

Registered Company No: SC 172897

Registered Charity No: SC 025995

**MULL & IONA COMMUNITY TRUST**  
**(A company limited by guarantee)**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2008**

**MULL & IONA COMMUNITY TRUST**  
**(A company limited by guarantee)**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2008**

<b>CONTENTS</b>	<b>PAGE</b>
Legal and Administrative information	1
Trustees' Report	2 – 6
Auditors' Report	7 – 8
Statement of Financial Activities	9
Balance Sheet	10
Notes to the Financial Statements	11 – 20

# MULL & IONA COMMUNITY TRUST

(A company limited by guarantee)

## LEGAL AND ADMINISTRATIVE INFORMATION

**Charity Name:** Mull & Iona Community Trust

**Registered Office:** 20 Main Street  
Tobermory  
Isle of Mull  
Argyll  
PA75 6NU

**Charity Registration Number:** SC025995

**Company Registration Number:** SC172897

**Trustees:** Sandy Brunton (Chairman)  
Donald MacLean  
Chris Baker  
Crawford Morison  
Derek Crook  
John Mitchell  
Michelle Cowe  
Maureen Dehany

**Secretary:** Chris Baker

**Auditors:** Wylie & Bisset LLP  
160 Argyll Street  
Dunoon  
Argyll  
PA23 7NA

**Bankers:** Unity Trust Bank  
Nine Brindleyplace  
Birmingham  
BS1 2HB

The Co-operative Bank  
1 Balloon Street  
Manchester  
M60 4EP

Alliance & Leicester  
Bridle Road  
Bootle  
Manchester  
G1R 0AA

**Solicitors:** Burness  
120 Bothwell Street  
Glasgow  
G2 7JL

# **MULL & IONA COMMUNITY TRUST**

**(A company limited by guarantee)**

## **REPORT OF THE TRUSTEES**

**FOR THE YEAR ENDED 31 MARCH 2008**

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2008. The legal and administrative information on page one forms part of this report.

### **Directors and Trustees**

The Directors of the charitable company (the charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees. The Trustees who held office during the year were as follows:

Sandy Brunton (Chairman)  
Donald MacLean  
Chris Baker  
Crawford Morison  
Derek Crook  
John Mitchell  
Sarah James (resigned 9 November 2007)  
David Woodhouse (resigned 16 April 2007)  
Michael Elwis (resigned 9 November 2007)  
Paul Foster (resigned 14 January 2008)  
Ian Schofield (resigned 16 February 2008)  
Jim Wilkie (resigned 16 January 2008)  
Michelle Cowe (appointed 9 November 2007)  
Maureen Dehany (appointed 16 February 2008)

The Trustees who retired by rotation at the Annual General Meeting were Donald MacLean and Chris Baker. Both Trustees nominated themselves for re-election and these were accepted.

### **Structure, Governance and Management**

- **Governing Document**  
The charity is controlled by its governing document, the Memorandum and Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act.
- **Recruitment and Appointment of Trustees**  
The charity is administered by the board of Trustees, who are elected from the Members at the Annual General Meeting. The composition of the board is as follows: a maximum of 12 Trustees, of whom two shall be nominated by the Community Council on Mull and Iona. At each Annual General Meeting one third of the Trustees shall vacate their office, and these shall be those who are the longest serving on the board. These Trustees are eligible to stand for re-election. Further appointed Trustees can be co-opted by the board of Trustees during the year. At the first Trustees meeting after the Annual General Meeting, the Trustees elect the office bearers for the coming year.
- **Trustee Induction and Training**  
After appointment/co-option, an induction programme is offered to all new Trustees together with an information pack that contains the Memorandum and Articles of Association, role and responsibilities of being a Trustee and background information on the charity.
- **Organisation**  
The Trustees meet monthly to monitor, evaluate and control the operation of the services provided. There are sub-committees for housing and for the proposed business development at Criagnure. Other time limited sub-committees are created as required. Trustees will allocate time each year to review the Strategic Plan for the organisation. A work-plan and budget is agreed between the Development manager and the Trustees. The Development Manager has the powers to make day-to-day decisions regarding the charity's operations.

# MULL & IONA COMMUNITY TRUST

(A company limited by guarantee)

## REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2008

### Structure, Governance and Management (con'd)

- Risk Management  
The Trustees have assessed the major risks to which the charity is exposed, in particular to the operations and finances of the charity, and are satisfied that systems are in place to mitigate our exposure to the major risks.
- Related Parties  
These are disclosed within note 24.

### Objectives and Activities

The objects of the charity, as defined in the Memorandum of Association 1997 are:

- To relieve poverty among residents of Mull, Iona and their neighbouring islands.
- To advance education among residents particularly among young people and the unemployed.
- To provide or assist in the provision of housing for people in necessitous circumstances.
- To promote, establish and operate other schemes of a charitable nature for the benefit of the community.
- To promote trade and industry for the benefit of the general public
- To promote and/or provide training in skills of all kinds, particularly such skills as will assist residents in obtaining paid employment.
- To protect and/or preserve the environment for the benefit of the general public.

The Trustees have developed a Strategic Framework as follows:

Mission	- "Improving the quality of life on Mull and Iona"
Values	- Open Democratic, Accountable and Enterprising
Vision	- Influential, Respected and Sustainable
Strategy	- "Working together to unlock the potential of our islands"

The Four Key Strategic Areas of activity are now summarised as:

- 1) Infrastructure
- 2) Community Services
- 3) Environment and Cultural Heritage
- 4) Economic Opportunity

### Achievements and Performance

From April 1<sup>st</sup> 2007 to March 31<sup>st</sup> 2008 the company undertook a wide variety of activities for the benefit of the communities of Mull & Iona and associated islands.

These included:

- Securing funding and support for over 20 community projects and voluntary groups, including village halls, youth clubs, environmental projects and sports groups (see Annual Report).
- Staff hours were diverted to assist with managing cash flow for the building and completion of the Isle of Mull Swimming Pool (£1.8million). The pool was opened in March 2008.
- Assisted Mull Community Council with presentation on the critical condition of Mull's roads to the Area Committee and local community councils in Oban.
- Managed and ran the inaugural Scottish Islands Federation conference at Craignure, featuring international speakers, MSP's and MEP's and delegates from across the region.
- Providing placements on behalf of the local Criminal Justice Department for two people serving Community Service Orders
- Following the favourable feasibility study into new Community Business Resource Centre at Craignure the Project Officer completed outline designs, applied for planning and began fundraising, now on target as a £1.5million project.

## **MULL & IONA COMMUNITY TRUST**

**(A company limited by guarantee)**

### **REPORT OF THE TRUSTEES**

**FOR THE YEAR ENDED 31 MARCH 2008**

#### **Achievements and Performance (con'd)**

- g) Continuing to expand community recycling activities including enhancing trading at two charity shops "Island Castaways", creating biodiesel from used cooking oil and providing a contracted recycling service for local businesses.
- h) Ran Wild Isles 07 (linked to Highland Year of Culture 2007) which combined Wildlife Week, Environmental Education, a Food Festival & providing a diary of events for Mull & Iona on one website to promote trade & industry on the islands. This continues today.
- i) Continuing to help the community with conservation and visitor management on a Site of Special Scientific Interest at Calgary Bay.
- j) Helped secure additional funding for the Mull Eagle Watch initiative, and employed a Seasonal Countryside Ranger as a result.
- k) Working in partnership with other charities, local government and statutory agencies for the benefit of inhabitants of Mull & Iona.
- l) Launched and ran a pilot programme - Argyll Islands Native Woodland Project, creating a full time job to help expand native woodlands on Mull and other islands, and to promote local wood-based economies. This has now attracted two more years funding.
- m) On behalf of the Argyll & Bute Social Enterprise Network, employed a part time development officer providing advice to local social enterprises, including running a conference and securing additional funds for the region, which also benefited Mull.
- n) Secured funding to conduct a business review of Mull Butchers Ltd (social enterprise) and also diverted staff time to help Mull Slaughterhouse achieve its 'Over Thirty Month Licence' which has safeguarded one local job and created another part time post.

#### **Financial Review and Investment Policy**

Under the charity's Memorandum and Articles of Association, the charity has wide powers of investment within the objectives set.

#### **Reserves Policy**

It is the policy of the charity to maintain funds, of the charity at a level which provides sufficient funds to cover management and administration and support costs for a reasonable period of time.

#### **Plans for Future Periods**

The Community Trust will register for VAT and the trading subsidiary "Community Works" will be established, in 2008-9. Various trading activities will be gradually transferred to Community Works, but with the majority transferred in 2009-10. Budgets will be honed to implement full cost recovery wherever possible.

Additional funds will be sought to employ a Business Manager to increase the trading income of the Trust and Community Works and to develop new trading activities linked to property rental.

Summer 2008 will see the fundraising for the Craignure Community Business Resource Centre completed so that tenders can be issued ready for work to begin in the Spring of 2009.

The MESS project will apply for more funds to enable other recyclates to be processed, notably scrap metal and industrial plastics such as shrink wrap. The Island Castaways shops will be fitted with new fixtures to improve merchandising resulting in improved sales.

We intend to secure the future of Argyll Islands Native Woodland Project for another two years to enable action research to take place and local projects initiated.

## **MULL & IONA COMMUNITY TRUST**

**(A company limited by guarantee)**

### **REPORT OF THE TRUSTEES**

**FOR THE YEAR ENDED 31 MARCH 2008**

#### **Plans for Future Periods (con'd)**

Trust staff will continue to offer support and advice to any community group on the islands, and in 2008-9 we hope to assist with Pennyghael Development Association, the Sound of Mull Transport Group and Dervaig Community Renewables Trust.

The Trust will lend its support to the island groups involved in the "Working Together" initiative to develop a long term strategy for Mull & Iona.

Internally, MICT intends to carry out a review of its terms and conditions, relating to salary, and instigate incremental pay reviews and salary scales, to reflect practice of other third sector organisations in Scotland, although it may take several years to increase salaries to sector levels.

Employees will work in partnership with others involved in the *Argyll & Bute Social Enterprise Network (ABSEN)* to establish the Network as a company limited by guarantee without share capital, run by its members for the members. This will result in the existing ABSEN staff member moving employment from MICT to ABSEN before March 2009.

We will review the Trusts involvement in Wildlife Week and the Food Festival with a view to ending involvement in these initiatives, handing them over to the business community to expand and develop.

#### **Trustees' Responsibilities**

The Charity's Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the Balance Sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing these financial statements the Trustees are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charitable company will continue on that basis.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985 and the Statement of Recommended Practice, Accounting and Reporting by Charities (issued in March 2005). The Trustees 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.

**MULL & IONA COMMUNITY TRUST**

**(A company limited by guarantee)**

**REPORT OF THE TRUSTEES**

**FOR THE YEAR ENDED 31 MARCH 2008**

**Statement to Auditors**

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Auditors**

Wylie & Bisset LLP succeeded Wylie & Bisset as auditors to the company subsequent to the year-end. A resolution to reappoint Wylie & Bisset LLP as auditor to the company will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Trustees and signed on their behalf by:

Name: Sandy Brunton

Donald MacLean

Date: 6th November 2008

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE TRUSTEES AND MEMBERS OF MULL & IONA COMMUNITY TRUST**

**(A company limited by guarantee)**

#### **FOR THE YEAR ENDED 31 MARCH 2008**

This report is issued in respect of an audit carried out under section 235 of the Companies Act 1985 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

We have audited the financial statements of Mull & Iona Community Trust for the year ended 31 March 2008, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial statements have been prepared in accordance with accounting policies set out therein.

The report is made exclusively to the members, as a body, in accordance with section 235 of the Companies Act 1985, and to the charity's Trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the charity's Trustees 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 charity, its members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditors**

The responsibilities of the Trustees (who are the directors of the charity for the purposes of company law) for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Regulations 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you if, in our opinion, the information given in the Trustees' Annual Report is consistent with the financial statements, if the charity has not kept proper accounting records, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed, or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with the International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. However, the evidence available to us was limited because the financial statements for the year ended 31<sup>st</sup> March 2007 were not subject to audit and we were not able to form an opinion on the results for that year or the opening balances for the current year.

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF MULL & IONA COMMUNITY TRUST**

**(A company limited by guarantee)**

**FOR THE YEAR ENDED 31 MARCH 2008**

**Qualified opinion arising from limitation in audit scope**

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the opening balances for the current year or on the comparative figures, in our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 March 2008; and of its incoming resources and application of resources, including its income and expenditure, for the year ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investments (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006;
- the information given in the Trustees' Annual Report is consistent with the financial statements.

In respect alone of the limitation on our audit work relating to opening balances: we have not obtained all the information and explanations necessary for the purposes of our audit; and we were unable to determine whether proper accounting records had been maintained.

Wylie & Bisset LLP  
Registered Auditors  
160 Argyll Street  
DUNOON  
PA23 7NA

20<sup>th</sup> November 2008

# MULL & IONA COMMUNITY TRUST

(A company limited by guarantee)

## STATEMENT OF FINANCIAL ACTIVITIES

(Including Income and Expenditure Account)

FOR THE YEAR ENDING 31 MARCH 2008

	Note	Unrestricted £	Restricted £	2008 Total £	2007 Total £
<b>Incoming Resources</b>					
Incoming resources from voluntary funds					
Voluntary income	3	3,545	11,117	14,662	14,399
Activities for generating funds	4	59,199	9,521	68,720	61,728
Fundraising	5	2,197	-	2,197	-
Investment income	6	7,780	-	7,780	5,592
Incoming resources from charitable activities	7	11,051	262,906	273,957	157,798
Other incoming resources		100	-	100	150
<b>Total Incoming Resources</b>		<u>83,872</u>	<u>283,544</u>	<u>367,416</u>	<u>239,667</u>
<b>Resources expended</b>					
Costs of generating funds					
Costs of generating voluntary income	8	8,703	-	8,703	22,933
Costs of fundraising	8	1,358	-	1,358	-
Charitable activities	9	72,772	225,640	298,412	194,068
Governance costs	10	5,709	-	5,709	3,716
<b>Total Resources Expended</b>		<u>88,542</u>	<u>225,640</u>	<u>314,182</u>	<u>220,717</u>
<b>Net incoming/outgoing resources before transfers</b>		(4,670)	57,904	53,234	18,950
Capital expenditure adjustment	20	24,878	(24,878)	-	6,279
Butcher shop adjustment	24	65,080	-	65,080	-
<b>Net movement in funds</b>		<u>85,288</u>	<u>33,026</u>	<u>118,314</u>	<u>25,229</u>
<b>Reconciliation of Funds:</b>					
<b>Total funds brought forward</b>	20,21	67,881	44,987	112,868	87,639
<b>Total funds carried forward</b>	20,21	<u>153,169</u>	<u>78,013</u>	<u>231,182</u>	<u>112,868</u>

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

**MULL & IONA COMMUNITY TRUST**

**(A company limited by guarantee)**

**BALANCE SHEET**

**AS AT 31 MARCH 2008**

	Note	2008	2007
		£	£
<b>Fixed Assets</b>			
Tangible Assets	15	147,979	193,508
<b>Current Assets</b>			
Debtors	16	100,994	63,037
Cash at bank and in hand		<u>43,406</u>	<u>9,809</u>
		144,400	72,846
Creditors: amounts falling due within one year	17	<u>38,697</u>	<u>18,688</u>
<b>Net Current Assets</b>		<u>105,703</u>	<u>54,158</u>
<b>Net Assets less Current Liabilities</b>		253,682	247,666
Creditors: amounts falling due after more than one year	18	22,500	31,000
Government grants	19	-	103,798
<b>Net Assets</b>		<u>231,182</u>	<u>112,868</u>
<b>Unrestricted Funds</b>	21		
General Funds		153,169	67,881
<b>Restricted Funds</b>	20		
		78,013	44,987
<b>Total Funds</b>		<u>231,182</u>	<u>112,868</u>

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Trustees and signed on their behalf.

Name: Sandy Brunton

Donald MacLean

Date: 6<sup>th</sup> November 2008

# MULL & IONA COMMUNITY TRUST

(A company limited by guarantee)

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2008

### 1. Accounting Policies

#### a) Basis of preparation

The financial statements have been prepared under the historic cost convention and in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards and the Companies Act 1985. The principal accounting policies adopted in the preparation of the financial statements are set out below.

#### b) Fund accounting

- Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.
- Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

#### c) 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, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Investment income is included when receivable.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

Income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods;  
or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

# MULL & IONA COMMUNITY TRUST

(A company limited by guarantee)

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2008

### 1. Accounting Policies (continued)

#### d) Resources expended

Expenditure is recognised on an accruals 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:

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.
- 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.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor areas, per capita or estimated usage as set out in Note 11.

#### e) Tangible fixed assets and depreciation

Tangible fixed assets are capitalised, including any incidental expenses of acquisition.

All incidental costs relating to the acquisition of the property are also fully depreciated in the year of acquisition

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

Heritable Property	-	5% per annum straight line
Plant & Machinery	-	25% per annum reducing balance
Fixtures, Fittings & Equipment	-	15% per annum reducing balance
Motor Vehicles	-	25% per annum reducing balance

#### f) Taxation

The company is a charity within the meaning of Section 506(1) of the Taxes Act 1988. Accordingly the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 505 of the Taxes Act 1988 or Section 256 of Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

### 2. Legal Status

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

**MULL & IONA COMMUNITY TRUST**

**(A company limited by guarantee)**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2008**

**3. Voluntary Income**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Members Subscriptions	1,181	170	1,351	1,388
Members Donations	618	40	658	482
Sea Eagles Donations	-	10,707	10,707	11,858
Miscellaneous Donations	1,746	200	1,946	671
	<u>3,545</u>	<u>11,117</u>	<u>14,662</u>	<u>14,399</u>

**4. Activities for Generating Funds**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Consultancy & support services	20,679	2,223	22,902	37,851
MESS	38,422	7,298	45,720	23,773
Phone Co-op commission	98	-	98	104
	<u>59,199</u>	<u>9,521</u>	<u>68,720</u>	<u>61,728</u>

**5. Fundraising income**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fundraising income	<u>2,197</u>	<u>-</u>	<u>2,197</u>	<u>-</u>

**6. Investment Income**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank Interest	1,180	-	1,180	612
Rents	6,600	-	6,600	4,980
	<u>7,780</u>	<u>-</u>	<u>7,780</u>	<u>5,592</u>

**MULL & IONA COMMUNITY TRUST**

**(A company limited by guarantee)**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2008**

**7. Incoming Resources from Charitable Activities**

	Unrestricted £	Restricted £	2008 Total £	2007 Total £
AIE/HIE	3,563	14,691	18,254	84
Argyll & Bute Council	7,488	58,891	66,379	50,021
Scottish Natural Heritage	-	35,847	35,847	18,145
Lankelly Foundation	-	17,000	17,000	17,000
Big Lottery	-	-	-	9,792
DTA Scotland	-	-	-	541
Increase Programme	-	46,133	46,133	22,532
Communities Scotland	-	21,027	21,027	10,429
Scottish Community Foundation	-	-	-	2,550
Forestry Commission	-	29,000	29,000	12,400
MIWW	-	-	-	973
Russell Trust	-	-	-	2,000
Wild Isle Adverts	-	-	-	691
Wildlife Week Adverts	-	5,257	5,257	1,727
Food Festival Adverts & Sponsorship	-	5,118	5,118	8,913
Scottish Government	-	20,000	20,000	-
BBC	-	5,000	5,000	-
NADAIR	-	2,942	2,942	-
SSMEI	-	1,000	1,000	-
SEPA	-	1,000	1,000	-
	<u>11,051</u>	<u>262,906</u>	<u>273,957</u>	<u>157,798</u>

**8. Resources Expended – Costs of Generating Funds**

	Direct Costs £	Support Costs £	2008 Total £	2007 Total £
Consultancy	-	8,703	8,703	22,933
Fundraising	1,358	-	1,358	-
	<u>1,358</u>	<u>8,703</u>	<u>10,061</u>	<u>22,933</u>

**9. Resources Expended- Charitable Activities**

	Direct Costs £	Support Costs £	2008 Total £	2007 Total £
Environmental	135,150	24,898	160,048	130,372
Economic development	94,832	17,470	112,302	49,598
Community services	22,008	4,054	26,062	14,098
	<u>251,990</u>	<u>46,422</u>	<u>298,412</u>	<u>194,068</u>

**MULL & IONA COMMUNITY TRUST**

(A company limited by guarantee)

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2008**

**10. Resources Expended – Governance Costs**

	Direct Costs £	Support Costs £	2008 Total £	2007 Total £
Support costs	-	2,900	2,900	660
Accountancy	1,482	-	1,482	1,986
Other expenses	1,327	-	1,327	1,070
	<u>2,809</u>	<u>2,900</u>	<u>5,709</u>	<u>3,716</u>

**11. Support Costs – Breakdown by Activities**

	Generating Income £	Fundraising £	Charitable Activity £	Governance £	Basis £
Salaries	3,355	-	17,895	1,118	Time spent
Training	126	-	671	42	Time spent
Premises costs	452	-	2,412	151	Time spent
Legal fees	805	-	4,296	268	Time spent
Project costs	1,440	-	7,678	480	Time spent
Travel costs	40	-	214	13	Time spent
Depreciation	2,002	-	10,677	667	Time spent
Loss on disposal of assets	483	-	2,579	161	Time spent
	<u>8,703</u>	<u>-</u>	<u>46,422</u>	<u>2,900</u>	

**12. Net Incoming Resources for the Year**

This is stated after charging:

	2008 £	2007 £
Depreciation	13,346	9,090
Auditors' remuneration	2,500	-
Other operating leases	-	-
	<u>-</u>	<u>-</u>

**13. Staff Costs and numbers**

Staff costs were as follows:

	2008 £	2007 £
Salaries and wages	160,813	110,403
Social security costs	12,045	8,269
Other pension costs	-	-
	<u>172,858</u>	<u>118,672</u>

No employee received emoluments of more than £60,000, (2007: none)

The average number of employees in the year was 14.

# MULL & IONA COMMUNITY TRUST

(A company limited by guarantee)

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2008

### 14. Trustees' Remuneration

No Trustees received any remuneration during the year. There were 2 Trustees that were reimbursed expenses of £780 (2007: £nil) during the year.

### 15. Tangible Fixed Assets

	Heritable Property	Plant & Machinery	Fixtures, Fittings & Equipment	Motor Vehicles	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 01 April 2007	174,978	29,828	3,107	5,729	213,642
Additions	-	5,233	4,703	13,806	23,742
Disposals	<u>(52,702)</u>	<u>-</u>	<u>-</u>	<u>(5,729)</u>	<u>(58,431)</u>
At 31 March 2008	<u>122,276</u>	<u>35,061</u>	<u>7,810</u>	<u>13,806</u>	<u>178,953</u>
<b>Depreciation</b>					
At 01 April 2007	5,704	11,062	862	2,506	20,134
On disposals	-	-	-	(2,506)	(2,506)
Charge for the year	<u>2,852</u>	<u>6,000</u>	<u>1,042</u>	<u>3,452</u>	<u>13,346</u>
At 31 March 2008	<u>8,556</u>	<u>17,062</u>	<u>1,904</u>	<u>3,452</u>	<u>30,974</u>
<b>Net book values</b>					
At 31 March 2008	<u>113,720</u>	<u>17,999</u>	<u>5,906</u>	<u>10,354</u>	<u>147,979</u>
At 31 March 2007	<u>169,274</u>	<u>18,766</u>	<u>2,245</u>	<u>3,223</u>	<u>193,508</u>

### 16. Debtors

	2008 £	2007 £
Debtors	97,950	45,612
Prepayments	2,015	17,425
VAT debtor	<u>1,029</u>	<u>-</u>
	<u>100,994</u>	<u>63,037</u>

**MULL & IONA COMMUNITY TRUST**

**(A company limited by guarantee)**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2008**

**17. Creditors: Amounts falling due within one year**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Creditors	28,695	16,085
Other creditors	<u>10,002</u>	<u>2,603</u>
	<u><u>38,697</u></u>	<u><u>18,688</u></u>

Included within other creditors is a balance of £7,500 (2007: £nil) due to Mr J Wilkie, trustee during the year. See Note 24 for further details of the terms. The loan is secured on the buildings at Craignure.

**18. Creditors: Amounts falling due after more than one year**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Bank Loan	-	31,000
Other Creditors	<u>22,500</u>	<u>-</u>
	<u><u>22,500</u></u>	<u><u>31,000</u></u>

Included within other creditors is a loan of £22,500 is due to Mr J Wilkie, a trustee during the year. See note 24 for further details. The loan is secured on the buildings at Craignure.

**19. Government Grants**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Grants	<u>-</u>	<u>103,798</u>

# MULL & IONA COMMUNITY TRUST

(A company limited by guarantee)

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2008

### 20. Restricted Funds

	Balance at 01/04/07 £	Incoming Resources £	Expenditure (gains)/losses £	Transfers £	Balance at 31/03/08 £
Heritage car parks (a)	2,580	-	1,074	(1,506)	-
Ranger (b)	935	19,645	21,018	438	-
Absen (c)	-	49,775	37,165	(1,449)	11,161
Eagles (d)	-	34,607	10,461	(2,172)	21,974
Ranger – mink (e)	-	3,386	2,387	-	999
Seasonal ranger (f)	5,857	5,500	9,693	-	1,664
Ranger Calgary bay (g)	-	2,127	1,854	-	273
MESS increase (h)	-	46,120	28,275	(17,845)	-
MESS 23 (i)	9,788	47,792	39,394	(2,284)	15,902
Absen dragon's den (j)	-	10,000	10,000	-	-
Argyll isle woodland (k)	8,000	23,953	17,603	-	14,350
Childcare (l)	2,500	-	-	-	2,500
CRBC feasibility (m)	7,550	-	5,129	-	2,421
CRBC (n)	3,161	26,191	26,522	-	2,830
Wild isle (o)	3,176	13,238	14,942	-	1,472
MIWW environment (p)	973	1,000	-	-	1,973
BBQ	60	-	-	(60)	-
Membership subscriptions	407	210	123	-	494
	<u>44,987</u>	<u>283,544</u>	<u>225,640</u>	<u>(24,878)</u>	<u>78,013</u>

- (a) Heritage car parks – restricted for the costs of upkeep of the car park.  
 (b) Ranger – restricted for the wages of the ranger.  
 (c) Absen – restricted for wages and overheads costs.  
 (d) Sea Eagles – restricted to cover 3 years costs of tagging and community group donations.  
 (e) Ranger mink – restricted for the purchase of guns and equipment.  
 (f) Seasonal ranger – restricted to cover wages costs.  
 (g) Ranger Calgary bay – restricted for volunteer's expenses and overheads costs.  
 (h) MESS increase – restricted for costs of the re-structured recycling project.  
 (i) MESS 23 – restricted for wages and overheads costs.  
 (j) Absen dragon's den – restricted to cover awards at event and overheads costs.  
 (k) Argyll Isles woodland – restricted for wages and overheads costs.  
 (l) Childcare – restricted for costs of feasibility study.  
 (m) CRBC feasibility – restricted for costs of building.  
 (n) CRBC – restricted for wages and overheads costs.  
 (o) Wild Isle – restricted for adverts on website.  
 (p) SEPA/MIWW Environment – restricted for the purchase of jute bags.

The transfer shown above of £24,878 is split into two separate transfers, £23,372 represents the expenditure of restricted income on tangible fixed assets during the year with the income carrying no continuing restriction. The remaining £1,506 is a transfer of the Heritage Car Park fund as this is no longer a restricted reserve and has been transferred to designated funds.

# MULL & IONA COMMUNITY TRUST

(A company limited by guarantee)

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2008

### 21. Unrestricted Funds

	Balance at 01/04/07 £	Incoming Resources £	Expenditure (gains)/losses £	Transfers £	Balance at 31/03/08 £
General charitable funds	67,881	148,952	88,542	18,047	146,338
Designated funds:					
Heritage car parks	-	-	-	1,506	1,506
MESS Craignure shop	-	-	-	4,210	4,210
MESS Busennan shop	-	-	-	1,115	1,115
	<u>67,881</u>	<u>148,952</u>	<u>88,542</u>	<u>24,878</u>	<u>153,169</u>

The transfers from restricted as disclosed in Note 20 have been allocated as £23,372 to general charitable funds and £1,056 to Heritage car parks, designated fund. There are also additional transfers from general charitable funds to the two MESS designated funds. The directors have designated funds from the profits on the MESS shops to be distributed to the local community in the forthcoming year.

### 22. Analysis of Net Assets between Funds

	Tangible Fixed Assets £	Net Current Assets £	Total £
Restricted funds	78,013	-	78,013
Unrestricted funds	<u>69,966</u>	<u>83,203</u>	<u>153,169</u>
	<u>147,979</u>	<u>83,203</u>	<u>231,182</u>

### 23. Control

The charity is controlled by its Directors, the Trustees.

# MULL & IONA COMMUNITY TRUST

(A company limited by guarantee)

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2008

### 24. Related parties

There are several related parties identified as the directors also have many other directorships in local companies and organisations. In the opinion of the directors it is not practical to disclose all of these related parties and their transactions during the year and therefore only the related parties with significant transactions during the year have been fully disclosed. The directors considered that only related parties with transactions above £1,000 should be disclosed and this is as follows:

During the year J. Wilkie advanced a loan of £30,000 to the charity to assist in the development of the property at Craignure. J. Wilkie was a Trustee until he resigned on 16 January 2008. The loan was advanced on preferential terms with the charity having a 12 month period before capital repayments were due to be paid. The loan has an interest rate of 6.5% applied and the interest paid during the year was £812.

Mull Butchers Limited is a related party by virtue of John Mitchell and Donald Maclean being directors of both companies. During the year all trading, assets and liabilities held by Mull & Iona Community Trust Limited were transferred to Mull Butchers Limited for £nil consideration. The breakdown as follows shows the credit amount included within the Statement of Financial Activities of £65,080 for the transfer:

	£
Disposal of property	52,702
Accrued grant	17,016
Bank loan transferred	(31,000)
Deferred government grants	<u>(103,798)</u>
	<u><u>(65,080)</u></u>