on cost
Plant and machinery	- 15% on reducing balance
Computer equipment	- 25% on reducing balance

Stocks

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

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.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 10 (2022 - 7).

4. **OPERATING SURPLUS**

The operating surplus is stated after charging:

	31.3.23	31.3.22
	£	£
Depreciation - owned assets	<u>29,491</u>	<u>20,001</u>

5. **TAXATION**

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 March 2023 nor for the year ended 31 March 2022.

6. **TANGIBLE FIXED ASSETS**

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 April 2022	1,361,779	46,750	120,799
Additions	-	18,228	61,609
At 31 March 2023	<u>1,361,779</u>	<u>64,978</u>	<u>182,408</u>
DEPRECIATION			
At 1 April 2022	-	1,870	18,710
Charge for year	-	2,599	24,555
At 31 March 2023	<u>-</u>	<u>4,469</u>	<u>43,265</u>
NET BOOK VALUE			
At 31 March 2023	<u>1,361,779</u>	<u>60,509</u>	<u>139,143</u>
At 31 March 2022	<u>1,361,779</u>	<u>44,880</u>	<u>102,089</u>

6. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 April 2022	-	1,100	1,530,428
Additions	9,000	-	88,837
At 31 March 2023	9,000	1,100	1,619,265
DEPRECIATION			
At 1 April 2022	-	752	21,332
Charge for year	2,250	87	29,491
At 31 March 2023	2,250	839	50,823
NET BOOK VALUE			
At 31 March 2023	6,750	261	1,568,442
At 31 March 2022	-	348	1,509,096

7. STOCKS

	31.3.23 £	31.3.22 £
Stocks	-	18,333

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23 £	31.3.22 £
Trade debtors	358	1,797
Grant funding due	23,942	15,789
VAT	3,358	14,844
Prepayments	1,250	1,250
	28,908	33,680

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23 £	31.3.22 £
Other loans	-	47,692
Trade creditors	233	7,500
Other creditors	-	206
Deferred grants	87,606	138,463
Accrued expenses	1,185	1,321
	89,024	195,182

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

	31.3.23 £	31.3.22 £
Deferred Grants	174,097	127,156

11. ACCRUALS & DEFERRED INCOME

	31.3.23 £	31.3.22 £
Deferred government grants	1,159,737	1,159,737

Deferred Government Grants

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

12. RESERVES

	Income and expenditure account £
At 1 April 2022	342,479
Surplus for the year	104,096
At 31 March 2023	446,575

Chartered 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 2023 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 ICAS, we are subject to its ethical and other professional requirements which are detailed at <http://www.icas.com/accountspreparationguidance>.

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 ICAS as detailed at <http://www.icas.com/accountspreparationguidance>. 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 profit 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.

Mackay & Co CA
120 George Street
Oban
Argyll
PA34 5NT

Date:

South West Mull And Iona Development

Detailed Income and Expenditure Account
for the Year Ended 31 March 2023

	31.3.23		31.3.22	
	£	£	£	£
Turnover				
Timber sales	306,917		304,035	
Other Sales Income	6,037		-	
	<u>312,954</u>	312,954	<u>304,035</u>	304,035
Cost of sales				
Forest costs	22,017		31,211	
Seaweed Farm Costs	86,340		2,760	
	<u>108,357</u>	108,357	<u>33,971</u>	33,971
GROSS SURPLUS		204,597		270,064
Other income				
Rental and services	7,127		9,798	
Donations & fundraising	10,251		33,810	
Employer's NI allowance	4,000		4,000	
Grants	201,797		60,083	
	<u>223,175</u>	223,175	<u>107,691</u>	107,691
		427,772		377,755
Expenditure				
Rent, rates and water	5,206		5,399	
Insurance	13,418		11,313	
Forest maintenance	35,185		127	
Bendoran costs	5,956		8,944	
Community Garden	2,814		5,751	
Wages	146,524		112,077	
Social security	10,056		8,837	
Pensions	7,866		6,713	
Staff & director training	556		3,793	
Telephone & internet	1,005		961	
Office costs & overheads	6,665		5,696	
Website & branding	735		1,029	
Travelling & subsistence	4,714		637	
Electric van - leasing costs	3,756		3,939	
Columba Centre costs	4,222		3,102	
Community engagement	5,894		161	
Repairs and renewals	4,873		1,059	
Sundry expenses	-		189	
Subscriptions	225		155	
Accountancy	1,320		1,325	
Consultancy fees	30,602		16,200	
Donations	586		640	
Depreciation	29,491		20,002	
	<u>321,669</u>	321,669	<u>218,049</u>	218,049
		106,103		159,706
Finance costs				
Bank charges	175		164	
Loan	1,832		5,047	
	<u>2,007</u>	2,007	<u>5,211</u>	5,211
NET SURPLUS		<u>104,096</u>		<u>154,495</u>