

Charity registration number SC040407 (Scotland)

Company registration number SC318527 (Scotland)

**ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	J Akid C Flaws M Hull C Maguire A Mainland G Mainland H Mainland P Roebuck E Shortland K Tipper R Tipper	(Appointed 20 May 2023) (Appointed 28 May 2022) (Appointed 28 May 2022)
Secretary	H Castle	
Charity number (Scotland)	SC040407	
Company number	SC318527	
Registered office	Gowsterie Rousay Orkney KW17 2PT	
Auditor	A J B Scholes Ltd 8 Albert Street Kirkwall Orkney KW15 1HP	
Bankers	The Co-operative Bank PO Box 250 Skelmersdale WN08 6WT Nationwide Building Society PO Box 3 5-11 St. Georges Street Douglas Isle of Man IM99 1AS Royal Bank of Scotland 1 Victoria Street Kirkwall Orkney KW15 1DP	

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

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ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

DIRECTORS' REPORT (INCLUDING TRUSTEES' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 2 to the financial statements and comply with the charity's memorandum and articles of association, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charity's objective is to undertake activities within the terms of its governing documents for the benefit of the community of the islands of Rousay, Egilsay and Wyre.

The overarching aim of the Trust is to improve the quality of life for the islands' inhabitants of all ages, in ways that are both sustainable and environmentally sound.

The Charitable aims of the Trust are:

- to benefit the community via the advancement of community development, including the advancement of urban/rural regeneration;
- the advancement of education;
- the advancement of citizenship;
- the advancement of environmental protection or improvement;
- the provision of recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended; including the provision, maintenance and/or improvement of public open space and other public amenities;
- the advancement of the arts, heritage, culture or science;
- the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage;
- the prevention or relief of poverty; and
- the relief of unemployment.

The vision of the Trust through to 2025 is to strive for:

- a balanced population of all ages;
- vibrant economic activity with a range of job opportunities on the islands;
- increased population;
- a range of affordable housing options;
- regular and affordable transport on and between the islands and between the islands and the Orkney mainland;
- self-sufficiency in energy, resources, and vital services;
- good community facilities, such as schools, health, sports, postal services, shops, and hospitality trades;
- promotion of our islands' resources and produce;
- enhanced local care for our elderly;
- improved facilities for our youngsters;
- maximised benefits of tourism within the ecological limits of our islands.

Achievements and performance

The Trust continues to make use of the report produced following the community survey conducted in the year ended 31 March 2018, in order to prioritise, research, and progress projects where the community has identified a strong need and/or benefit. A Roadshow was also conducted on 24 & 25 March 2023 to gain feedback from residents regarding the future development of the projects and to gain input into a new Development Plan.

The survey report and new Development Plan are available for use by businesses, community groups, and individuals, who are able to submit applications for grant assistance to the Trust, where they are able to demonstrate a clear community need or benefit for their project.

The Trust benefits from monies gifted from its trading subsidiary - which operates a 900kW community turbine on Rousay - and makes use of funding opportunities from a variety of funders, where possible, in order to provide the income necessary for delivering projects and awarding grants.

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

DIRECTORS' REPORT (CONTINUED)(INCLUDING TRUSTEES' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

During the year ended 31 March 2023, the Trust funded the following projects and activities:

- Education Grants & Bursaries Scheme. This scheme continues to enable local people to attend a variety of academic, vocational, and professional development courses, as well as driving lessons, leading to improved skills and employment opportunities.
- Wellbeing 100 Fund. This scheme covers wellbeing activities and courses, including sporting and craft activities.
- Grants for books of child ferry tickets, to improve access to activities by local people.
- Subsidising the provision of 'help in the home' services for elderly residents, in partnership with Age Scotland Orkney and its 'Here2Help' project and Crossroads, which has also led to the creation of local jobs.
- Electric Vehicle. The car is available to all residents via our Car Club scheme for hire. Residents must become Car Club members, there is no charge for membership.
- The REW DT also has grants for supporting costs of driving lessons and residents in fuel poverty.
- General Grant Funding Scheme. This fund covers a wide range of projects and activities including:
 - Supporting the travel costs for those attending education courses.
 - Support funding for the local Guides, Rainbows, and Brownies Groups for annual subscriptions
 - Supporting the fees for a resident to take part in the Tall Ships Race.
 - Screen Machine ferry costs.
 - Grant awarded to the Rousay School Parent Council for outdoor educational activities.
 - Grant payment to the Rousay Sailing Club for their Skiff boat building project.
 - Medical equipment grants for two residents.
- Community Kickstart Grant funded the following:
 - Rainbow and Brownies group activities.
 - Children's club group activities.
 - Singin group room hire costs.
 - Parent Council children's activities.
 - Snooker club with new blinds and lights.
 - Egilsay Community Association room hire costs.
- The Trust continues to support the Allotment Association's allotment site and the Community Garden at Rousay Community School, with funding for the maintenance and grass cutting during the year.
- The employment of the Ranger has meant that the sub-projects that the community voted on can progress, during this financial year this included the designing and building of the boardwalk as part of the Heart of Rousay project.
- The REW DT continues to put on the Rousay & Peedie Laps, the installation of the Bike Shelter at the Pier also occurred this financial year.
- The REW DT was successful in receiving external funding for a Mental Health & Well-Being project covering the creation of a new family and toddler group, providing dance and yoga classes and coffee mornings to reduce isolation and improve mental health of residents. A Podiatry clinic budget was also set up to cover the additional costs involved with providing this service.
- The REW DT was part of Orkney's first Climate Festival, putting on two events during the festival week.
- The Trust received NILPS funding for a Youth Worker to start two youth groups, one for primary and the other secondary school age children.
- Rural Housing Fund feasibility work and project planning for two social houses.

The Trust's Project Manager ensures that each grant application does not violate the Trust's Charitable Aims and its objectives before it is presented to the directors for discussion. Our project work in the year ended 31 March 2022 demonstrates our commitment to meet our aims, in particular:

- Improve access to sporting and cultural activities.
 - Improve community facilities.
 - Improve facilities and access to activities for young people.
 - Improve transport links.
 - Increase economic activity on our islands.
 - Increase tourism opportunities.
 - The advancement of the arts, heritage, culture, or science.
 - The provision of recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended.
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ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

DIRECTORS' REPORT (CONTINUED)(INCLUDING TRUSTEES' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

Heat Smart Orkney

HSO Ltd is a wholly owned subsidiary of the Rousay, Egilsay & Wyre Development Trust (REWDT) and was set up to support the Trust, its revenue generating turbine, and the wider community, through active involvement in projects testing solutions to combat the curtailment of energy production and high costs of heating in community homes. Initially it did this through the delivery of the community engagement and operational element of the Heat Smart Orkney project, and then subsequently provided further operational support, experience and lessons learned for further work to others, e.g., during the SMILE, TraDER and ReFLEX projects. As a result, it has provided REWDT and the wider community with the opportunity to access Scottish Government, and other, funding and resource over an extended period of time.

Although it was decided to finish current live activities at the end of April 2022, after more than 6 years of continuous operation and employment. HSO has produced a significant legacy, including new heating equipment across the community, and continued to give some employment to REW community members over the past year as part of the winding up and post project work.

Last year's financial report expected that operations would cease during the 2021-2022 financial year. But, with careful management, all staff and activities continued to the end of the financial year. This ensured that final data could be gathered, all households and sites with HSO systems could be adjusted and supported to made good for future use, and also that the HSO office and systems could be sorted to prepare for the end of active operation, and all this has been responsible for a large part of the activity over this reporting period.

Thanks again for those who have continued to provide support to its activities.

The projects and activities fit into the Trust's aims and objectives as follows:

- Education Grants & Bursaries - Advancement of education including grants for access to the education.
- Well-Being Grants - Improve access to sporting and cultural activities & the provision of recreational facilities,
- Electric Vehicle - Transport links
- Grants for Child Ferry tickets - Transport links & Improve facilities and access to activities for young people.
- Here2Help & Crossroads - Enhanced local care for our elderly residents
- Travel Costs - Improved access to facilities and activities
- Parent Council Grants - Activities for young people; Advancement of Education
- Rousay Sailing club grant for Skiff building - Advancement of education, Improve access to sporting and cultural activities, Improve facilities and access to activities for young people & the provision of recreational facilities.
- Allotment Association & Community Garden - the provision of recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended & improved community facilities.
- Girl Guides, Rainbows, and Brownies – Activities for Young People
- Trumland Land development and sub-projects - The Trust's objectives are to benefit the community via the advancement of community development, including the advancement of urban/rural regeneration, the advancement of education, the advancement of environmental protection or improvement, the provision of recreational facilities or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended; including the provision, maintenance and/or improvement of public open space and other public amenities. This has benefitted from the employment of a Ranger.
- Ferry costs for Screen Machine - Improve access to sporting and cultural activities & the provision of recreational facilities,
- Helping two residents with medial equipment not provided via NHS services and the support for bringing a podiatry service to Rousay- the provision of recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended;
- Singing Group & Snooker club - the provision of recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended;
- Hall Turbines, the trust owns 2 hall turbines, the revenue from which is used for projects, this covers any or all our aims and objectives.
- Rural Housing Project - Improve community facilities.

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

DIRECTORS' REPORT (CONTINUED)(INCLUDING TRUSTEES' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

Investment performance

The loan repayment and interest received by the Trust from its trading subsidiary, REWIRED Limited (Rousay, Egilsay & Wyre Islands Renewable Energy Development Limited) has further increased the income received by the Trust, ensuring that the Trust is able to continue to deliver projects and award grants for the benefit of the community.

The subordinated loan from the Trust to its trading subsidiary, REWIRED Limited, continues to be repaid in accordance with the loan agreement between the two organisations. Commencing in 2013, the loan is to be repaid over 16 years, and the interest is calculated using the 3-month LIBOR rate as at the time of the loan repayment, plus 2.25%.

Factors which may affect the ability of the Trust to meet its objectives include an anticipated reduction in income received from its trading subsidiary, due to curtailment of the community turbine limiting the company's profit-earning potential.

The Trust also makes use of external funders, where appropriate. The current challenging environment sees the Trust competing for external funding along with a number of other, similar organisations.

Financial review

The charity had total incoming resources of £294,464 (2022: £385,438) and total resources expended of £231,092 (2022: £183,429), giving a surplus for the year of £63,372 (2022: £202,009). Total funds as at the balance sheet date amounted to £1,564,749 (2022: £1,501,377).

After removal of inter-group transactions, the group had total incoming resources of £873,405 (2022 £759,736) and total resources expended of £443,805 (2022: £450,097). Total funds as at the balance sheet date amounted to £2,751,117 (2022: £2,414,358).

The main sources of external funding received in the year to 31 March 2023 were:

- the Aspiring Communities Funding (via VAO) supporting the costs of a Community Led Care Co-ordinator post from March 2019 through to the end of March 2023. This externally funded position has now been extended to 31 March 2024
- HIE Funding to support the salary costs of the Trumland Land Project Officer position up to July 2022. These funds have been used to promote projects of a charitable nature for the benefit of the residents of the community, including the promotion, operation, co-ordination, monitoring and support of projects and programmes which further the aims of the charity.
- FITS payments and OIC payment for electricity connected to the 2 Hall Turbines.
- Life Changes Trust funding for a Dementia Coordinator, the position is fully funded up to December 2022, to support people on RE&W with memory loss.
- Scottish Government Rural Housing Feasibility Fund £15,000 to cover the preparation work for the housing project development for the building of 2 social houses.
- the Place Based Investment Programme Support for Strengthening Communities (via Scottish Government) towards the costs of repairing the boathouse and sluice.
- NILPS funding for the Ranger's PVG check £82.99.
- Climate Hub £240.00 for activities the DT put on during Orkney's first climate festival.
- NILPS funding to cover the Youth worker's salary plus all costs associated with running the two youth groups.

These funds have been used to promote projects of a charitable nature for the benefit of the residents of the community, including the promotion, operation, co-ordination, monitoring and support of projects and programmes which further the aims of the charity.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level sufficient to enable the trust to continue to operate while any unanticipated shortfall in funds is addressed.

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

DIRECTORS' REPORT (CONTINUED)(INCLUDING TRUSTEES' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

Subsidiary performance

REWIRE Limited is a wholly-owned trading subsidiary of the Trust.

REWIRE's objectives are primarily to manage the operation of the community wind turbine. The responsibilities associated with these objectives include ensuring its long-term operational and financial viability whilst generating surplus profits for tax-efficient transfer to the Trust.

During the year to 31 March 2023, our turbine produced 3,182,505kWh (2022: 2,992,276kWh), which is just over 190,229kWh more than last year but still in excess of our target. 2022/23 saw curtailment reach 22.25%, which is more than 5% over our target curtailment levels.

Total revenue generated by REWIRE for the financial year ending 31 March 2023 was £781,159 (2022: £514,808). Total comprehensive income for the year was £458,251 (2022: £309,436).

REWIRE holds at least six months' operational costs as contingency against income instability, plus a further sum against possible expenditure required reducing curtailment and hence securing a greater continuing income to the trust.

Heat Smart Orkney Ltd (HSO) is a wholly-owned trading subsidiary of the Trust. HSO's objectives are primarily to manage and deliver the Heat Smart Orkney project.

For the period ending 31 March 2023, HSO had total income of £nil (2022: £60,205) and total expenses (before tax) of £4,864 (2022: £78,524). The loss for the period after tax was £4,864 (2022: £12,076). The company reported net assets of £2,204 (2022: net assets of £7,068).

Risk assessment

The directors have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for the future

- Continue to offer grants to local residents, community groups and businesses.
- Investigate and support the improvement of broadband speeds on the islands.
- Now that the Heat Smart Orkney Ltd project has finished to finalise the work and close the company during 2023/24 financial year.
- Strive to put in place facilities and resources which will improve the lives of residents in our community.
- Continue with an on-demand community transport scheme for our residents (EV Car Club and the possible purchase of E-Bikes via external funding)
- Apply for a Rural Housing Fund grant to build 2 houses at the end of Johnstons Road to help the housing situation on RE&W following the Housing Needs Survey results. The DT has also put in for stage 1 Scottish Land Fund grant to look at the feasibility of purchasing The Manse from the Church of Scotland to convert into 2 flats and a community room.
- Use the information from the 2017 survey of all residents to plan new projects and to continue to work to the targets in the new Development Plan.
- Try to stop the reduction of residents on Wyre.
- Develop the land purchased from the Trumland land estate to ensure the residents and visitors can continue to access the boardwalk, to develop a better understanding of the land and to ensure its sustainability and protect the natural environment for the benefit for the community.
- Utilise the now watertight Boathouse at Wasbister Loch for community use.
- Hold the Rousay Lap half marathon and the 5K Peedie Lap fun runs in 2024.
- Develop the former Pier Restaurant site
- Upgrade the Pier Store using REW Heritage SCIO NILPS grant as an archive display centre, to purchase the land adjacent to the building to create a safe entrance point and seating area. To support the Heritage SCIO with other NILPS projects.
- Develop/ improve our website, ensuring residents have better and easier access to REWDT information.
- Continue to provide the two youth clubs with a youth worker doing regular activities.
- Continue to grant funds to encourage new or existing groups to continue/begin again post COVID.
- Start a Cost of Living/Fuel Crisis grant fund to help those in extreme poverty with rising household costs.
- Engage with other Development Trusts and external organisations to support the aspiration to hit the Government targets for Net Zero and climate change. To put on activities during the Climate Festival.

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

DIRECTORS' REPORT (CONTINUED)(INCLUDING TRUSTEES' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management

The charity is a company limited by guarantee and is governed by its memorandum and articles of association.

The directors who served during the year and up to the date of signature of the financial statements were:

J Akid	(Appointed 20 May 2023)
C Flaws	
S Foulds	(Resigned 8 August 2022)
M Hull	
C Maguire	
A Mainland	
G Mainland	(Appointed 28 May 2022)
H Mainland	(Appointed 28 May 2022)
P Roebuck	
E Shortland	
K Tipper	
R Tipper	
C Tunbridge	(Resigned 28 May 2022)

None of the directors has any beneficial interest in the company. All of the directors are members of the company and guarantee to contribute £1 in the event of a winding up.

Directors are elected and/or re-elected at the AGM as per the Trust's Articles of Association. If vacancies become available during the year the board can appoint a director but this director has to 'stand down' at the next AGM and can re-apply for the members to consider at the AGM elections.

Additional directors are co-opted as deemed necessary up to a number not exceeding the permitted maximum to ensure adequate representation from each of the three islands and/or, in the judgement of the board of directors to broaden and/or deepen the available experience and expertise.

Disclosure of information to auditor

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor are aware of such information.

This report has been prepared in accordance with the special provisions contained within Part 15 of the Companies Act 2006 relating to small companies.

The directors' report was approved by the Board of Directors.

P Roebuck

Director

Dated: 16 December 2023

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

The directors, who also act as trustees for the charitable activities of Rousay, Egilsay & Wyre Development Trust, are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 charity will continue in operation.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS AND DIRECTORS OF ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

Opinion

We have audited the financial statements of Rousay, Egilsay & Wyre Development Trust (the parent) and its subsidiaries (the group) for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent's affairs as at 31 March 2023 and of the group's and parent's incoming resources and application of resources, 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 requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the accounts* section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 34 to the accounts, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity or group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS AND DIRECTORS OF ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees report.

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

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

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and parent's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or parent or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Chapter 3 of Part 16 of the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS AND DIRECTORS OF ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, and control environment;
- results of our enquiries of management;
- any matters we identified having obtained and reviewed the parent and group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.
- the matters discussed among the audit engagement team.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and irregularities. Income recognition was a key area of focus. In common with all audits under ISA's (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the parent and group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements, such as the UK Companies Act 2006, tax legislation, and relevant charities acts.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty. These include laws and regulations pertaining to employment.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' 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 charitable company, the charitable company's members as a body, and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS AND DIRECTORS OF ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

Ryan Allan (Senior Statutory Auditor)
for and on behalf of A J B Scholes Ltd

.....

Chartered Accountants
Statutory Auditor

8 Albert Street
Kirkwall
Orkney
KW15 1HP

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total Unrestricted funds 2023 £	Restricted funds 2022 £	Total 2022 £
Income from:						
Grants and donations	3	376	58,371	58,747	-	128,089
Charitable activities	4	17,577	-	17,577	54,916	54,916
Other trading activities	5	789,623	-	789,623	575,796	575,796
Investments	6	7,458	-	7,458	935	935
Total income		815,034	58,371	873,405	631,647	759,736
Expenditure on:						
Raising funds	8	212,713	-	212,713	266,668	266,668
Charitable activities	9	203,000	27,992	230,992	136,114	183,429
Other	15	100	-	100	-	-
Total resources expended		415,813	27,992	443,805	402,782	450,097
Net incoming resources before transfers and tax		399,221	30,379	429,600	228,865	309,639
Gross transfers between funds		108,824	(108,824)	-	(7,203)	7,203
Net income/(expenditure) for the year before tax		508,045	(78,445)	429,600	221,662	309,639
Taxation	16	(103,183)	-	(103,183)	(9,687)	(9,687)
Other recognised gains and losses	17	10,342	-	10,342	19,416	19,416
Net movement in funds		415,204	(78,445)	336,759	231,391	319,368
Fund balances at 1 April 2022		2,303,441	110,917	2,414,358	2,072,050	2,094,990
Fund balances at 31 March 2023		2,718,645	32,472	2,751,117	2,303,441	2,414,358

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

All income and expenditure derive from continuing activities, except for the income and expenditure of the subsidiary Heat Smart Orkney Ltd, the results of which are stated at note 8.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total Unrestricted funds 2023 £	Restricted funds 2022 £	Total 2022 £
Income from:						
Grants and donations	3	376	58,371	58,747	-	128,089
Charitable activities	4	21,201	-	21,201	59,151	59,151
Other trading activities	5	400	-	400	861	861
Investments	6	214,116	-	214,116	197,337	197,337
Total income		236,093	58,371	294,464	257,349	385,438
Expenditure on:						
Charitable activities	9	203,000	27,992	230,992	136,114	183,429
Other	15	100	-	100	-	-
Total resources expended		203,100	27,992	231,092	136,114	183,429
Net incoming resources before transfers		32,993	30,379	63,372	121,235	202,009
Gross transfers between funds		108,824	(108,824)	-	(7,203)	-
Net income/(expenditure) for the year/ Net movement in funds		141,817	(78,445)	63,372	114,032	202,009
Fund balances at 1 April 2022		1,390,460	110,917	1,501,377	22,940	1,299,368
Fund balances at 31 March 2023		1,532,277	32,472	1,564,749	110,917	1,501,377

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	19		1,366,442		1,272,975
Current assets					
Tangible assets	19	88		88	
Debtors	22	133,225		223,283	
Cash at bank and in hand		2,050,970		1,694,031	
		<u>2,184,283</u>		<u>1,917,402</u>	
Creditors: amounts falling due within one year	23	<u>(303,511)</u>		<u>(166,156)</u>	
Net current assets			1,880,772		1,751,246
Total assets less current liabilities			3,247,214		3,024,221
Creditors: amounts falling due after more than one year	24		(370,872)		(480,944)
Provisions for liabilities	25		(125,137)		(128,831)
Deferred income	26		(88)		(88)
Net assets			<u>2,751,117</u>		<u>2,414,358</u>
Income funds					
Funds retained within non-charitable subsidiary			1,186,368		912,981
Restricted funds	28		32,472		110,917
Unrestricted funds - general			1,532,277		1,390,460
			<u>2,751,117</u>		<u>2,414,358</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 16 December 2023 and are signed on its behalf by:

P Roebuck

Director

Company Registration No. SC318527

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	19		719,063		544,700
Investments	20		200		200
			<u>719,263</u>		<u>544,900</u>
Current assets					
Debtors	22	113,698		168,433	
Cash at bank and in hand		788,151		799,770	
		<u>901,849</u>		<u>968,203</u>	
Creditors: amounts falling due within one year	23	(56,363)		(11,726)	
Net current assets			<u>845,486</u>		<u>956,477</u>
Total assets less current liabilities			<u>1,564,749</u>		<u>1,501,377</u>
Income funds					
Restricted funds	28		32,472		110,917
Unrestricted funds - general			1,532,277		1,390,460
			<u>1,564,749</u>		<u>1,501,377</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 16 December 2023 and are signed on its behalf by:

P Roebuck
Director

Company Registration No. SC318527

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	33	658,899		440,409	
Corporation tax paid		(19,863)		(38,993)	
Interest paid		(29,264)		(32,035)	
Net cash inflow generated from operating activities		609,772		369,381	
Investing activities					
Purchase of tangible fixed assets		(181,853)		(7,595)	
Proceeds on disposal of tangible fixed assets		4,304		-	
(Increase)/decrease in loan receivables		20,358		(20,358)	
Investment income received		7,458		935	
Net cash used in investing activities		(149,733)		(27,018)	
Financing activities					
Repayment of bank loans		(103,100)		(137,896)	
Net cash used in financing activities		(103,100)		(137,896)	
Net increase in cash and cash equivalents		356,939		204,467	
Cash and cash equivalents at beginning of year		1,694,031		1,489,564	
Cash and cash equivalents at end of year		2,050,970		1,694,031	

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	33		(73,491)		(22,468)
Investing activities					
Purchase of tangible fixed assets		(181,853)		(7,055)	
Proceeds on disposal of tangible fixed assets		3,874		-	
(Increase)/decrease in loan receivables		15,358		(20,358)	
Repayment of investment loans and receivables		10,377		12,384	
Investment income received		214,116		197,337	
Net cash generated from investing activities			61,872		182,308
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(11,619)		159,840
Cash and cash equivalents at beginning of year			799,770		639,930
Cash and cash equivalents at end of year			<u>788,151</u>		<u>799,770</u>

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Accounting policies

Charity information

Rousay, Egilsay & Wyre Development Trust is a private company limited by guarantee incorporated in Scotland. The registered office is Gowsterie, Rousay, Orkney, KW17 2PT.

2.1 Accounting convention

The financial statements have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

2.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Charitable funds

Unrestricted funds are available for use at the discretion of the directors in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

2.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Donations, legacies and other forms of voluntary income are recognised as incoming resources in the Statement of Financial Activities (SOFA) when receivable, except insofar as they are incapable of financial measurement. The value of services provided by volunteers has not been included in these accounts.

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies

(Continued)

Grants, including grants for the purchase of fixed assets, are recognised in full in the SOFA in the year in which they are receivable. Grants relating to future accounting periods are deferred. Grants received by subsidiaries are reported on the SOFA in other trading activities.

Donations of post-tax profits received from the charity's subsidiaries are recognised as investment income in accordance with published accounting guidance.

Turnover is measured at the fair value of the consideration received or receivable and represents electricity produced and exported in the period and associated government subsidies, net of VAT.

Turnover also includes amounts receivable net of VAT for consultancy and administrative services performed in the period.

2.5 Resources expended

Expenditure is included in resources expended on an accruals basis inclusive of any irrecoverable VAT.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of fundraising events.

Charitable expenditure comprises those costs incurred in the delivery of the charity's 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.

2.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	20% straight line
----------	-------------------

2.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Expenditure on assets held for ongoing use by the charity is capitalised in the balance sheet. Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	2 - 20% straight line basis
Plant and machinery	5 - 10% straight line basis/ 25% straight line basis (computer equipment)
Motor vehicles	20% reducing balance basis
Other assets	20% reducing balance basis

Freehold land and assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies

(Continued)

2.8 Fixed asset investments

Fixed asset investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in net income/ (expenditure) for the year.

Investments in subsidiaries are classed as fixed asset investments. A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

2.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately.

Recognised impairment losses are reversed if the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in or in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged.

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies

(Continued)

2.12 Derivatives

Hedge accounting

The Company designates certain hedging instruments, including derivatives, embedded derivatives and non-derivatives, as cash flow hedges.

At the inception of the hedge relationship, the company documents the relationship between the hedging instrument and the hedged item along with risk management objectives and strategy for undertaking various hedge transactions. At the inception of the hedge and on an ongoing basis, the company documents whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income.

The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line in this item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in the profit or loss in the same line as of the income statement as the recognised hedged item. However when the forecast transaction that is hedged results in the recognition of a non-financial asset or liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability concerned.

2.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences. Such liabilities are not recognised if the timing difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

The parent charitable company is exempt from corporation tax, and therefore does not provide for current or deferred tax.

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies

(Continued)

2.14 Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period it arises.

2.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/expenditure for the period.

2.19 Distributions

Donations from the charity's subsidiaries are classified as investment income in line with UK accounting guidance.

2.20 Group accounts

The consolidated financial statements include the results of the company and its subsidiaries, Rousay, Egilsay and Wyre Islands Renewable Energy Development Limited and Heat Smart Orkney Limited, drawn up to 31 March each year.

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Grants and donations - group and charity

	Unrestricted funds general 2023 £	Restricted funds 2023 £	Total 2023 £	Restricted funds 2022 £
Donations and gifts	376	-	376	-
Grants receivable for core activities	-	58,371	58,371	128,089
	<u>376</u>	<u>58,371</u>	<u>58,747</u>	<u>128,089</u>
Donations and gifts				
Donations	376	-	376	-
	<u>376</u>	<u>-</u>	<u>376</u>	<u>-</u>
Grants receivable for core activities				
Life Changes Trust - dementia salary	-	-	-	14,984
HIE - trumland PO	-	-	-	1,440
HIE - healthy islands fund	-	-	-	98,716
Scottish Gov't - strengthening communities	-	20,000	20,000	-
Scottish Gov't - rural housing feasibility fund	-	15,000	15,000	-
North Isles Landscape Partnership Scheme - youth club workers	-	8,034	8,034	-
VAO - wellbeing coordinator	-	10,468	10,468	9,865
VAO - mental health & wellbeing	-	4,629	4,629	2,500
Other	-	240	240	584
	<u>-</u>	<u>58,371</u>	<u>58,371</u>	<u>128,089</u>

4 Charitable activities

	Group 2023 £	2022 £	Charity 2023 £	2022 £
Management services to subsidiaries	-	-	3,600	4,235
Energy sales	16,055	12,440	16,055	12,440
Allotment fees	222	300	246	300
Contribution to premises costs	-	176	-	176
Other income - decommission HSO equipment	-	42,000	-	42,000
Other - insurance compensation	1,300	-	1,300	-
	<u>17,577</u>	<u>54,916</u>	<u>21,201</u>	<u>59,151</u>

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

5 Other trading activities

	Group 2023 £	2022 £	Charity 2023 £	2022 £
Non-charitable trading activities	789,623	575,796	400	861
	<u>789,623</u>	<u>575,796</u>	<u>400</u>	<u>861</u>

6 Investments

	Group 2023 £	2022 £	Charity 2023 £	2022 £
Rental income	-	-	26,363	14,585
Distributions from subsidiaries	-	-	180,000	180,000
Interest receivable	7,458	935	7,753	2,752
	<u>7,458</u>	<u>935</u>	<u>214,116</u>	<u>197,337</u>

7 Description of charitable activities

Community Benefit

Costs associated with supporting projects and grant applications that directly come under the Trust's charitable aims.

Energy Curtailment

An ongoing project aimed at demonstrating that, rather than curtailing the generation of renewable energy produced by a wind turbine, electrical energy can be diverted into new heaters installed in homes located geographically close to the participating turbine, and can instead be used to help to tackle fuel poverty as part of a secondary heating system.

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Raising funds - Group

The wholly owned trading subsidiary Rousay, Egilsay and Wyre Islands Renewable Energy Development Limited, trading as REWIRED, is incorporated in the United Kingdom (company number SC364249) and distributes post-tax profits to the charity under the gift aid scheme. REWIRED own and operate a wind turbine situated on land leased to it by the charity.

The wholly owned trading subsidiary Heat Smart Orkney Limited, is incorporated in the United Kingdom (company number SC535744) and distributes post-tax profits to the charity under the gift aid scheme. Heat Smart Orkney Limited activities are further described in the Directors' Report.

A summary of the trading results for each company is shown below.

	2023 £	2022 £
<u>REWIRED Ltd</u>		
Turnover and other operating income	789,223	514,808
Cost of sales and administration	(241,777)	(209,090)
Interest receivable	3,646	231
	<u>551,092</u>	<u>305,949</u>
Net profit		
	<u>551,092</u>	<u>305,949</u>
Taxation	(103,183)	(15,930)
Other recognised gains and losses	10,342	19,416
Donations of profit to charity	(180,000)	(180,000)
	<u>278,251</u>	<u>129,435</u>
Retained in subsidiary		
	<u>278,251</u>	<u>129,435</u>
Assets	2,025,373	1,761,467
Liabilities	(841,009)	(855,354)
	<u>1,184,364</u>	<u>906,113</u>
Funds		
	<u>1,184,364</u>	<u>906,113</u>
<u>Heat Smart Orkney Ltd</u>		
Sales	-	60,183
Other operating income	-	22
Cost of sales and administration	(4,864)	(78,524)
	<u>(4,864)</u>	<u>(18,319)</u>
Net profit		
Taxation	-	6,243
	<u>(4,864)</u>	<u>(12,076)</u>
Retained in subsidiary		
	<u>(4,864)</u>	<u>(12,076)</u>
Assets	3,292	13,028
Liabilities	(1,088)	(5,960)
	<u>2,204</u>	<u>7,068</u>
Funds		
	<u>2,204</u>	<u>7,068</u>

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Raising funds - Group

(Continued)

Income and expenditure on raising funds in the consolidated SOFA includes the results of REWIRED and HSO excluding transactions with the charity. The charity incurred no expenditure on raising funds.

The operations of HSO ceased on 31 March 2022 and the directors intend to wind up the company.

9 Charitable activities - group and charity

	Community Benefit 2023 £	Community Benefit 2022 £	Energy Curtailment 2022 £	Total 2022 £
Staff costs	74,043	84,917	-	84,917
Depreciation and impairment	1,725	1,611	(3,974)	(2,363)
Local projects	89,648	46,446	-	46,446
	<u>165,416</u>	<u>132,974</u>	<u>(3,974)</u>	<u>129,000</u>
Grant funding of activities (see note 10)	21,685	11,369	-	11,369
Share of support costs (see note 11)	33,997	28,754	1,364	30,118
Share of governance costs (see note 11)	9,894	12,295	647	12,942
	<u>230,992</u>	<u>185,392</u>	<u>(1,963)</u>	<u>183,429</u>
Analysis by fund				
Unrestricted funds - general	203,000	138,077	(1,963)	136,114
Restricted funds	27,992	47,315	-	47,315
	<u>230,992</u>	<u>185,392</u>	<u>(1,963)</u>	<u>183,429</u>

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Grants payable - group and charity

	2023	2022
	£	£
All community benefit:		
Grants to institutions (12 grants):		
Rousay Sailing Club	2,049	147
Rousay Guides	235	142
Triangle Club	-	1,435
Rousay, Egilsay and Wyre Community Council	-	2,500
Rousay School	832	985
Rousay Rainbows and Brownies	907	249
Screen Machine	200	-
Rousay, Egilsay and Wyre Activity Club	73	-
Rousay Singing Group	195	-
Rousay Snooker Club	500	-
Other	149	-
	<hr/>	<hr/>
	5,140	5,458
Grants to individuals (101 grants)	16,545	5,911
	<hr/>	<hr/>
	21,685	11,369
	<hr/> <hr/>	<hr/> <hr/>

Under the charity's objective to undertake activities within the terms of its governing documents for the benefit of the community of the islands of Rousay, Egilsay and Wyre, the charity has set up a system whereby individuals and community organisations can apply for a grant to support specific objectives, with each application being considered on their merits by the board at its regular meetings.

During the year, the charity awarded the following grants to individuals:

- 10 education bursaries totalling £3,568 were issued to help local residents to undertake training and learn new skills to continue to live in the islands (2022: five totalling £1,770).
- One grant totalling £250 was paid for upgrading broadband connections (2022: five totalling £1,250).
- 35 grants totalling £3,271 were awarded for the wellbeing of local residents (2022: 13 grants totalling £1,822).
- 25 grants totalling £1,406 were awarded to assist with travel costs for children (2022: 19 grants totalling £1,069).
- 27 grants totalling £6,750 were awarded to assist local residents with fuel costs (2022: £nil).
- One grant totalling £300 was awarded to assist with costs for participating in the Tall Ships Races (2022: £nil).
- Two grants totalling £1,000 were awarded to assist with the costs of purchasing rise & recline chairs for local residents (2022: £nil).

Each award being considered, by the board of trustees, for the benefit of the community of the islands of Rousay, Egilsay and Wyre.

Commitments

At the year end £3,387 (2022: £4,285) of grants had been committed but not awarded.

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

11 Support costs - group and charity

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Depreciation	1,791	-	1,791	2,852	-	2,852
Insurance	6,805	-	6,805	10,320	-	10,320
Postage and stationary	2,364	-	2,364	1,747	-	1,747
Telephone and fax	1,176	-	1,176	1,253	-	1,253
Travelling expenses	7,112	-	7,112	962	-	962
Staff training	250	-	250	2,697	-	2,697
Sundry	1,151	-	1,151	443	-	443
Bank charges	60	-	60	60	-	60
Rent	566	-	566	3,593	-	3,593
Repairs	4,973	-	4,973	6,011	-	6,011
Legal and professional	7,749	-	7,749	180	-	180
Audit fees	-	5,500	5,500	-	5,400	5,400
Accountancy	-	4,394	4,394	-	7,192	7,192
Director training	-	-	-	-	350	350
	<u>33,997</u>	<u>9,894</u>	<u>43,891</u>	<u>30,118</u>	<u>12,942</u>	<u>43,060</u>
Analysed between						
Charitable activities	<u>33,997</u>	<u>9,894</u>	<u>43,891</u>	<u>30,118</u>	<u>12,942</u>	<u>43,060</u>

12 Directors

None of the directors of the charity (or any person connected with them) received any remuneration during the year.

Transactions with directors of the group are as detailed at note 31.

13 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2023	2022
	£	£
Audit of the financial statements	4,750	4,600
Preparation of the financial statements	2,500	2,400
Other services	2,573	1,571
Total auditors fees to the parent	<u>9,823</u>	<u>8,571</u>
Audit of other group company financial statements	3,300	3,000
Other non audit fees to the group	1,923	1,980
Total auditors fees	<u><u>15,046</u></u>	<u><u>13,551</u></u>

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

14 Employees

Number of employees

The average monthly number of employees during the year was:

	Group 2023 Number	2022 Number	Charity 2023 Number	2022 Number
Administration	1	1	1	1
Engaged in direct charitable activities	4	5	4	5
Engaged in operating subsidiary activities	2	6	-	-
	<u>7</u>	<u>12</u>	<u>5</u>	<u>6</u>

	Group 2023 £	2022 £	Charity 2023 £	2022 £
Employment costs				
Wages and salaries	86,136	128,481	69,327	78,780
Social security costs	214	2,174	-	1,005
Other pension costs	5,543	7,790	4,716	5,132
	<u>91,893</u>	<u>138,445</u>	<u>74,043</u>	<u>84,917</u>

There were no employees whose annual remuneration was £60,000 or more.

15 Other - group and charity

	2023 £	2022 £
Net loss on disposal of tangible fixed assets	100	-
	<u>100</u>	<u>-</u>

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

16 Taxation - group only

	2023 £	2022 £
Domestic current year tax		
U.K. corporation tax	110,324	19,863
Adjustments in respect of prior periods	-	(33,022)
	<u>110,324</u>	<u>(13,159)</u>
Total current tax	110,324	(13,159)
Deferred tax		
Origination and reversal of timing differences	(7,141)	(3,193)
Change of tax rates	-	26,039
	<u>(7,141)</u>	<u>22,846</u>
	<u>103,183</u>	<u>9,687</u>

There is no taxation charge in the charity's individual accounts as the Trust is a registered charity and all income is charitable and applied for charitable purposes.

17 Other recognised gains and losses - group only

	Total 2023 £	Total 2022 £
Cash flow hedge (loss)/gain	13,789	24,069
Tax relating to other gains/losses	(3,447)	(4,653)
	<u>10,342</u>	<u>19,416</u>

18 Intangible fixed assets - group only

	Software £
Cost	
At 1 April 2022 and 31 March 2023	11,510
Amortisation and impairment	
At 1 April 2022 and 31 March 2023	11,510
Carrying amount	
At 31 March 2023	-
At 31 March 2022	-

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

19 Tangible fixed assets - group

	Freehold buildings £	Plant and machinery £	Motor vehicles £	Other assets £	Total £
Cost					
At 1 April 2022	622,088	2,397,603	25,981	595	3,046,267
Additions	180,959	894	-	-	181,853
Disposals	-	(698,632)	-	-	(698,632)
At 31 March 2023	803,047	1,699,865	25,981	595	2,529,488
Depreciation and impairment					
At 1 April 2022	92,135	1,660,079	20,395	595	1,773,204
Depreciation charged in the year	669	82,626	1,117	-	84,412
Eliminated in respect of disposals	-	(694,658)	-	-	(694,658)
At 31 March 2023	92,804	1,048,047	21,512	595	1,162,958
Carrying amount					
At 31 March 2023	710,243	651,818	4,469	-	1,366,530
At 31 March 2022	529,953	737,524	5,586	-	1,273,063

Tangible fixed assets of the group in the above table include plant and machinery with a net book value of £88 (2022: £88) which is held in current assets.

Tangible fixed assets - charity

	Freehold buildings £	Plant and machinery £	Motor vehicles £	Other assets £	Total £
Cost					
At 1 April 2022	622,088	775,657	25,981	595	1,424,321
Additions	180,959	894	-	-	181,853
Disposals	-	(698,632)	-	-	(698,632)
At 31 March 2023	803,047	77,919	25,981	595	907,542
Depreciation and impairment					
At 1 April 2022	92,135	766,496	20,395	595	879,621
Depreciation charged in the year	669	1,730	1,117	-	3,516
Eliminated in respect of disposals	-	(694,658)	-	-	(694,658)
At 31 March 2023	92,804	73,568	21,512	595	188,479
Carrying amount					
At 31 March 2023	710,243	4,351	4,469	-	719,063
At 31 March 2022	529,953	9,161	5,586	-	544,700

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

20 Fixed asset investments - charity

	Other investments
Cost or valuation	
At 1 April 2022 & 31 March 2023	200
Carrying amount	
At 31 March 2023	200
At 31 March 2022	200

	Notes	2023 £	2022 £
Other investments comprise:			
Investments in subsidiaries	27	200	200

21 Financial instruments - group

	2023 £	2022 £
Carrying amount of financial assets		
Instruments measured at fair value through other comprehensive income	15,120	1,332

22 Debtors

	Group 2023 £	2022 £	Charity 2023 £	2022 £
Amounts falling due within one year:				
Trade debtors	-	97,960	-	122
Amounts due from subsidiary undertakings	-	-	18,346	13,307
Other debtors	115,793	117,198	40,958	85,713
Prepayments and accrued income	2,312	6,793	2,312	6,793
	<u>118,105</u>	<u>221,951</u>	<u>61,616</u>	<u>105,935</u>
Amounts falling due after more than one year:				
Amounts due from subsidiary undertakings	-	-	52,082	62,498
Other debtors	15,120	1,332	-	-
	<u>15,120</u>	<u>1,332</u>	<u>52,082</u>	<u>62,498</u>
Total debtors	<u>133,225</u>	<u>223,283</u>	<u>113,698</u>	<u>168,433</u>

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

23 Creditors: amounts falling due within one year - group and charity

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Borrowings	119,246	112,274	-	-
Other taxation and social security	124,482	34,181	1,324	1,245
Payments received on account	200	200	200	200
Trade creditors	597	1,436	597	959
Other creditors	43,247	377	43,141	-
Accruals and deferred income	15,739	17,688	11,101	9,322
	<u>303,511</u>	<u>166,156</u>	<u>56,363</u>	<u>11,726</u>

24 Creditors: amounts falling due after more than one year - group

	2023	2022
	£	£
Bank loans	370,872	480,944
	<u>370,872</u>	<u>480,944</u>

The charity's subsidiary, REWIRED, has granted to The Co-operative Bank PLC a bond and floating charge over all property, and standard securities over its interest in two leases of land granted to it by the charity as a security for all sums advanced by the bank.

REWIRED has a loan with Co-operative Bank PLC of £490,118 (2022: £593,218). The loan is repayable over the period until December 2026. The interest rate on the loan is LIBOR + 2.25%.

REWIRED entered into an interest swap arrangement as part of its term loan with Co-operative Bank PLC. Under the swap arrangement, the company pays interest at a fixed rate and receives interest at a variable rate connected to the LIBOR.

The hedging instrument is a designated cash flow hedge which effectively removes the cash flow risk associated with the variable interest element of the term loan.

At the balance sheet date the fair value of the company's asset in respect of the hedging instrument was £15,120 (2022: £1,332). The directors obtained confirmation of this valuation directly from Co-operative Bank PLC.

25 Provisions for liabilities - group only

	Notes	2023	2022
		£	£
Decommissioning		20,000	20,000
Deferred tax liabilities	16	105,137	108,831
		<u>125,137</u>	<u>128,831</u>

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

(Continued)

25 Provisions for liabilities - group only

A provision of £20,000 has been raised for the anticipated cost to REWIRED of fulfilling its obligation to decommission the Rousay community wind turbine at the end of its useful life.

The provision of £105,137 for deferred tax relates to accelerated capital allowances and other timing differences.

Movements in deferred tax liabilities included losses of £3,447 (2022: losses of £4,653) recognised in other gains and losses in respect of changes in the value of the hedging instrument referred to in note 24.

26 Deferred income - group only

	2023 £	2022 £
Arising from government grants	88	88

27 Subsidiaries

Details of the charity's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Heat Smart Orkney	Scotland	Heating devices	Ordinary	100.00	
REWIRED	Scotland	Energy production	Ordinary	100.00	

Investments in subsidiaries are stated at cost less provision for diminution in value.

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

28 Restricted funds - group and charity

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds				
	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	Balance at 1 April 2022	Incoming resources	Resources expended	Transfers	Balance at 31 March 2023
	£	£	£	£	£	£	£	£	£
Wellbeing coordinator - VAO	-	9,865	(9,865)	-	-	10,468	(10,468)	-	-
Trumland project officer - HIE	14,467	1,440	(20,710)	8,284	3,481	-	(3,226)	27	282
Communities recovery - HIE	8,473	-	(11,427)	2,954	-	-	-	-	-
Dementia coordinator - Life Changes Trust	-	14,984	(4,819)	-	10,165	-	(7,752)	-	2,413
Trumland development - Inspiring Scotland	-	98,716	-	(4,067)	94,649	-	(720)	(93,929)	-
Mental health & wellbeing - VAO	-	2,500	(104)	-	2,396	4,629	(2,158)	-	4,867
Youth Club Workers - NILPS	-	-	-	-	-	8,034	(3,402)	52	4,684
Feasibility Work - Scot Gov	-	-	-	-	-	15,000	-	(15,000)	-
PBIPS - Scot Gov	-	-	-	-	-	20,000	-	-	20,000
Other	-	584	(390)	32	226	240	(266)	26	226
	<u>22,940</u>	<u>128,089</u>	<u>(47,315)</u>	<u>7,203</u>	<u>110,917</u>	<u>58,371</u>	<u>(27,992)</u>	<u>(108,824)</u>	<u>32,472</u>

Wellbeing coordinator - VAO - Funding provided by VAO via the Scottish Government Aspiring Communities Fund, to employ a wellbeing coordinator.

Trumland project officer - HIE - Funds were awarded from HIE in the previous year to cover 60% of salary costs for a project officer for Trumland.

Dementia coordinator - Life Changes Trust - Funds awarded to fund a dementia coordinator, to run activities and consult with those affected by dementia.

Trumland development - Inspiring Scotland - Funds awarded to deliver the creation of a car park and boardwalk on land at Trumland. Funds of £93,929 were transferred to unrestricted funds for capital expenditure during the year.

Mental health & wellbeing - VAO - Funds awarded for the Coming Back Together project.

Youth Club Workers - NILPS - Funding awarded from the North Isles Landscape Partnership Scheme towards the cost of employing two youth club workers.

Feasibility work - Scottish Government - Funding provided by the Scottish Government Rural Housing Feasibility Fund towards the potential development of land on Johnston's Road.

PBIPS - Scottish Government - Funding provided by the Scottish Government Regeneration Unit towards the cost of repairing the boathouse and sluice.

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

29 Analysis of net assets between funds - group

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 March 2023 are represented by:			
Tangible assets	1,346,442	20,000	1,366,442
Current assets/(liabilities)	1,868,300	12,472	1,880,772
Long term liabilities	(370,872)	-	(370,872)
Provisions	(125,137)	-	(125,137)
Deferred income	(88)	-	(88)
	<u>2,718,645</u>	<u>32,472</u>	<u>2,751,117</u>

Analysis of net assets between funds - charity

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 March 2023 are represented by:			
Tangible assets	699,063	20,000	719,063
Investments	200	-	200
Current assets/(liabilities)	833,014	12,472	845,486
	<u>1,532,277</u>	<u>32,472</u>	<u>1,564,749</u>

30 Operating lease commitments

Lessor

The company leases land to its subsidiary company, REWIRED, owner under the terms of a 25 year leases expiring on 8 May 2036. The figure is determined by reference to the turnover of the subsidiary company subject to a minimum rent of £2,000 per annum. An access track is also leased under the agreement for £360 per annum.

At the reporting end date the charity had contracted with tenants for the following minimum lease payments:

	2023	2022
	£	£
Within one year	2,360	2,360
Between two and five years	9,440	9,440
In over five years	19,120	21,480
	<u>30,920</u>	<u>33,280</u>

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

31 Related party transactions

Transactions with REWIRED - charity

Incoming resources from charitable activities include £3,600 (2022: £3,600) for management and administrative services.

Investment income includes £26,363 (2022: £14,155) charged to REWIRED for the rent of land & buildings and equipment.

The charity has entered into a subordinated loan agreement with REWIRED. Under the terms of this agreement, the charity received repayments of £14,318 (2022: £14,432). Interest charged and payable in the period amounted to £3,941 (2022: £2,048). Debtors include £65,428 (2022: £75,805) receivable from REWIRED under the arrangement. The loan is recoverable in sixteen annual instalments commencing in 2013 and interest is charged at a rate of three month LIBOR plus 2.25%.

Debtors also include £26,003 (2022: £13,795) for rent receivable from REWIRED and £5,000 which has no formal repayment terms.

Investment income includes distributions of profit of £180,000 (2022: £180,000) donated from REWIRED.

Transactions with Heat Smart Orkney Ltd (HSO) - charity

Incoming resources from charitable activities include £nil (2022: £584) for management and administrative services, and £18 (2022: £129) for car hire. Incoming resources from investments includes rental income of £6 (2022: £430).

Trustees - charity and group

During the year the charity awarded grants to its trustees, their families and their other interests:

Trustees:

- C Flaws - £200 (2022: £nil)
- E Shortland - £100 (2022: £nil)
- C Tunbridge - £nil (2022: £113)

ROUSAY, EGILSAY & WYRE DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

32 Analysis of changes in net funds

The charity had no debt during the year. Debt for the group is disclosed at note 24.

33 Cash generated from operations - group	2023	2022
	£	£
Surplus for the year	326,417	299,953
Adjustments for:		
Investment income recognised in statement of financial activities	(7,458)	(935)
Loss on disposal on tangible fixed assets	(330)	-
Taxation charged/(credited)	103,184	9,687
Finance costs	29,264	32,035
Increase/(decrease) in deferred income	-	(22)
Depreciation and impairment of tangible fixed assets	84,412	81,461
Decrease in debtors	71,280	32,044
Increase/(decrease) in creditors	52,130	(13,814)
Cash generated from operations	<u>658,899</u>	<u>440,409</u>

Cash generated from operations - charity

	2023	2022
	£	£
Surplus for the year	63,372	202,009
Adjustments for:		
Investment income recognised in statement of financial activities	(214,116)	(197,337)
Loss on disposal of tangible fixed assets	100	-
Depreciation and impairment of tangible fixed assets	3,516	489
Movements in working capital:		
Decrease/(increase) in debtors	29,000	(17,070)
Increase/(decrease) in creditors	44,637	(10,559)
Cash absorbed by operations	<u>(73,491)</u>	<u>(22,468)</u>

34 Auditors' Ethical Standards

The relevant circumstances requiring disclosure in accordance with the requirements of APB Ethical Standard - Provisions Available for Small Entities are that, in common with many charities of our size and nature we use our auditor to assist with the preparation of the accounts.