

Eilean Eisdeal
(A company limited by guarantee)

Trustees' report and financial statements
for the year ended
30 September 2015

Charity number: SC027102

Company number: SC178838



Simmers & Co
Chartered Accountants
OBAN

Eilean Eisdeal
(A company limited by guarantee)

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Legal and administrative information

Charity number	SC027102	
Company registration number	SC178838	
Registered office	Easdale Island Oban Argyll PA34 4TB	
Trustees	I McDougall K Cafferty J Fraser D Smallman J Hill L Ferguson M MacFadyen	Re-appointed 30/12/14 Appointed 30/12/14 Appointed 30/12/14 Appointed 30/12/14
Secretary	J Fraser	
Accountants	Simmers & Co Albany Chambers Albany Street Oban Argyll PA34 4AL	
Solicitors	Burness LLP 120 Bothwell Street Glasgow G2 7JL	

Eilean Eisdeal
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Report of the trustees (incorporating the directors' report)
for the year ended 30 September 2015

The trustees present their report and the financial statements for the year ended 30 September 2015. The trustees, who are also directors of Eilean Eisdeal for the purposes of company law and who served during the year and up to the date of this report are set out on page 1.

Structure, governance and management

Legal & Administrative Status

The Organisation, incorporated on 17 September 1997, is a charitable company limited by Guarantee, with no share capital and registered as a Scottish Charity with H M Revenue & Customs. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Charity number SC027108 and Company Number SC178838.

Recruitment and Appointment of Board of Directors

The board of directors must consist of a maximum of 7 directors and a minimum of 2. The majority of the directors shall at all times be full-time residents of Easdale Island. Each director must be a member of the Company.

The directors of the company are also charity trustees for the purposes of Charity Law and under the company's Articles are known as directors.

The directors are elected for 5 years. Each year one fifth of the Elected Directors shall retire from office. They may then offer themselves for re-appointment at the Annual General Meeting.

Iain McDougall retired as part of the rotation of directors as per the Memorandum and Articles of Association. Four nominations were received from Iain McDougall, Lindsey Ferguson, Jess Hill & Michelle MacFadyen. At the AGM in 2014 Iain McDougall, Jess Hill, Lindsey Ferguson and Michelle MacFadyen were appointed as directors.

Trustee Induction and Training

Most directors are already familiar with the work of the charity, having been encouraged to become a member.

When new directors are appointed their induction includes being given a copy of the Company's policies and a copy of the Community Plan so that they can see what the aims of the Company are.

Organisational Structure

There are 7 directors on the board and they oversee the running of the Company. There are sub committees which at least one director is on. There is also a bookkeeper who keeps the books up to date.

Risk Management

The directors have assessed the major risks to which the company is exposed, in particular those related to the operations and finance of the company, and are satisfied that systems are in place to mitigate the exposure to the major risks.

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Report of the trustees (incorporating the directors' report)
for the year ended 30 September 2015

...continued

Objectives and activities

Eilean Eisdeal is a company limited by guarantee whose aims are defined in its Memorandum and Articles of Association. Briefly summarised, its aims are to protect and enhance the island of Easdale, the community living there and their local economy and way of life, in harmony with visitors to the island, the local authority and other interested bodies; to improve and manage the island's community hall, museum & harbour and to gain the help of the people of the island in this work.

Activities

The main activities for achieving objectives are:

The Arts Programme

Bar Sales

Museum Income

Mooring Income

Achievements and performance

The directors continue to organise and co-ordinate fundraising events, investigate sources of funding and manage the current assets on behalf of the community.

The museum has been open all season supported by a combination of paid and volunteer staff. Visitor numbers were slightly lower than last year most probably due to bad weather in the summer months however the season was extended by a good spell of weather in September and October which helped to offset the downturn. The museum staff and volunteers also held another weekend festival which raised vital funds to assist with repairs and upkeep. Efforts continue to source funding opportunities for repair/development.

The Hall sub-committee set up to manage the Easdale Island Community Hall and run the ever popular Arts Programme has provided the community with a diverse and popular range of entertainment throughout the year. A funding application to Creative Scotland was successful and included funds to create a new calendar of events on the website. Revenue from bar sales, FIT from the solar PV and ticket sales help offset the hall running costs.

Harbour management continues to be a challenge due to bad debtors and further small claims are in the process of being pursued through the courts. The holding mooring in Easdale Sound continues to bring in donations from visiting vessels. A donation box and signage was installed on the side of the ferry shed and further signage on the pontoon to encourage day visitors with boats to contribute to the harbour facility. Members of the community secured some unwanted pontoons for the harbour and negotiated their transport and installation at minimal cost to Eilean Eisdeal. The area of land known locally as 'The Bull' continues to be a concern. Vast quantities of slate moved by the tide and waves threaten to close the harbour entrance which could cut the island off completely from the mainland. Annual dredging by the council has yet to be undertaken. The community are still seeking a long term solution. Attempts to install a small trial tyre defense system were thwarted by SEPA. The directors are still in talks with them to try and resolve the matter. A community clean up, in the Rush and Gush area of land owned by EE, in January satisfied the council's demands for the area to be cleared.

Talks are ongoing with Highlands and Islands Enterprise regarding Easdale benefitting from a Development Manager to assist with future projects. An application to Just Enterprise secured funding to provide a consultant from Inspirealba to help create a business plan for projects that could generate income.

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Report of the trustees (incorporating the directors' report)
for the year ended 30 September 2015

...continued

The directors visited the Isle of Coll in February after receiving funding from DTA Scotland through their Knowledge, Skills Exchange funding programme. They spoke with Development Coll about their very successful Bunkhouse and other projects.

Despite opposition from members of the community and Eilean Eisdeal, Historic Scotland have ignored concerns and implemented their proposal to Schedule the Monument known as Easdale Slate Quarries.

The islands' fundraisers Atlantic Adventure Day and The World Stone Skimming Championships were once again very successful raising vital funds and gaining positive PR for the charity. The island owner's demand of £1000 fee for use of the quarry was covered by a generous donation.

The directors are grateful for the positive and encouraging support that they have received. They would like to extend their thanks to members, the sub-committees and the many volunteers who have assisted throughout the year. Three directors were co-opted in October bringing the board up to maximum capacity of 7. The directors look forward, with this continuing support, to furthering the projects that are on the Community Plan.

Financial review

The results this year show an "Operating Deficit" of £190 compared to an "Operating Surplus" of £2,612 in the previous year.

There is an overall Deficit of £19,875 reported, however, £19,685 of costs are absorbed by the restricted reserves recognised in previous years.

Reserves Policy

Although the company closely monitors their free reserves they have still to decide on their reserves policy. At present the General Funds are sitting at £22,840. General unrestricted funds freely available amount to £14,096 with the balance being tied up in fixed assets and investments. The free reserves equates to over 4 months of running costs of the charity.

Statement of trustees' responsibilities

The trustees (who are also directors of Eilean Eisdeal for the purpose of company 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 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 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 trustees 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;

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Report of the trustees (incorporating the directors' report)
for the year ended 30 September 2015

....continued

- 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.

The trustees 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. 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.

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.

On behalf of the board



K Cafferty
Director

2 December 2015

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Eilean Eisdeal
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**Independent Examiners Report to the Trustees on the audited Financial Statements
of Eilean Eisdeal**

I report on the accounts for the year ended 30 September 2015 set out on pages 2 to 16

Respective responsibilities of trustees and independent examiner

The charity's trustees (who are also the directors of the company for purposes of company law) are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 (the Act) and the Charities Accounts (Scotland) Regulations 2006. The charity's trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to state, on the basis of my examination as required under section 44(1) (c) of the Act, whether particular matters have come to my attention.

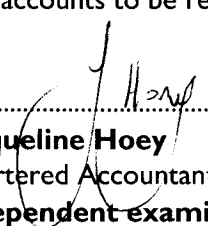
Basis of Independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on whether the accounts present a 'true and fair view'.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the trustees have not met the requirements to ensure that:
 - proper accounting records are kept in accordance with section 386 of the Companies Act 2006; and
 - accounts are prepared which agree with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

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Jacqueline Hoey
Chartered Accountant
Independent examiner
Simmers & Co
Albany Chambers
Albany Street
Oban
PA34 4AL

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Statement of Financial Activities (incorporating the income and expenditure account)
For the year ended 30 September 2015

	Notes	Unrestricted funds £	Restricted funds £	2015 Total £	2014 Total £
Incoming resources					
Incoming resources from generating funds:					
Voluntary income	2	3,239	5,186	8,425	13,165
Activities for generating funds	3	9,133	2,872	12,005	9,903
Incoming resources from charitable activities	4	17,793	-	17,793	6,228
Other incoming resources	5	400	-	400	176
Total incoming resources		<u>30,565</u>	<u>8,058</u>	<u>38,623</u>	<u>29,472</u>
Resources expended					
Bar Purchases		1,537	-	1,537	-
Staff costs	8	7,508	-	7,508	-
Hall costs		9,173	-	9,173	9,532
Accountancy fees		1,614	-	1,614	1,321
Legal Fees		1,492	-	1,492	376
Depreciation and impairment		1,526	19,190	20,716	20,985
Advertising		590	-	590	185
Fundraising costs		700	2,872	3,571	4,809
T Shirt Costs		1,094	-	1,094	-
Community Development Costs		-	495	495	866
Arts Programme costs		7,236	-	7,236	6,996
Museum Running Costs		2,054	-	2,054	-
Harbour Running Costs		216	-	216	-
Book keeping		1,000	-	1,000	485
General		201	-	201	-
Total resources expended		<u>35,941</u>	<u>22,557</u>	<u>58,498</u>	<u>45,555</u>
Net incoming resources before transfers		(5,376)	(14,499)	(19,875)	(16,083)
Transfers between funds		5,186	(5,186)	-	-
Net movement in funds/Net income for the year		(190)	(19,865)	(19,875)	(16,083)
Net incoming/(outgoing) resources for the year / Net income/(expense) for the year		(190)	(19,865)	(19,875)	(16,083)
Total funds brought forward		23,030	825,830	848,860	864,943
Total funds carried forward		<u>22,840</u>	<u>806,145</u>	<u>828,985</u>	<u>848,860</u>

The notes on pages 10 to 16 form an integral part of these financial statements

Eilean Eisdeal
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Balance sheet
as at 30 September 2015

	Notes	2015		2014	
		£	£	£	£
Fixed assets					
Tangible assets	10		814,660		835,376
Investments	11		100		100
			<u>814,760</u>		<u>835,476</u>
Current assets					
Stocks		1,500		-	
Debtors	12	7,913		7,423	
Cash at bank and in hand		7,039		11,805	
		<u>16,452</u>		<u>19,228</u>	
Creditors: amounts falling due within one year	13	<u>(2,227)</u>		<u>(5,844)</u>	
Net current assets			14,225		13,384
Net assets			<u>828,985</u>		<u>848,860</u>
Funds					
Restricted income funds	14		806,145		825,830
Unrestricted income funds			22,840		23,030
Total funds			<u>828,985</u>		<u>848,860</u>

The Balance Sheet continues on the following page.

The notes on pages 10 to 16 form an integral part of these financial statements

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Balance sheet (continued)

Trustees statements required by the Companies Act 2006
for the year ended 30 September 2015

In approving these financial statements as trustees of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by section 477 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 for the year ended 30 September 2015.

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company 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 company as at the end of the financial year and of its profit or loss 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 company.

These 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 April 2008).

The financial statements were approved by the board on 2 December 2015 and signed on its behalf by



K Cafferty
Director

The notes on pages 10 to 16 form an integral part of these financial statements

Eilean Eisdeal
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Notes to financial statements
for the year ended 30 September 2015

I. Accounting policies

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

I.1. Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005) and the Companies Act 2006.

I.2. Fund accounting

Unrestricted Funds. These are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted Funds These are funds that can only be used for particular restricted purposes. Restrictions arise when specified by the donor or raised for particular restricted purposes.

I.3. 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. Gifts donated for resale are included as incoming resources within activities for generating funds when they are sold.

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.

I.4. 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.

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.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

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Notes to financial statements
for the year ended 30 September 2015

...continued

1.5. 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:

Land and buildings	-	Straight line over 50 years
Plant and machinery	-	15% on reducing balance

1.6. Investments

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the statement of financial activities.

1.7. Stock

Stock is valued at the lower of cost and net realisable value.

1.8. Grants payable

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. Grants are accounted for when the trustees have agreed to pay the grant without condition.

2. Voluntary Income

	Unrestricted funds £	Restricted funds £	2015 Total £	2014 Total £
Donations	1,779	-	1,779	7,547
Arts Programme	-	5,186	5,186	3,951
DTA Grant	-	-	-	495
Memberships	1,460	-	1,460	1,172
	<u>3,239</u>	<u>5,186</u>	<u>8,425</u>	<u>13,165</u>

3. Activities for generating funds

	Unrestricted funds £	Restricted funds £	2015 Total £	2014 Total £
Raffles etc	1,005	-	1,005	794
Stone Skimming	6,350	2,872	9,940	7,614
Panto	427	-	427	226
Atlantic Adventure Day	1,074	-	1,074	450
T-Shirt Sales	2,090	-	2,090	-
PV Feed Income	1,059	-	1,059	819
	<u>12,723</u>	<u>2,872</u>	<u>15,595</u>	<u>9,903</u>

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Notes to financial statements
for the year ended 30 September 2015

....continued

4. Incoming resources from charitable activities

	Unrestricted funds £	2015 Total £	2014 Total £
Arts Programme	2,923	2,923	6,228
Hall and Bar Income	4,621	4,621	-
Harbour Income	5,389	5,389	-
Museum Income	4,860	4,860	-
	<u>17,793</u>	<u>17,793</u>	<u>6,228</u>

5. Other incoming resources

	Unrestricted funds £	2015 Total £	2014 Total £
Other income	400	400	176
	<u>400</u>	<u>400</u>	<u>176</u>

6. Governance costs

	Unrestricted funds £	2015 Total £	2014 Total £
Accountancy fees	1,614	1,614	1,321
Book keeping	1,000	1,000	485
General	201	201	-
Legal fees	1,492	1,492	376
	<u>4,307</u>	<u>4,307</u>	<u>2,182</u>

7. Net outgoing resources for the year

	2015 £	2014 £
Net outgoing resources is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	<u>20,716</u>	<u>20,985</u>

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Notes to financial statements
for the year ended 30 September 2015

...continued

8. Employees

Employment costs	2015	2014
	£	£

Wages and salaries	7,508	-
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No employee received emoluments of more than £60,000 (2014 : None).

There were no expenses paid to Trustees during the year.

9. Taxation

The charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 2010. Accordingly, there is no taxation charge in these accounts.

10. Tangible fixed assets

	Land and buildings freehold	Plant and machinery	Total
	£	£	£
Cost			
At 1 October 2014 and At 30 September 2015	959,516	26,470	985,986
Depreciation			
At 1 October 2014	134,310	16,300	150,610
Charge for the year	19,190	1,526	20,716
At 30 September 2015	153,500	17,826	171,326
Net book values			
At 30 September 2015	806,016	8,644	814,660
At 30 September 2014	825,206	10,170	835,376

11. Fixed asset investments

	Subsidiary undertakings shares	Total
	£	£
Valuation		
At 1 October 2014 and At 30 September 2015	100	100
Historical cost as at 30 September 2015	100	100

All fixed asset investments are held within the United Kingdom.

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Notes to financial statements
for the year ended 30 September 2015

...continued

12. Debtors

	2015	2014
	£	£
Trade debtors	3,396	-
Other debtors	4,517	7,423
	7,913	7,423

13. Creditors: amounts falling due within one year

	2015	2014
	£	£
Other creditors	60	-
Accruals and deferred income	2,167	5,844
	2,227	5,844

14. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 30 September 2015 as represented by:			
Tangible fixed assets	8,644	806,016	814,660
Investment assets	100	-	100
Current assets	16,323	129	16,452
Current liabilities	(2,227)	-	(2,227)
	22,840	806,145	828,985

15. Unrestricted funds

	At 1 October 2014	Incoming resources	Outgoing resources	Transfers	At 30 September 2015
	£	£	£	£	£
General Funds	22,506	30,353	(35,941)	5,186	22,104
Children of the Island	524	212	-	-	736
	23,030	30,565	(35,941)	5,186	22,840

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Notes to financial statements
for the year ended 30 September 2015

...continued

Purposes of unrestricted funds

General unrestricted funds are funds which can be used in accordance with the charity objects at the discretion of the directors.

The committee have designated 20% of the PV feed monies. The children of the Island will decide what they want to spend these monies on.

16. Restricted funds

	At 1 October 2014 £	Incoming resources £	Outgoing resources £	Transfers £	At 30 September 2015 £
Arts Programme	-	5,186	-	(5,186)	-
Scottish Gas Green Streets Project & Climate Challenge Fund	129	-	-	-	129
Harbour	180,365	-	(4,194)	-	176,171
Stone Skimming	-	2,872	(2,872)	-	-
Folk Museum	171,919	-	(3,998)	-	167,921
DTA Scotland	495	-	(495)	-	-
Community Hall	472,922	-	(10,998)	-	461,924
	<u>825,830</u>	<u>8,058</u>	<u>(22,557)</u>	<u>(5,186)</u>	<u>806,145</u>

Purposes of restricted funds

Arts Programme

These funds are made up from grants received to help provide the community with a diverse range of entertainment including music, theatre and art events throughout the year. These monies have been transferred to general funds to help towards the costs of this years Arts Programme.

Scottish Gas Green Streets Project & Climate Challenge Fund

These funds are made up from grants received from the Scottish Gas and the Climate Challenge Fund. The Scottish Gas Green Streets Project was set up to find renewable energy solutions for the Island and the monies from the Climate Challenge Fund were used to install an all consumption meter on the island sub station.

Harbour

These funds are made up of grants received to purchase the Harbour. The agreement is for a period of 10 years from when the grants were received.

Stone Skimming

Forteiths donated stock to the (wholesale) value of £2,872.

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Notes to financial statements
for the year ended 30 September 2015

...continued

Folk Museum

These funds were raised to purchase the Folk Museum.

DTA Scotland

This is a grant received for helping towards the cost of going to Coll to visit the community bunk house.

Community Hall

These funds are made up of from grants received to purchase the Community Hall. The agreement is for a period of 80 years running from when the Community Hall was purchased.

17. Related party transactions

Easdale Island Trading Company (EITC) is the wholly owned subsidiary of Eilean Eisdeal. In order to reduce administration costs it was decided to make EITC dormant and carry out all activities through the charitable company.

18. Controlling interest

The company is controlled by it's members.

19. Company limited by guarantee

Eilean Eisdeal 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.