

**Charity number: SC041923**  
**Company number: SC285873**

**Coimhearsnachd Bharraidh agus Bhatarsaidh (Barra and Vatersay Community) Ltd**  
**(A company limited by guarantee)**

**Group report and financial statements**

**for the year ended 31 March 2016**

**Coimhearsnachd Bharraidh agus Bhatarsaidh (Barra and Vatersay Community) Ltd**  
**(A company limited by guarantee)**

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**Coimhearsnachd Bharraidh agus Bhatarsaidh (Barra and Vatersay Community) Ltd  
(A company limited by guarantee)**

**Legal and administrative information**

**Charity number** SC041923  
**Company registration number** SC285873

**Business address** Ciosmul  
Castlebay  
Isle of Barra  
Western Isles  
HS9 5XB

**Registered office** Ciosmul  
Castlebay  
Isle of Barra  
HS9 5XB

<b>Directors</b>	Roderick John Jardine	Chair
	Neil John MacLennan	Vice Chair, Re-elected March 2015
	Sarah Jane MacLean	Treasurer Co-opted 21 July 2015, re-elected April 2016
	Katie Denehy	Co-opted 31 July 2015, re-elected April 2016
	Angela Foster	Re-elected April 2016
	John MacLennan	Re-elected March 2015
	Angus Archie MacLeod	Re-elected March 2015
	Donald William MacLeod	Secretary, re-elected April 2016
	Michael MacNeil	Re-elected March 2015
	Donald Francis Manford	Re-elected April 2016
Donald MacNeil	Resigned 7 July 2016	
Michael Cox	Appointed 21 July 2015, resigned 6 February 2016	
Christina MacFarlane	Resigned 3 November 2015	

**Auditors** R A Clement Associates  
Chartered Accountants & Registered Auditors  
5 Argyll Square  
Oban  
Argyll  
PA34 4AZ

**Coimhearsnachd Bharraidh agus Bhatarsaidh (Barra and Vatersay Community) Ltd  
(A company limited by guarantee)**

**Legal and administrative information**

**Bankers**

Royal Bank of Scotland  
Castlebay Branch  
PO Box 1  
Castlebay  
Isle of Barra

**Coimhearsnachd Bharraidh agus Bhatarsaidh (Barra and Vatersay Community) Ltd  
(A company limited by guarantee)**

**Report of the directors (incorporating the trustees' report)  
for the year ended 31 March 2016**

The directors present their report and the financial statements for the year ended 31 March 2016. The directors, who are also trustees of Coimhearsnachd Bharraidh agus Bhatarsaidh for the purposes of charity law and who served during the year and up to the date of this report are set out on page 1 - 2.

**Structure, governance and management**

***Governing document***

The charity is controlled by its governing document and is constituted as a company limited by guarantee as defined in the Companies Act 2006. It is registered as a charity with the Office of the Scottish Charity Regulator.

***Recruitment, appointment and induction of trustees***

During the Annual General Meeting, members of the charity can nominate, second and vote for other members to become trustees of the charity. The Directors provide an appropriate mix of skills, experience and expertise. The Board Committees comprise Directors with a mix of relevant skills and experience such that no undue reliance is placed on any one individual.

***Organisational structure***

The business of the company is managed by the directors who exercise all the powers of the company. The employees of the company are responsible for the day to day operations of the company.

***Retirement of directors***

As required by the Memorandum & Articles, a specified number of the longest serving directors are due to retire by rotation, and any co-opted directors during the year must stand down and be re-elected to the Board. Any retiring directors are eligible to stand for re-election.

***Internal Control & Risk Review***

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness in order to safeguard the Company's assets. The system is designed to provide reasonable but not absolute assurance against material mis-statement or loss

***Board Committees***

To provide effective overview and leadership the Board has established a number of Committees with specific responsibilities. Membership of all Committees is reviewed at appropriate intervals.

**Objectives and activities**

***Principal object***

The principal object of the charity is to promote the benefit of the Community, without distinction on the grounds of race, political, religious or other opinions, by associating with local statutory authorities, voluntary organisations and inhabitants in a common effort to advance community development; and to promote, also for the public benefit, rural regeneration, including demographic balance and stability, following principles of sustainable development, (where sustainable development means development which meets the needs of the present without compromising the ability of future generations to meet their own needs) in areas of social and economic deprivation within the community.

***Our long term vision is:***

To develop the economic, social and cultural sustainability of our community by harnessing and promoting the quality of our resources, people and the environment, for the long term benefit of all members of our present and future community.

**Coimhearsnachd Bharraidh agus Bhatarsaidh (Barra and Vatersay Community) Ltd  
(A company limited by guarantee)**

**Report of the directors (incorporating the trustees' report)  
for the year ended 31 March 2016**

**Achievements and performance**

In the past year we have continued to work towards our objective of promoting social and economic development on Barra and Vatersay through our core activities and through those of our subsidiaries.

At this time there is still core funding in place until March 2017. The funding currently in place is from Highlands and Island Enterprise (HIE) and meets the costs for 1 full-time equivalent (FTE) Local Development Officer (LDO) and some office costs but does not fully fund Coimhearsnachd Barraidh agus Bhatarsaidh (CBaB). To supplement this income CBaB rent out some office space to local companies. CBaB also add an administration fee to any work that they do out with the scope of the LDO post.

Tina MacNeil and Euan Scott have been job sharing the LDO post since Aug 2014. An admin / technical post was created within Barra & Vatersay Environmental Services Ltd and both Tina and Euan share this 0.6 FTE job.

This year the LDO's have worked with community groups on Barra to get grant funding for various projects. Coastal Communities Fund (CCF) had awarded £690,000 for the Castlebay Pontoon Project but due to some unforeseen circumstances the project was underfunded. CCF increased their award to £906,500, HIE granted £208,500 and Comhairle nan Eilean Siar (CnES) granted £10,000 to allow the project to proceed. The project is due to be completed by November 2016.

The LDO's have assisted the Steering Group of the Community Land Buyout and they were awarded a grant of £10,000 for a Feasibility Study. They have until Nov 2016 to complete the study

The Scottish Government and Development Trusts Association Scotland (DTAS) both awarded £10,000 for a Town Regeneration / Charrette Study. The contract was awarded to Ironside Farrar. This was carried out in March 2016 and was well attended by the community. New projects were identified and existing projects were revisited and have now got a public consultation to reinforce them.

We were successful in a CARES bid for the Vatersay District Heating Scheme (VDH) scheme. We were asked to provide a financial model before the project could begin. Scott Moncrieff were awarded the contract and the model presented to Community And Renewable Energy Scheme (CARES). They decided there was not enough evidence to proceed with the project but allowed us to buy Logtags and OWL meters for use in a future project.

We applied with Voluntary Action Barra & Vatersay (VABV) to Scottish Council for Voluntary Organisations (SCVO) for a digital intern and were jointly awarded a student for an eight week period. Alison MacDonald was successful in her interview and worked with us over the summer 2015. She developed the CBaB website and Facebook page and contributed to media pages for VABV.

In the current year two of CBAB's subsidiaries have been active. Notes on each of these are outlined below.

***Barra and Vatersay Wind Energy Ltd***

The Wind Turbine is in its second year of production and has performed almost exactly as predicted. There have also been less Scottish and Southern Energy plc (SSE) outages and the weather has been very good for the production. We have begun paying into the Debt Reserve Fund (DRF) and will have it filled by January 2017. There has already been some community benefit as £15,000 was paid to The Scottish Government in Annual Rent with 50% of this being paid to the Eoligarry Township.

**Coimhearsnachd Bharraidh agus Bhatarsaidh (Barra and Vatersay Community) Ltd  
(A company limited by guarantee)**

**Report of the directors (incorporating the trustees' report)  
for the year ended 31 March 2016**

***Barra and Vatersay Environmental Services Ltd***

The recycling centre is running smoothly. There is still one part time employee (21 hours) and one relief position. They have applied for various grants for their Compost project but have been unsuccessful. This project has now been shelved. They are still working with CNeS to provide the skips for the island.

***Barra and Vatersay Research Ltd***

This company has been dormant this year. The intention is to close the company.

***Barra and Vatersay Heat Ltd***

This company has been dormant this year. This may be used if the VDH scheme develops as expected.

**Financial review**

***Reserves***

The directors, as trustees of the charity, have examined the requirement to retain free reserves, which are those unrestricted funds not invested in fixed assets, designated to a specific purpose or otherwise committed. They have decided that free reserves in the region of 9 months core costs would be reasonable. However, as at 31 March 2016 in the Trust's own accounts, free liquid reserves stood at £4,148 unrestricted, held within total unrestricted funds of £34,063 (2015: £15,576)

***Principal Funding Sources***

The principal funding sources in the year under review were Highlands & Island Enterprise and Coastal Communities Fund.

The core funding from Highlands & Island Enterprise will remain in place until March 2017 and will meet the costs of one FTE Local Development Officer and some of the administrative costs of the charity.

The charity was awarded £906,500 from the Coastal Communities Fund, towards the pontoons project. This income was supplemented by a HIE grant of £208,500 and Comhairle nan Eilean Siar (CnES) funding of £10,000. The pontoons project was on-going at the year end and is due to be completed by November 2016.

***A financial review of the charity's four trading subsidiaries is discussed below.***

**Barra & Vatersay Wind Limited** - During the year, the company continued to operate a 900kw wind turbine in the Isle of Barra. The board's long term intention is for the company to provide a 'community dividend' which will help to cover the core costs of the charity and help finance a strategic fund for future capital projects.

**Barra & Vatersay Environmental Services Limited** - During the year, the subsidiary continued to fulfil a contract provided by the local area authority to collect and manage waste.

**Barra & Vatersay Research Limited** - this company was dormant during the year under review.

**Barra & Vatersay Heat Limited** - this company was dormant during the year under review.

The financial performance of each of the charity's subsidiary is disclosed in note 3 to the accounts

**Coimhearsnachd Bharraidh agus Bhatarsaidh (Barra and Watersay Community) Ltd**  
**(A company limited by guarantee)**

**Report of the directors (incorporating the trustees' report)**  
**for the year ended 31 March 2016**

***Going concern and financial sustainability***

On the basis of the information available to them the Directors have a reasonable expectation that the Charity and trading subsidiaries have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors consider it appropriate to continue to adopt a going concern basis in preparing the financial statements.

At the year end, the charity's trading subsidiaries had negative reserves totalling £200,738 (2015 - £364,450). The principal reason for this position was due to the historic losses carried forward by Barra & Watersay Wind Energy Ltd, which resulted from pre-operational costs, before the company's 900kw wind turbine was commissioned. The company generated a profit in the year ended 31 March 2016 and is expected to continue to do so in future periods; therefore the board of trustees consider the negative reserve position to be temporary.

**Plans for future periods**

There are various significant projects on the horizon - the investigation of a community land buyout on Barra and Watersay has been awarded money for a feasibility study, the Castlebay Harbour Project must be completed by Dec 2016, the Watersay District Heating Project is hoping to be awarded funding for energy monitoring and the All Weather Pitch Project which is progressing.

**Statement as to disclosure of information to auditors**

In so far as the directors are aware:

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

**Statement of directors' responsibilities**

The directors (who are also trustees of Coimhearsnachd Bharraidh agus Bhatarsaidh under charity law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.



**Coimhearsnachd Bharraidh agus Bhatarsaidh (Barra and Vatersay Community) Ltd  
(A company limited by guarantee)**

**Report of the directors (incorporating the trustees' report)  
for the year ended 31 March 2016**

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

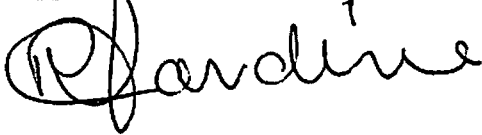
**Auditors**

R A Clement Associates were appointed auditors to the group and a resolution to reappoint the firm as auditors will be presented to the Annual General Meeting.

**Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved on.....15/12/16.....



**Roderick John Jardine  
Director**

**On behalf of the Board**

**Coimhearsnachd Bharraidh agus Bhatarsaidh (Barra and Watersay Community) Ltd  
(A company limited by guarantee)**

**Independent auditor's report to the trustees of Coimhearsnachd Bharraidh agus Bhatarsaidh  
(Barra and Watersay Community) Ltd**

We have audited the financial statements of the group for the year ended 31 March 2016 which comprise the consolidated statement of financial activities, the group balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2015)

This report is made exclusively to the directors of the company, as a body, who are the trustees of the charity, in accordance with s44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the directors as trustees of the charity, as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the directors and auditors**

As explained more fully in the Trustees' Responsibilities Statement in the Trustees' report, the trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the group financial statements and for being satisfied that the financial statements give a true and fair view.

The directors have elected for the financial statements to be audited in accordance the Charities and Trustee Investment (Scotland) Act 2005, rather than also with the Companies Act 2006. Accordingly, we have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you in accordance with that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of; whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees/Directors report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements, or inconsistencies, we consider the implications for our report.

**Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 March 2016 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**Coimhearsnachd Bharraidh agus Bhatarsaidh (Barra and Vatersay Community) Ltd**  
**(A company limited by guarantee)**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Other Matters**

We would draw attention to the information given in the directors' report regarding the negative reserves of the trading subsidiary - Barra & Vatersay Wind Energy Limited. We have considered the directors' comments and have agreed that no material adjustments are required to the consolidated accounts in this respect.

**Matters on which we are required to report by exception**

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

- the charitable company has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records or returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.



.....

15/12/16  
.....

**Fiona McGlynn**  
**Senior Statutory Auditor**

**5 Argyll Square**  
**Oban**  
**Argyll**  
**PA34 4AZ**

**For and on behalf of**  
**R A Clement Associates**  
**Chartered Accountants and Statutory Auditor**

**(Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006)**

**Coimhearsnachd Bharraidh agus Bhatarsaidh (Barra and Watersay Community) Ltd**  
**(A company limited by guarantee)**

**Consolidated Statement of financial activities (incorporating the income and expenditure account)**

**For the year ended 31 March 2016**

	Notes	Unrestricted funds £	Restricted funds £	Trading Companies £	2016 Total £	2015 Total £
<b>Income from:</b>						
Grants, donations & legacies	2	28,909	282,266	-	311,175	34,107
Fundraising activities	3 (a)	3,388	-	-	3,388	3,150
Investment income		-	-	426	426	394
Trading subsidiaries	3 (b)	-	-	555,551	555,551	363,484
Charitable activities	4	-	-	-	-	9,222
<b>Total income</b>		<u>32,297</u>	<u>282,266</u>	<u>555,977</u>	<u>870,540</u>	<u>410,357</u>
<b>Expenditure on</b>						
Trading subsidiaries	5	-	-	235,742	235,742	239,647
Charitable activities	6	31,898	33,746	-	65,644	38,056
Loan interest, charges & fees	7	3,934	-	155,904	159,838	149,622
<b>Total resources expended</b>		<u>35,832</u>	<u>33,746</u>	<u>391,646</u>	<u>461,224</u>	<u>427,325</u>
<b>Net incoming/(outgoing) resources before transfers</b>						
		(3,535)	248,520	164,331	409,316	(16,968)
Transfer between funds - other items		<u>10,024</u>	<u>(9,405)</u>	<u>(619)</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds/Net income/(expenditure) for the year</b>		<u>6,489</u>	<u>239,115</u>	<u>163,712</u>	<u>409,316</u>	<u>(16,968)</u>
Total funds brought forward		8,865	17,194	(364,450)	(338,391)	(320,491)
Reversal of equity accounting		-	-	-	-	(932)
<b>Total funds carried forward</b>		<u>15,354</u>	<u>256,309</u>	<u>(200,738)</u>	<u>70,925</u>	<u>(338,391)</u>

The statement of financial activities includes all gains and losses in the year and therefore a separate statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 14 to 29 form an integral part of these financial statements.

**Coimhearsnachd Bharraidh agus Bhatarsaidh (Barra and Vatersay Community) Ltd**  
**(A company limited by guarantee)**

**Consolidated Balance sheet**  
**as at 31 March 2016**

SC285873

	Notes	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Tangible assets	11		2,142,512		2,010,587
<b>Current assets</b>					
Debtors	13	132,730		99,494	
Cash at bank and in hand		392,524		102,057	
		<u>525,254</u>		<u>201,551</u>	
<b>Creditors: amounts falling due within one year</b>	14	(418,010)		(233,640)	
<b>Net current assets/(liabilities)</b>			<u>107,244</u>		<u>(32,089)</u>
<b>Total assets less current liabilities</b>			2,249,756		1,978,498
<b>Creditors: amounts falling due after more than one year</b>	15		(2,060,175)		(2,193,035)
<b>Provisions for liabilities</b>	16		(23,031)		(22,253)
<b>Deferred income</b>	18		(95,625)		(101,601)
<b>Net assets/(liabilities)</b>			<u>70,925</u>		<u>(338,391)</u>
<b>Funds</b>	19				
Trading company reserves	22		(200,738)		(364,450)
Restricted funds	21		256,309		17,194
Unrestricted funds	20		15,354		8,865
<b>Total funds</b>			<u>70,925</u>		<u>(338,391)</u>

The directors' statement, approval and signature which appear on the following page form part of the statutory Balance Sheet.

The directors, who are the trustees of the charity, have prepared group accounts in accordance with section 44 of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The notes on pages 14 to 29 form an integral part of these financial statements.

**Coimhearsnachd Bharraidh agus Bhatarsaidh (Barra and Watersay Community) Ltd**  
**(A company limited by guarantee)**

**Consolidated Balance sheet (continued)**

SC285873

**Directors' statements required by the Companies Act 2006**  
**for the year ended 31 March 2016**

In approving these financial statements we hereby confirm:

(a) that for the year stated above the group was entitled to the exemption conferred by section 477 and section 479 of the Companies Act 2006 ;

(b) that no notice has been deposited at the registered office of the company pursuant to section 476 of the Companies Act 2006 requesting that an audit be conducted under the Companies Act for the year ended 31 March 2016.

(c) that we acknowledge our responsibilities for:

(1) ensuring that the group keeps proper accounting records which comply with section 386 of the Companies Act 2006, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the group as at the end of the financial year and of its surplus or deficit for the year then ended in accordance with the requirements of sections 394 and 395, and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the group.

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

The financial statements were approved by the board on 15/12/16 and signed on its behalf by



**Sarah Jane MacLean**  
**Director**

**The notes on pages 14 to 29 form an integral part of these financial statements.**

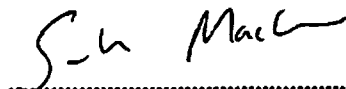
**Coimhearsnachd Bharraidh agus Bhatarsaidh (Barra and Vatersay Community) Ltd**  
**(A company limited by guarantee)**

**Balance Sheet (company)**  
**as at 31 March 2016**

**SC224141**

	Notes	£	2016	£	£	2015	£
<b>Fixed assets</b>							
Tangible assets	11		258,427			17,897	
Investments			18,715			936	
			<u>277,142</u>			<u>18,833</u>	
<b>Current assets</b>							
Debtors	13	22,010			9,805		
Cash at bank and in hand		194,241			3,381		
		<u>216,251</u>			<u>13,186</u>		
<b>Creditors: amounts falling due within one year</b>	14	<u>(203,021)</u>			<u>(5,028)</u>		
<b>Net current assets/(liabilities)</b>			<u>13,230</u>			<u>8,158</u>	
<b>Total assets less current liabilities</b>			<u>290,372</u>			<u>26,991</u>	
<b>Net assets/(liabilities)</b>			<u>290,372</u>			<u>26,991</u>	
<b>Funds</b>							
Restricted funds			256,309			17,194	
Unrestricted funds			34,063			9,797	
<b>Total funds</b>			<u>290,372</u>			<u>26,991</u>	

The financial statements were approved by the board on 15 | 12 | 16 and signed on its behalf by



.....  
**Sarah Jane MacLean**  
**Director**

The charitable company has taken advantage of the exemption from audit under section 477 of the Companies Act 2006.

The notes on pages 14 to 29 form an integral part of these financial statements.

**Coimhearsnachd Bharraidh agus Bhatarsaidh (Barra and Vatersay Community) Ltd**  
**(A company limited by guarantee)**

**Notes to financial statements**  
**for the year ended 31 March 2016**

**1. Accounting policies**

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

**1.1. Basis of accounting**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16/07/14, the Financial Reporting Standard for Smaller Entities (effective January 2015) Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**1.2. Basis of consolidation**

The consolidated accounts incorporate the accounts of the Trust and its four subsidiary undertakings which carry out non primary purpose trading activities to generate funds in support of the Trusts objectives. The Trust is exempt from the requirement to present its own income and expenditure accounts. The results of the financial year dealt with in the financial statements of the Trust are disclosed in the notes to the accounts.

**1.3. Cashflow**

The charity has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small charity.

**1.4. Fund accounting**

Unrestricted funds are held for the general purposes of the charity and are spent in accordance with its aims and objectives.

Restricted funds are funds received to be applied for specific purposes and must be spent in accordance with the wishes of the funder. Funds which are applied to the creation of assets are held in a capital fund and depreciated in accordance with the stated policies. Depreciation is charged directly to the fund.

Trading Company funds represent the results of the active trading subsidiaries within the group and are shown separately to enable the charity to present a true and fair view of its own activities and the impact of the trading companies.

**1.5. Incoming resources**

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants are recognised when the charity becomes unconditionally entitled to the grant, it is probable that the income will be received and the amount can be measured reliably.

Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable.

Income from investments is included in the year in which it is receivable.



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**1.6. Resources expended**

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

**1.7. Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Improvements to property	-	5% on cost
Pontoon & Marine assets	-	To be depreciated on completion
Wind turbine & Renewables	-	5% on cost
Fixtures & Fittings	-	15% reducing balance and 33% straight line
Plant & Machinery	-	33% reducing balance
Computer Equipment	-	33% reducing balance

Depreciation will be charged on the pontoons at 10% straight line from the date of completion..

**1.8. Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transactions. All differences are taken into account in arriving at the operating results.

**1.9. Deferred Tax**

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

**2. Grants, donations & legacies**

	Unrestricted funds £	Restricted funds £	2016 Total £	2015 Total £
Donations	1,140	-	1,140	-
Highlands & Islands Enterpies (CAM)	27,569	-	27,569	34,107
Highlands & Islands Enterprise (pontoons)	-	180,000	180,000	-
Coastal Communities Fund	-	69,508	69,508	-
DTA Community Led Regeneration	-	10,000	10,000	-
Scottish Government - Charrette programme	-	10,000	10,000	-
Digital Intern	-	3,414	3,414	-
Vatersay District Heating Project	-	9,344	9,344	-
CNES	200	-	200	-
	<u>28,909</u>	<u>282,266</u>	<u>311,175</u>	<u>34,107</u>

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**3.(a) Fundraising activities**

	<b>Unrestricted funds £</b>	<b>2016 Total £</b>	<b>2015 Total £</b>
Rental & running costs recharged	3,288	3,288	3,200
Hire of equipment/venues	100	100	325
Subsidiary profit/(loss)	-	-	(375)
	<u>3,388</u>	<u>3,388</u>	<u>3,150</u>

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**3. (b) Trading subsidiaries**

The charity controls the companies listed below by virtue of holding a controlling interest in the equity share capital: -

<b>Name of subsidiary</b>	<b>Country of incorporation</b>	<b>% of equity share capital held</b>
Barra and Vatersay Wind Energy Limited	Scotland	100
Barra and Vatersay Environmental Services Limited	Scotland	100
Barra and Vatersay Research Limited	Scotland	100
Barra and Vatersay Heat Limited	Scotland	100

**Barra and Vatersay Wind Energy Limited**

This company operates the wind turbine on Barra.

**Summary of trading results**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Turnover</b>	534,795	313,211
<b>Total expenditure</b>	(383,581)	(352,076)
<b>Other income</b>	6,397	6,360
<b>Net profit for the year</b>	<u>157,611</u>	<u>(32,505)</u>
<b>Retained profit</b>	<u><u>157,611</u></u>	<u><u>(32,505)</u></u>

**The assets and liabilities of Barra and Vatersay Wind Energy Limited were:**

<b>Assets</b>	2,178,400	2,169,717
<b>Liabilities</b>	<u>(2,395,927)</u>	<u>(2,544,855)</u>
<b>Funds</b>	<u><u>(217,527)</u></u>	<u><u>(375,138)</u></u>

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**Barra and Vatersay Environmental Services Limited**

This company carries out environmental services such as the collection of non hazardous waste and also carries out maintenance and repair of the community wind turbine.

**Summary of trading results**

	2016	2015
	£	£
<b>Turnover</b>	14,780	16,197
<b>Total expenditure</b>	(50,390)	(34,348)
<b>Other income</b>	42,005	28,110
	<u>6,395</u>	<u>9,959</u>
<b>Net profit for the year</b>	<u>6,395</u>	<u>9,959</u>
<b>Retained profit</b>	<u><u>6,395</u></u>	<u><u>9,959</u></u>
<b>The assets and liabilities of Barra and Vatersay Environmental Services Limited were:</b>		
<b>Assets</b>	22,126	16,538
<b>Liabilities</b>	(4,788)	(5,595)
	<u>17,338</u>	<u>10,943</u>
<b>Funds</b>	<u><u>17,338</u></u>	<u><u>10,943</u></u>

**Barra and Vatersay Research Limited**

The research company was not active during the year. Companies House fees of £13 were paid on its behalf.

**Barra and Vatersay Heat Limited**

The heat company was not active during the year. Companies House fees of £13 were paid on its behalf.

**4. Charitable activities**

	2016	2015
	Total	Total
	£	£
<b>Consultancy income</b>	-	140
<b>Exceptional items</b>	-	9,082
	<u>-</u>	<u>9,222</u>
	<u><u>-</u></u>	<u><u>9,222</u></u>

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**5. Trading Subsidiaries**

	Costs of generating funds £	2016 Total £	2015 Total £
Barra & Vatersay Wind Energy Limited	187,807	187,807	205,314
Barra & Vatersay Environmental Services Limited	47,935	47,935	34,333
	<u>235,742</u>	<u>235,742</u>	<u>239,647</u>

**6. Costs of charitable activities - by fund type**

	Unrestricted funds £	Restricted funds £	2016 Total £	2015 Total £
Development Activities	31,898	33,746	65,644	38,056
	<u>31,898</u>	<u>33,746</u>	<u>65,644</u>	<u>38,056</u>

**7. Loan interest, charges & fees**

	Unrestricted funds £	Trading companies £	2016 Total £	2015 Total £
Professional - Accountancy fees	2,400	-	2,400	2,639
Professional - Auditor remuneration	1,344	4,704	6,048	-
Interest - Other loans	-	169,752	169,752	146,762
Bank charges	177	-	177	167
Companies House	13	39	52	52
Current tax charge/(credit)	-	685	685	2
Deferred tax charge/(credit)	-	(19,276)	(19,276)	-
	<u>3,934</u>	<u>155,904</u>	<u>159,838</u>	<u>149,622</u>

**8. Net incoming/(outgoing) resources for the year**

	2016 £	2015 £
Net incoming/(outgoing) resources is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	116,298	-
Auditors' remuneration (group)	<u>6,048</u>	<u>-</u>

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**9. Employees**

<b>Employment costs</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Wages and salaries	65,764	58,007
Social security costs	1,414	1,725
Other costs	2,490	-
	<u>69,668</u>	<u>59,732</u>

No employee received emoluments of more than £60,000 (2015 : None).

**Number of employees (Group)**

The average monthly numbers of employees (excluding the directors) during the year, was as follows:

	<b>2016</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>
Management and Development	2	2
Other staff	2	2
	<u>4</u>	<u>4</u>

No director received any remuneration, reimbursement of expenses or benefits in kind, during the year in respect of their role as trustees of the charity.

**10. Taxation**

The charity's activities fall within the exemptions afforded by the provisions of the Corporation Taxes Act 2010. Accordingly, any tax charge in these accounts relates solely to the results of the subsidiary companies.

<b>Analysis of charge in period</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax	685	2
Total current tax charge	<u>685</u>	<u>2</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	(19,276)	-
Total deferred tax	<u>(19,276)</u>	<u>-</u>
Tax on gain on ordinary activities	<u>(18,591)</u>	<u>2</u>

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11. Tangible fixed assets (Group)	Wind	Improvements to Property	Plant and machinery	Fixtures & Fittings	Marine & Pontoons	Computer Equipment	Total
	Turbine & Renewables						
	£	£	£	£	£	£	£
<b>Cost</b>							
At 1 April 2015	2,238,124	394	56,950	3,051	4,074	5,205	2,307,798
Additions	2,300	-	2,371	-	243,864	-	248,535
Disposals	-	(394)	-	(486)	-	(1,940)	(2,820)
At 31 March 2016	<u>2,240,424</u>	<u>-</u>	<u>59,321</u>	<u>2,565</u>	<u>247,938</u>	<u>3,265</u>	<u>2,553,513</u>
<b>Depreciation</b>							
At 1 April 2015	243,587	354	46,998	1,640	-	4,632	297,211
Charge for the year	112,251	-	3,539	170	-	338	116,298
On disposals	-	(354)	-	(214)	-	(1,940)	(2,508)
At 31 March 2016	<u>355,838</u>	<u>-</u>	<u>50,537</u>	<u>1,596</u>	<u>-</u>	<u>3,030</u>	<u>411,001</u>
<b>Net book values</b>							
At 31 March 2016	<u>1,884,586</u>	<u>-</u>	<u>8,784</u>	<u>969</u>	<u>247,938</u>	<u>235</u>	<u>2,142,512</u>
At 31 March 2015	<u>1,994,537</u>	<u>40</u>	<u>9,952</u>	<u>1,411</u>	<u>4,074</u>	<u>573</u>	<u>2,010,587</u>

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13. Tangible fixed assets (Company)	Wind Improvements		Fixtures & Fittings	Pontoons	Plant & Machinery	Computer Equipment	Total
	Turbine	To Property					
	£	£	£	£	£	£	£
<b>Cost</b>							
At 1 April 2015	27,018	394	3,051	4,074	53,105	5,205	92,847
Additions	-	-	-	243,864	1,842	-	245,706
Disposals	-	(394)	(488)	-	-	(1,940)	(2,822)
<b>At 31 March 2016</b>	<u>27,018</u>	<u>-</u>	<u>2,563</u>	<u>247,938</u>	<u>54,947</u>	<u>3,265</u>	<u>335,731</u>
At 1 April 2015	22,476	354	1,640	-	45,848	4,632	74,950
Charge for the year	1,351	-	170	-	3,003	338	4,862
On disposals	-	(354)	(214)	-	-	(1,940)	(2,508)
<b>At 31 March 2016</b>	<u>23,827</u>	<u>-</u>	<u>1,596</u>	<u>-</u>	<u>48,851</u>	<u>3,030</u>	<u>77,304</u>
<b>Net book values</b>							
At 31 March 2016	<u>3,191</u>	<u>-</u>	<u>967</u>	<u>247,938</u>	<u>6,096</u>	<u>235</u>	<u>258,427</u>
At 31 March 2015	<u>4,542</u>	<u>40</u>	<u>1,411</u>	<u>4,074</u>	<u>7,257</u>	<u>573</u>	<u>17,897</u>



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**13. Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	175	75	175	75
Amounts due from subsidiary undertakings	-	-	802	5,562
Other debtors	533	22	97	-
Accrued Income	127,839	94,584	20,936	4,080
Prepayments	4,183	4,813	-	88
	<u>132,730</u>	<u>99,494</u>	<u>22,010</u>	<u>9,805</u>

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**14. Creditors: amounts falling due within one year**

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank & other loans	145,968	167,118	-	-
Trade creditors	207,037	29,171	193,665	2,189
Corporation tax	685	-	-	-
Other taxes and social security	12,122	3,307	444	158
Other creditors and deferred income	9,338	173	542	173
Accruals	42,860	33,871	8,370	2,508
	<u>418,010</u>	<u>233,640</u>	<u>203,021</u>	<u>5,028</u>

**The following secured debts are included within creditors under and over one year:**

**Senior Lender**

The Triodos Bank NV (Triodos) loan is secured by a standard security over all and the whole of the interest of Barra & Vatersay Wind Energy Limited in the lease of the site at the wind farm at Eoligarry Estate, granted by the Scottish Government, and a bond and floating charge over the assets and undertaking of Barra & Vatersay Wind Energy Limited.

As senior lender, Triodos Bank NV has contractual "step in" rights over the wind farm and its related assets, rights and obligations.

**Share ownership**

In October 2013, the entire share capital of Barra & Vatersay Wind Energy Limited was transferred from the parent company to a nominee account held by the Triodos Bank NV. Beneficial ownership of the company is still in favour of the ultimate parent company, Coimhearsnachd Bharraidh agus Bhatarsaidh (Barra and Vatersay Community) Ltd, and unencumbered share ownership will be returned to the parent company once the bank loans are repaid.

**Junior Lender**

The Renewable Energy Investment Fund (REIF) loan is secured by a bond and floating charge over the property and undertakings of Barra & Vatersay Wind Energy Limited.

**Ranking**

The bond and floating charge for the junior REIF loan is subordinate to that of the senior Triodos loan, and is supplemented by an inter-creditor agreement which prioritises the ranking of the debt.

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**15. Creditors: amounts falling due**  
**after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	1,596,955	1,707,189	-	-
Scottish Enterprise - REIF	482,378	485,728	-	-
Deferred tax (Note 17)	(19,158)	118	-	-
	<u>2,060,175</u>	<u>2,193,035</u>	<u>-</u>	<u>-</u>
<b>Loans</b>				
Repayable in five years or more	<u>1,260,881</u>	<u>1,395,617</u>	<u>-</u>	<u>-</u>
	<u><u>1,260,881</u></u>	<u><u>1,395,617</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

**16. Provisions for liabilities**

	<b>Decommissioning</b>
	<b>provision</b>
	<b>£</b>
At 1 April 2015	22,253
Unwinding of discount for the year	778
At 31 March 2016	<u><u>23,031</u></u>

A decommissioning bond has been put in place as required by Triodos Bank NV, the Scottish Government and Comhairle nan Eilean Siar ("the council") whereby Barra & Vatersay Wind Energy Ltd and/or, Coimhearsnachd Bharraidh agus Bhatarsaidh (Barra and Vatersay Community) Ltd, the parent company, are under an obligation to decommission, dismantle and remove the turbine and related structures and to re-instate the land to the satisfaction of the council.

The bond will cover the anticipated lifespan of the turbine of approximately 20 years but the agreements allow for variations which can be amended within the existing term at a later date.

The directors estimated the decommissioning cost to be £34,000 at 31 March 2016 which has been discounted to present value and capitalised in accordance with FRS 15

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**17. Provision for deferred taxation**

	2016 £	2015 £
Accelerated capital allowances	84,805	118
Tax losses carried forward	(103,963)	-
Provision for deferred tax	<u>(19,158)</u>	<u>118</u>
Provision at 1 April 2015	118	118
Deferred tax charge/(credit) in statement of financial activities	(19,276)	-
Provision at 31 March 2016	<u>(19,158)</u>	<u>118</u>

A deferred tax asset has been recognised in respect of the Barra & Vatersay Wind Energy company.

	Group	
	2016 £	2015 £
<b>18. Deferred Grants (over one year)</b>		
<b>Government grants</b>		
At 1 April 2015	101,601	107,577
Released in year	(5,976)	(5,976)
At 31 March 2016	<u>95,625</u>	<u>101,601</u>

The deferred grant relates to a grant attributable to the Barra and Vatersay Wind Energy company in respect of the costs of the original grid connection.

The amount due for release under one year is included in other creditors

**19. Analysis of net assets between funds (group)**

	Unrestricted funds £	Restricted funds £	Trading Subsidiaries £	Total funds £
Fund balances at 31 March 2016 as represented by:				
Tangible fixed assets	11,202	247,227	1,884,083	2,142,512
Current assets	11,610	204,641	309,003	525,254
Current liabilities	(7,458)	(195,559)	(214,993)	(418,010)
Long-term liabilities	-	-	(2,178,831)	(2,178,831)
	<u>15,354</u>	<u>256,309</u>	<u>(200,738)</u>	<u>70,925</u>

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**20. Unrestricted funds**

	At 1 April 2015	Incoming resources	Outgoing resources	Transfers	At 31 March 2016
	£	£	£	£	£
<b>Revenue Funds</b>					
General Funds	4,323	30,957	(29,824)	(1,497)	3,959
Christmas Lighting	-	1,340	(1,146)	-	194
<b>Asset Funds</b>					
Pontoon Fund	-	-	-	710	710
Wind Turbine (Asset Fund)	4,542	-	(1,351)	-	3,191
Other fixed asset funds (Charity)	-	-	(3,511)	10,811	7,300
	<u>8,865</u>	<u>32,297</u>	<u>(35,832)</u>	<u>10,024</u>	<u>15,354</u>

**Purposes of unrestricted funds**

**Wind Turbine Asset Fund**

Outgoing resources on the Wind Turbine fund represents the depreciation charged on the asset. The asset is made up of costs incurred by the charity in the development and feasibility stages of the wind turbine project.

**Other fixed asset funds**

Outgoing resources in the fixed asset fund represents the depreciation charge for the year

**21. Group Restricted funds**

	At 1 April 2015	Incoming resources	Outgoing resources	Transfers	At 31 March 2016
	£	£	£	£	£
Vatersay District Heating Project	-	9,344	(7,502)	(1,842)	-
Coastal Communities Fund	-	69,508	(2,280)	-	67,228
HIE Pontoons	-	180,000	-	-	180,000
Scottish Government Charrette Programme	-	10,000	(10,000)	-	-
DTA Scotland Town Centre	-	10,000	(10,000)	-	-
Climate Change & Renewables	16,644	-	-	(7,563)	9,081
Digital Intern	-	3,414	(3,414)	-	-
Michael Buchanan Biography	550	-	(550)	-	-
	<u>17,194</u>	<u>282,266</u>	<u>(33,746)</u>	<u>(9,405)</u>	<u>256,309</u>

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<b>22. Trading Subsidiaries</b>	<b>At 1 April 2015 £</b>	<b>Incoming resources £</b>	<b>Outgoing resources £</b>	<b>Transfers £</b>	<b>At 31 March 2016 £</b>
Barra & Vatersay Wind Energy Limited	(375,139)	541,192	(341,581)	(42,000)	(217,528)
Barra & Vatersay Environmental Services Limited	10,942	14,785	(50,039)	41,381	17,069
Other subsidiary companies (non active)	(253)	-	(26)	-	(279)
	<u>(364,450)</u>	<u>555,977</u>	<u>(391,646)</u>	<u>(619)</u>	<u>(200,738)</u>

**Trading Subsidiary Reserves**

These funds represent the reserves of the trading subsidiaries of which only 2 are currently active. The negative reserves on the Wind Energy company are as anticipated in the first start up years and early trading due to the highly geared balance sheet.

The incoming transfer in Environmental of £42,000 (and outgoing in the Wind Energy) company represents a charge for services provided. Although this is an internal group transaction which is not reflected in income and expenditure, it was an arm's length charge in the course of business and resources were physically transferred between the two companies. As the trading subsidiary reserves are being disclosed separately from the parent charity, this transaction is shown as a transfer in order to reflect the true reserves in each company. Also included in the transfer is an outgoing amount for interest of £619 paid by this company to the parent charity; this is shown as a transfer to the charity reserves as an actual transfer of resources did take place.

**23. Capital commitments**

	<b>2016 £</b>	<b>2015 £</b>
Details of capital commitments at the accounting date are as follows:	<u>881,136</u>	<u>-</u>

At the year end, the charity was committed to the installation of pontoons in Castlebay Harbour, Isle of Barra. The total expected project cost was £1,125,000 of which £243,864, including a deposit of £180,000 in respect of the pontoons, had been incurred before the end of the year, leaving a balance of £881,136 remaining. The board plans to meet this commitment by using grant funding already secured.

**24. Related party disclosures**

**Transactions involving Board Members**

During the year there were no reimbursement of travel costs to directors.

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**for the year ended 31 March 2016**

**25. Income and Expenditure Account**

In accordance with the exemption allowed by section 408 of the Companies Act 2006, the company has not presented its own income and expenditure or statement of financial activities. The net incoming resources for the financial period for the parent company as disclosed in the charity's accounts was a surplus of £24,625 (2015:£5,604). The adjusted surplus attributable to the parent company as shown in the group accounts was £6,489 (2015: £4,672).

**26. Company limited by guarantee**

Coimhearsnachd Bharraidh agus Bhatarsaidh is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.