

**REPORT OF THE DIRECTORS AND  
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016  
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 2016**

**DIRECTORS:**

Robert Allan  
Anne Elizabeth Baxter  
Jack Degnan  
David Alan Hope Greenhaigh  
Marilyn Elizabeth Jane Halcrow  
Anthony Alan Jeffree  
Colin Cameron Macdonald  
Stewart Macdougall  
John Edmund Maxwell Macinnes  
Cameron Anson  
Marie Bernadette Fox  
Alison Mccall Moore

**REGISTERED OFFICE:**

Tigh Na Rois  
Bunessan  
Isle of Mull  
Argyll  
PA67 6DG

**REGISTERED NUMBER:**

SC472460 (Scotland)

**ACCOUNTANTS:**

R A Clement Associates  
5 Argyll Square  
Oban  
Argyll  
PA34 4AZ

## SOUTH WEST MULL AND IONA DEVELOPMENT

### REPORT OF THE DIRECTORS For The Year Ended 31 March 2016

The directors present their report with the financial statements of the company for the year ended 31 March 2016.

#### REVIEW OF BUSINESS

##### **Tiroran Community Forest:**

Tiroran Community Forest was purchased by SWMID, on behalf of the community, in November 2015. The forest is managed as an asset which will generate an income for the local community through commercial forestry and will also create opportunities for local people in employment, volunteering, skills development, recreation, environment and health.

In the four months of ownership since November, SWMID established a partnership with Tilhill Forestry who will manage forest operations for the first year, felling commenced in February 2016.

The first volunteer day happened in February 2016 and saw volunteers gathering to clear one of the many archaeological sites in the forest.

Imperative negotiations with Forestry Commission Scotland took place before and after the November purchase to address boundary issues and statutory plant health notices relating to the Larch disease Phytophthora Ramorum.

As a result of the Tiroran Community Forest project, two new employment opportunities were created and members of staff appointed.

##### **Columba Centre, Fionnphort**

Historic Environment Scotland are keen to transfer management of the Columba Centre in Fionnphort to SWMID. It was agreed that the transfer will be phased due to the centre being used to house stones of historic importance which will need alternative storage. Consultation with the community has been carried out to find out how local people would like to see the centre managed and used. Highlands and Islands Enterprise have deemed SWMID eligible to apply for funding towards any refurbishment which may be needed to enable the community to use the centre.

##### **Community Consultations**

In March 2016 SWMID worked with Connecting Scotland to host ten café conversations, including three for young people and school children and one outdoor session in Tiroran Forest. 210 people attended the meetings over the course of the two weeks, approximately 25% of the resident population. In order to give everyone an opportunity to participate, a survey was created asking the same questions. There was an online survey, a paper insert in our local paper and opportunities to have copies posted out were advertised in local shops, on our Facebook page and our website. A further 38 people contributed through the survey option.

The findings from the consultations supported the outcomes which SWMID are working towards and also provided a range of issues which people envisaged Tiroran Forest and the Columba Centre addressing and also a range of project ideas which people would like to happen.

##### **Sound of Iona Harbours**

SWMID assisted the Sound of Iona Harbours Committee in making a case to Argyll and Bute Council to address the infrastructure issues at both piers in the Sound of Iona. As a result, the Development of the Sound of Iona Infrastructure was added to the Argyll and Bute Council Economic Development Action plan. The Sound of Iona Harbours Committee became a sub group of SWMID.

##### **Ross of Mull and Iona Gala Fortnight**

The first Ross of Mull and Iona Gala Fortnight happened in July 2015 with the aim being to showcase what the local community has to offer both local people and visitors. The fortnight hosted 21 events including a parade, a dance, practical plants workshops, a scare crow trail and a pop-up art gallery.

**Iona Renewables Group:** IRG is a joint project between Iona Community Council and South West Mull and Iona Development. It was set up to investigate the feasibility of renewable projects on the Isle of Iona. SWMID assisted in facilitating the group by having a presence on the committee, carrying out financial administration and assisting in selecting the consultants to carry out the work.

**Ross of Mull Croileagan:** SWMID continued to have an administrative role in the group and offers support through assisting with funding applications and supporting the play leader.

## **SOUTH WEST MULL AND IONA DEVELOPMENT**

### **REPORT OF THE DIRECTORS For The Year Ended 31 March 2016**

**Feis Mhuile:** Fèis Mhuile is an annual teaching festival of traditional music, dance, Gaelic song and drama for young people (aged 8 to 18). SWMID supported Feis Mhuile in organising a 3 day event in February 2015.

#### **Support for Ross of Mull and Iona Community Transport Scheme**

Two successful applications were made, on behalf of ROMICTS, to the Robertson Trust and to the Lloyds TSB Foundation's Henry Duncan Awards to fund the employment of a community transport co-ordinator.

#### **Financial Review: 2015/2016**

During the year under review South West Mull and Iona Development received total income of £126,876. The largest income streams were an advance payment from Tilhill Forestry of £50,000 for timber sales and grant income of £70,097. The two main grant receipts were from Highlands and Islands Enterprise: £35,118 for core funding for the Local Development Manager's post and an advance of £24,359 of a revenue fund to support the management of Tiroran Community Forest in the early stages.

The net funds of South West Mull and Iona Development at the balance sheet date amounted to £50,699.

Expenditure during this period has been primarily related to operational costs for the full-time Local Development Manager and the part-time Forest Officer and Administrator (both from November 2015): salaries, office space, office equipment, accountancy fees, insurance and travel costs.

The purchase of Tiroran Community Forest, supported by a grant of £750,000 from the Scottish Land Fund and a loan of £200,000 from Social Investment Scotland, has given SWMID a fixed asset of £925,329, including legal fees and other costs. From January 2016 we started making a monthly loan repayment of £4,128.00 to Social Investment Scotland in respect of the £200,000 loan.

From September 2015 the Company became VAT registered and this has had an impact on our cashflow. This means that we have to charge VAT for timber sales and this is repayable to HMRC. We can offset these costs with VAT that we have paid for goods and services.

#### **Future plans**

For the period 2016/2017 Highlands and Islands Enterprise are continuing to fully fund the post of Local Development Manager. Thereafter this post may not be 100% funded and a proportion of costs will need to be funded from other sources.

It is expected that income from felling at Tiroran Community Forest will generate the largest proportion of our income for the year 2016/2017. Expenditure in the forest during that period is likely to include road building, fencing and some re-planting, with the biggest cost being re-planting.

The monthly repayment to Social Investment Scotland will continue until December 2020.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2015 to the date of this report.

Robert Allan  
Anne Elizabeth Baxter  
Jack Degnan  
David Alan Hope Greenhaigh  
Marilyn Elizabeth Jane Halcrow  
Anthony Alan Jeffrey  
Colin Cameron Macdonald  
Stewart Macdougall  
John Edmund Maxwell Macinnes

**SOUTH WEST MULL AND IONA DEVELOPMENT**

**REPORT OF THE DIRECTORS  
For The Year Ended 31 March 2016**

**DIRECTORS - continued**

Other changes in directors holding office are as follows:

Martin Caldwell - resigned 20 April 2015  
James Grant Campbell - resigned 28 November 2015  
John Nicholas Clare - resigned 29 September 2015  
Craig Hugh Rutherford - resigned 22 July 2015  
Cameron Anson - appointed 16 December 2015  
Marie Bernadette Fox - appointed 8 June 2015  
Alison Mccall Moore - appointed 8 June 2015

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:**

.....  
Anne Elizabeth Baxter - Director

Date: .....

**SOUTH WEST MULL AND IONA DEVELOPMENT**

**INCOME AND EXPENDITURE ACCOUNT  
For The Year Ended 31 March 2016**

	Notes	Year Ended 31.3.16 £	Period 13.3.14 to 31.3.15 £
<b>TURNOVER</b>		<b>50,000</b>	-
Administrative expenses		<u>71,206</u>	<u>49,617</u>
		<b>(21,206)</b>	<b>(49,617)</b>
Other operating income		<u>76,518</u>	<u>49,622</u>
<b>OPERATING SURPLUS</b>	2	<b>55,312</b>	5
Interest receivable and similar income		<u>358</u>	-
		<b>55,670</b>	5
Interest payable and similar charges		<u>4,971</u>	5
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>50,699</b>	-
Tax on surplus on ordinary activities	3	<u>-</u>	-
<b>SURPLUS FOR THE FINANCIAL YEAR</b>		<b><u>50,699</u></b>	<b><u>-</u></b>

The notes form part of these financial statements

**SOUTH WEST MULL AND IONA DEVELOPMENT (REGISTERED NUMBER: SC472460)**

**BALANCE SHEET  
31 March 2016**

	Notes	2016		2015	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	4		<b>925,329</b>		-
<b>CURRENT ASSETS</b>					
Debtors	5	<b>20,336</b>		4,528	
Cash at bank and in hand		<b>82,473</b>		5,246	
				<u>9,774</u>	
		<b>102,809</b>			
<b>CREDITORS</b>					
Amounts falling due within one year	6	<b>67,663</b>		9,774	
<b>NET CURRENT ASSETS</b>			<b>35,146</b>		-
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>960,475</b>		-
<b>CREDITORS</b>					
Amounts falling due after more than one year	7		<b>(159,776)</b>		-
<b>ACCRUALS AND DEFERRED INCOME</b>	9		<b>(750,000)</b>		-
<b>NET ASSETS</b>			<b>50,699</b>		-
<b>RESERVES</b>					
Income and expenditure account	10		<b>50,699</b>		-
			<b>50,699</b>		-

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2016.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2016 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 2016**

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Directors on ..... and were signed on its behalf by:

.....  
Marilyn Elizabeth Jane Halcrow - Director

The notes form part of these financial statements

## SOUTH WEST MULL AND IONA DEVELOPMENT

### NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 31 March 2016

#### 1. ACCOUNTING POLICIES

##### Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

##### Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

##### Tangible fixed assets

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

##### Deferred tax

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

##### 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 the profit and loss account in the period to which they relate.

#### 2. OPERATING SURPLUS

The operating surplus is stated after charging:

	Year Ended 31.3.16 £	Period 13.3.14 to 31.3.15 £
Pension costs	2,114	1,440
	<u>          </u>	<u>          </u>
Directors' remuneration and other benefits etc	-	-
	<u>          </u>	<u>          </u>

#### 3. TAXATION

##### Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2016 nor for the period ended 31 March 2015.

#### 4. TANGIBLE FIXED ASSETS

	Freehold property £
<b>COST</b>	
Additions	925,329
	<u>          </u>
At 31 March 2016	925,329
	<u>          </u>
<b>NET BOOK VALUE</b>	
At 31 March 2016	925,329
	<u>          </u>

**SOUTH WEST MULL AND IONA DEVELOPMENT**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 March 2016**

<b>5.</b>	<b>DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
	Trade debtors	<b>150</b>	-
	Other debtors	<b>20,186</b>	4,528
		<u><b>20,336</b></u>	<u>4,528</u>

<b>6.</b>	<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
	Other loans	<b>36,938</b>	-
	Trade creditors	<b>1,638</b>	-
	Social security and other taxes	<b>17</b>	680
	VAT	<b>10,048</b>	-
	Accrued expenses	<b>1,380</b>	3,030
	Deferred government grants	<b>17,642</b>	6,064
		<u><b>67,663</b></u>	<u>9,774</u>

<b>7.</b>	<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
	Other loans - 1-2 years	<b>82,074</b>	-
	Other loans - 2-5 years	<b>77,702</b>	-
		<u><b>159,776</b></u>	<u>-</u>

**8. SECURED DEBTS**

The following secured debts are included within creditors:

		<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
	Other loans	<b>196,714</b>	-
		<u><b>196,714</b></u>	<u>-</u>

The Social Growth Fund LLP (as part of Social Investment Scotland) has a standard security over the whole of Tiroran Forest on the Island of Mull in respect of all sums due, as well as a bond and floating charge over the whole of the property and undertaking of the company.

<b>9.</b>	<b>ACCRUALS AND DEFERRED INCOME</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
	Deferred government grants	<b>750,000</b>	-
		<u><b>750,000</b></u>	<u>-</u>

**SOUTH WEST MULL AND IONA DEVELOPMENT**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 March 2016**

10. **RESERVES**

	<b>Income and expenditure account £</b>
Surplus for the year	<u>50,699</u>
At 31 March 2016	<u><u>50,699</u></u>

**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 2016 which comprise the Income and Expenditure Account, the 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 Institute of Chartered Accountants of Scotland, we are subject to its ethical and other professional requirements which are detailed at <http://www.icas.org.uk/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 the Institute of Chartered Accountants of Scotland as detailed at <http://www.icas.org.uk/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.

R A Clement Associates  
5 Argyll Square  
Oban  
Argyll  
PA34 4AZ

Date: .....

**SOUTH WEST MULL AND IONA DEVELOPMENT**  
**DETAILED INCOME AND EXPENDITURE ACCOUNT**  
**For The Year Ended 31 March 2016**

	Year Ended 31.3.16		Period 13.3.14 to 31.3.15	
	£	£	£	£
<b>Timber felling</b>		<b>50,000</b>		-
<b>Other income</b>				
Donations & fundraising	3,879		-	
Employer's NI Allowance	2,000		-	
Sundry Income	542		-	
Government grants	70,097		49,622	
Deposit account interest	358		-	
	<u>          </u>	<b>76,876</b>	<u>          </u>	49,622
		<b>126,876</b>		49,622
<b>Expenditure</b>				
Rent, Rates and water	2,361		1,920	
Insurance	2,999		559	
Wages	35,230		24,000	
Social security	2,809		214	
Pensions	2,114		1,440	
Staff & directors' training	350		-	
Telephone	141		134	
Post and stationery	821		303	
Travelling & Subsistence	3,601		523	
Fundraising expenses	1,109		-	
Repairs and renewals	775		-	
Computer & Software	1,086		1,324	
Sundry expenses	155		59	
Subscriptions	80		-	
Accountancy	1,750		1,230	
Legal fees	4,480		-	
Consultancy fees	-		1,800	
Forest planning & consultation	11,345		16,101	
	<u>          </u>	<b>71,206</b>	<u>          </u>	49,607
		<b>55,670</b>		15
<b>Finance costs</b>				
Bank charges	-		10	
Bank interest	-		5	
Loan interest	4,971		-	
	<u>          </u>	<b>4,971</b>	<u>          </u>	15
<b>NET SURPLUS</b>		<b>50,699</b>		-
		<u>          </u>		<u>          </u>

This page does not form part of the statutory financial statements