

**SOUTH ISLAY DEVELOPMENT**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2025**

**Company Registration No. SC400320 (Scotland)  
Charity Registration No. SC042384 (Scotland)**

# SOUTH ISLAY DEVELOPMENT

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr Gordon Currie Mrs Jacqueline Thomson Mr John Findlay Dr Patrick McGrann Mr James Porteous Mr James McFarlane Mr Ian Faggetter Mrs Dionne Johnston Mr Jordan Paisley Mrs Rosie Gordon
<b>Charity number (Scotland)</b>	SC042384
<b>Company number</b>	SC400320
<b>Principal address</b>	The Ramsay Hall Port Ellen Isle of Islay Argyll PA42 7BY
<b>Registered office</b>	The Ramsay Hall Port Ellen Isle of Islay Argyll PA42 7BY
<b>Auditor</b>	William Duncan + Co (Audit) Ltd 30 Miller Road Ayr Ayrshire KA7 2AY
<b>Bankers</b>	Royal Bank of Scotland Main Street Bowmore Isle of Islay PA43 7JJ
<b>Solicitors</b>	Burness Paul LLP 50 Lothian Road Festival Square Edinburgh EH3 9WJ

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# SOUTH ISLAY DEVELOPMENT

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# **SOUTH ISLAY DEVELOPMENT**

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

**FOR THE YEAR ENDED 31 MAY 2025**

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The trustees present their report and financial statements for the year ended 31 May 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles, 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 objects are:

- To manage community land and associated assets for the benefit of the Community and public in general.
- To provide, or assist in providing, recreational facilities, and/or organising recreational activities, which will be available to members of the Community and public at large with the object of improving the conditions of life in the Community.
- To advance Community development including urban and rural regeneration within the Community.
- To advance the education in the community about its environment, culture, heritage and/or history.
- To advance environmental protection or improvement including preservation, sustainable development and conservation of the natural environment, the maintenance, improvement or provision of environmental amenities for the Community and/or the preservation of buildings or sites of architectural, historic or other importance in the Community.
- To advance arts, heritage and culture within the Community.

### *Public benefit*

The trustees have paid due regard to guidance issued by the Office of the Scottish Charity Regulator in deciding what activities the charity should undertake.

### *Volunteers*

The Board of Directors consists solely of volunteers from the local community and supports other organisations to recruit and engage volunteers of all ages and abilities.

### **Achievements and performance**

#### *Significant activities and achievements against objectives*

SID is now recognised as an anchor organisation on Islay, reflecting its leadership role within the community.

The membership of the Board of Directors remained unchanged during the year. The Board meets monthly and is responsible for the strategic management and oversight of the charity. We are fortunate to have the continuity of staff who are familiar with the history of Sid and SITCo. They are stalwarts guiding Directors through a demanding agenda which at times is quite complex.

A Project Manager, supported by subgroups of trustees and volunteers, has taken responsibility for oversight of the construction process. A separate subgroup leads on playing field activities, including the organisation of the annual Sports Day.

Community engagement remains a priority for SID. Volunteers continue to come forward to organise activities and functions throughout the year. Attendance remains strong and feedback from the community is consistently positive.

# **SOUTH ISLAY DEVELOPMENT**

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

**FOR THE YEAR ENDED 31 MAY 2025**

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### **Port Ellen Filling Station & Motorhome Service Point**

The SID board secured the ownership of this essential local business in 2014 on behalf of the community with funding from Highlands and Islands Enterprise (HIE), Scottish Land Fund and loan contributors. The business was reopened and commenced trading under South Islay Trading Company Ltd (SITCo) in June 2014. SITCo leases the filling station building and forecourt from SID and profits generated from the business are channelled from the trading arm back to the parent Charity to support SID's charitable objectives.

Port Ellen Filling Station continues to trade well. Sales increase during the tourist summer season, and forestry logging activity has also boosted sales significantly in the last year. The charity benefits from continuity of staff, who have enhanced the shop's product range based on popular requests. The car wash facility remains in high demand and continues to generate increasing income. During the coming period, the cash register system will be upgraded to integrate more effectively with xero accounting software. The filling station shop remains popular and the range of products has continued to expand as the business grows.

### **Motor Home Site**

Construction of the motor home site has experienced ongoing issues with surface water drainage, which have affected its operation. The matter is currently under review by the contractor.

The Clerk of Works and contractor continue to address outstanding snagging matters. The laundry and WC/shower block are fully operational.

It has been decided that CampManager software will be implemented to manage bookings through a single system. Initial testing indicates that it is customer-friendly and efficient. The system will also be integrated with Xero accounting software.

### **The Port Ellen Playing Fields and Community Hub**

Since the cutting of the turf in July 2023, this fully funded project has been the primary focus of the SID team and the wider community.

Heavy rainfall during the winter and spring has resulted in significant water logging of the site. As a consequence, progress on the construction of the Community Hub and the repositioning of the children's play park has been limited, and completion is now approximately one year overdue.

Bruach Architects, SID, Procast, Kilbryde Engineering and David Narro Associates continue to hold monthly site meetings to review progress and plan accordingly.

Ferry disruptions and the lack of accommodation for the workforce have also impacted delivery schedules. As the majority of the workforce are based on mainland Scotland, these factors have contributed to further delays.

Despite these challenges, there has been considerable interest in renting rooms within the Pavilion. Four local businesses have expressed strong interest, which collectively could create eight new jobs and provide a significant income stream for SID. Funding has enabled SID to engage a commercial solicitor to prepare tenancy and lease agreements.

The SID Board, Project Manager and Clerk of Works continue to monitor the situation closely and remain committed to delivering this important community asset for the community.

Ultimately the Port Ellen Playing Field's development will provide an income to become self-sufficient.

# SOUTH ISLAY DEVELOPMENT

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

FOR THE YEAR ENDED 31 MAY 2025

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### Childcare Project

Sonas Childcare, an independent charity for many years, was at risk of closure during the year following the resignation of its Chair and the absence of replacement governance capacity.

Given the clear and evidenced need for early years childcare provision (0–3 years), with associated wraparound care, the decision was taken to bring the group within the governance structure of South Islay Development (SID) as a formal subgroup in the Autumn of 2024. This has ensured continuity of provision while strengthening oversight and organisational resilience.

Funding from the Argyll and Bute Community-Led Local Development (CLLD) Fund has enabled Bruach Architects to advance design and planning work. This has been undertaken in consultation with the Care Inspectorate, with necessary adjustments incorporated to meet regulatory requirements.

Work will continue into the next financial year to review the sustainability and delivery model for the service. This includes a review of the business plan by InspirAlba suggesting that future provision is both viable and aligned with community need.

### Financial review

The group had a general surplus before transfers of £1,321,297 due to the capital funding received for the playing fields project. Funds held at the year-end were £3,560,161 of which £137,139 were general and £3,423,022 were restricted. The current asset position (mainly funds in the bank) has £66,183 in unrestricted funds and £406,449 in restricted funds.

#### *Reserves Policy*

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 equivalent for a minimum of 3 months expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. It has to be noted that the availability of external unrestricted funding has diminishing nationally in the last year.

Principle funding sources for the year included: Highland & Islands Enterprise (HIE), Glenmorangie Distillery, The Ardbeg All Islay Fund, Foundation Scotland, The National Lottery, Rural Communities into Action, Rural Tourism Infrastructure Fund, Elixir Distillers, The Scottish Government along with numerous local businesses and individuals in the community.

#### *Investment Policy*

The Trustees have considered the most appropriate policy for investing funds and has found that short to medium term investment of funds should be held in a current account.

#### *Major risks*

The trustees has 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.

# SOUTH ISLAY DEVELOPMENT

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

**FOR THE YEAR ENDED 31 MAY 2025**

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The Board has exercised its duty to identify and review risks by completing regular risk assessments relating to the activities of the organisation.

The Development Manager has undertaken training in risk assessments and best practices. SID will advertise to recruit a Graduate Assistant Manager to assist in this process.

SID will continue to outsource a bookkeeper to bring forward regular financial monitoring reports indicating significant income and expenditure monthly. Authorisation of expenditure limits will be reviewed annually commensurate with the needs of the charity.

### **Plans for future periods**

SID will continue the development of the Port Ellen Playing Fields closely with the community to design a plan of phases to take the recreational space forward with the view to sustaining a secure income for the project. The Port Ellen Playing Fields Project Manager and Development Manager will continue to seek funding towards the Playing Fields Development.

The Development Manager will continue to work closely with local and national partners in all aspects of community work. SID will continue to work closely with local businesses and organisations to develop and review the community action plan.

The Development Manager and Trustees will dutifully attempt to seek funding to secure the current staff. This essential to maintain the ample capacity of both SID & SITCo.

The staff and directors of SITCo will continue regular maintenance and servicing of the facilities at The Filling Station to ensure the sustainability of the business for the community.

### **Structure, governance and management**

The charity is a company limited by guarantee and is controlled by its governing document, its Articles of Association. The Charity was formed 15th June 2011.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr Gordon Currie

Mrs Jacqueline Thomson

Mr John Findlay

Dr Patrick McGrann

Mr James Porteous

Mr James McFarlane

Mr Ian Faggetter

Mrs Dionne Johnston

Mr Jordan Paisley

Mr Alexander Gillespie

(Resigned 5 June 2024)

Mrs Rosie Gordon

### *Recruitment and appointment of trustees*

Trustees are elected by the membership at an AGM. At each general meeting all elected directors shall retire from office but remain eligible for reappointment. Additional trustees may be co-opted by the Board in accordance with the Articles of Association.

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

### *Organisational structure*

The volunteer directors delegate the day-to-day management of the company to the Development and Assistant Development Manager who has clearly documented roles and responsibilities and reports directly to the board of trustees.

# **SOUTH ISLAY DEVELOPMENT**

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

***FOR THE YEAR ENDED 31 MAY 2025***

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### *Induction and training of trustees*

The Board of Trustees are continuing to undertake a range of training based on the roles and responsibilities of their post. This is an ongoing process and expected to continue throughout the year to ensure the organisation is fully compliant with legal requirement regulations.

### **Auditor**

William Duncan + Co (Audit) Ltd were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

### **Disclosure of information to auditor**

Each of the trustees 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 is aware of such information.

The trustees' report was approved by the Board of Trustees.

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**Dr Patrick McGrann**

Trustee

Dated: 31st March 2026

# **SOUTH ISLAY DEVELOPMENT**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MAY 2025***

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The trustees, who are also the directors of South Islay Development for the purpose of company law, are responsible for preparing the Trustees' 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that year.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity and group will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable group 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 charitable group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **SOUTH ISLAY DEVELOPMENT**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF SOUTH ISLAY DEVELOPMENT**

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#### **Opinion**

We have audited the financial statements of South Islay Development (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 May 2025 which comprise the group statement of financial activities, the group balance sheet, the company balance sheet, the group statement of cash flows, the company statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 the charitable company's affairs as at 31 May 2025 and of its 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 regulation 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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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 related to going concern**

In auditing the financial statements, we have concluded that the trustees' 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 the events, or condition that, individually or collectively, may cast significant doubt on the charity'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 trustees 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 trustees 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.

# **SOUTH ISLAY DEVELOPMENT**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF SOUTH ISLAY DEVELOPMENT**

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

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 trustees 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 trustees are responsible for assessing the parent charity'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 trustees either intend to liquidate the charitable company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# **SOUTH ISLAY DEVELOPMENT**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF SOUTH ISLAY DEVELOPMENT**

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- Enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims;
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 charity'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.

**Mr Neil Reid FCCA (Senior Statutory Auditor)**  
**for and on behalf of William Duncan + Co (Audit) Ltd**

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#### **Chartered Accountants** **Statutory Auditor**

30 Miller Road  
Ayr  
Ayrshire  
KA7 2AY

William Duncan + Co (Audit) Ltd is eligible for appointment as auditor of the charitable group by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# SOUTH ISLAY DEVELOPMENT

## GROUP STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MAY 2025

### Current financial year

		Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Total 2024 £
	Notes				
Donations and legacies	3	13,104	1,541,305	1,554,409	1,362,772
Charitable activities	4	20,728	-	20,728	21,432
Other trading activities	5	779,215	18,161	797,376	795,604
Other income	6	-	-	-	700
<b>Total income</b>		<u>813,047</u>	<u>1,559,466</u>	<u>2,372,513</u>	<u>2,180,508</u>
<b><u>Expenditure on:</u></b>					
Raising funds	7	<u>738,592</u>	<u>5,263</u>	<u>743,855</u>	<u>744,031</u>
Charitable activities	8	66,012	240,667	306,679	531,579
Other	14	-	-	-	-
<b>Total resources expended</b>		<u>804,604</u>	<u>245,930</u>	<u>1,050,534</u>	<u>1,275,610</u>
<b>Net (outgoing)/incoming resources before transfers</b>		8,443	1,313,536	1,321,979	904,898
Gross transfers between funds		-	-	-	-
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		8,443	1,313,536	1,321,979	904,898
Fund balances at 1 June 2024		<u>128,696</u>	<u>2,109,486</u>	<u>2,238,182</u>	<u>1,333,264</u>
<b>Fund balances at 31 May 2025</b>		<u>137,139</u>	<u>3,423,022</u>	<u>3,560,161</u>	<u>2,238,182</u>

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.

# SOUTH ISLAY DEVELOPMENT

## GROUP STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MAY 2025

Prior financial year

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Donations and legacies	3	5,802	1,356,970	1,362,772
Charitable activities	4	21,432	-	21,432
Other trading activities	5	773,359	22,245	795,604
Other income	6	<u>700</u>	<u>-</u>	<u>700</u>
<b>Total income</b>		<b>801,293</b>	<b>1,379,215</b>	<b>2,180,508</b>
<b><u>Expenditure on:</u></b>				
Raising funds	7	<u>743,437</u>	<u>594</u>	<u>744,031</u>
Charitable activities	8	23,412	508,707	532,119
Other	14	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total resources expended</b>		<b>766,309</b>	<b>509,301</b>	<b>1,275,610</b>
<b>Net (outgoing)/incoming resources before transfers</b>		<b>34,984</b>	<b>869,914</b>	<b>904,898</b>
Gross transfers between funds		<u>(21,241)</u>	<u>(21,241)</u>	<u>-</u>
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>13,743</b>	<b>891,155</b>	<b>904,898</b>
Fund balances at 1 June 2023		<u>114,933</u>	<u>1,218,331</u>	<u>1,333,264</u>
<b>Fund balances at 31 May 2024</b>		<b><u>128,696</u></b>	<b><u>2,109,486</u></b>	<b><u>2,238,182</u></b>

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.

# SOUTH ISLAY DEVELOPMENT

## GROUP BALANCE SHEET

AS AT 31 MAY 2025

	Notes	2025		2024	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	15	3,083,159		1,620,619	
Investments	16	-		-	
		<u>3,083,159</u>		<u>1,620,619</u>	
<b>Current assets</b>					
Stocks		14,928		18,603	
Debtors	17	257,253		234,757	
Cash at bank and in hand		<u>428,292</u>		<u>797,580</u>	
		700,473		1,050,940	
<b>Creditors: amounts falling due within one year</b>	18	<u>(218,980)</u>		<u>(418,258)</u>	
Net current assets		481,493		632,682	
<b>Creditors: amounts falling after more than one year</b>	19	(4,332)		(14,841)	
Provisions for liabilities		<u>(159)</u>		<u>(278)</u>	
<b>Net assets</b>		<u>3,560,161</u>		<u>2,238,182</u>	
<b>Income funds</b>					
Restricted funds	22	3,423,022		2,109,486	
Unrestricted funds		<u>137,139</u>		<u>128,696</u>	
		<u>3,560,161</u>		<u>2,238,182</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 Trustees on 31<sup>st</sup> March 2026.

Dr Patrick McGrann  
Trustee

Company Registration No. SC400320

# SOUTH ISLAY DEVELOPMENT

## COMPANY BALANCE SHEET

AS AT 31 MAY 2025

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	Notes	2025		2024	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	15		3,074,968		1,619,155
Investments	16		100		100
			<u>3,075,068</u>		<u>1,619,255</u>
<b>Current assets</b>					
Debtors	17	246,986		229,025	
Cash at bank and in hand		391,743		725,506	
		<u>638,729</u>		<u>954,531</u>	
<b>Creditors: amounts falling due within one year</b>	18	(188,786)		(375,988)	
Net current assets			<u>449,943</u>		<u>578,543</u>
<b>Total assets less current liabilities</b>			<u>3,525,011</u>		<u>2,197,798</u>
<b>Income funds</b>					
Restricted funds	22		3,433,022		2,109,486
Unrestricted funds			91,989		88,312
			<u>3,525,011</u>		<u>2,197,798</u>

As permitted by s408 Companies Act 2006, the charitable company has not presented its own statement of financial activities and related notes. The parent charity's net movement in funds for the year was £1,327,213 (2024 - £903,444).

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 Trustees on 31<sup>st</sup> March 2026.

Dr Patrick McGrann  
Trustee

Company Registration No. SC400320

**SOUTH ISLAY DEVELOPMENT**  
**GROUP STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MAY 2025**

	Notes	2025 £	£	2024 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	27	1,119,542		987,329	
Income taxes paid		-		-	
Interest paid		(396)		(793)	
		<u>1,119,146</u>		<u>986,536</u>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(1,178,182)		(1,141,779)	
Proceeds on disposal of tangible fixed assets		-		-	
		<u>-</u>		<u>-</u>	
<b>Net cash used in investing activities</b>		(1,178,182)		(1,141,779)	
<b>Financing activities</b>					
Repayment of borrowings		(10,252)		(9,677)	
		<u>(10,252)</u>		<u>(9,677)</u>	
<b>Net cash used in financing activities</b>		(10,252)		(9,677)	
<b>Net (decrease)/increase in cash and cash equivalents</b>		(369,288)		164,920	
Cash and cash equivalents at beginning of year		797,580		962,500	
<b>Cash and cash equivalents at end of year</b>		<u>428,292</u>		<u>797,580</u>	

# SOUTH ISLAY DEVELOPMENT

## COMPANY STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 MAY 2025**

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	Notes	2025 £	£	2024 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	29		1,136,744		988,181
<b>Investing activities</b>					
Purchase of tangible fixed assets		(1,470,507)		(1,141,454)	
Proceeds on disposal of tangible fixed assets					
		<u>-</u>		<u>-</u>	
<b>Net cash used in investing activities</b>			(1,470,507)		(1,141,454)
<b>Net cash used in financing activities</b>					-
Repayment of borrowings		<u>-</u>		<u>-</u>	
			<u>-</u>		<u>-</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>			(333,763)		(153,273)
Cash and cash equivalents at beginning of year			<u>725,506</u>		<u>878,779</u>
<b>Cash and cash equivalents at end of year</b>			<u><u>391,743</u></u>		<u><u>725,506</u></u>

# **SOUTH ISLAY DEVELOPMENT**

## **COMPANY STATEMENT OF CASH FLOWS**

***FOR THE YEAR ENDED 31 MAY 2025***

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### **1 Accounting policies**

#### **Charity information**

South Islay Development ("the parent charity") is a private company limited by guarantee incorporated in Scotland. The registered office is The Ramsay Hall, Port Ellen, Isle of Islay, Argyll, PA42 7BY.

The group consists of South Islay Development and its subsidiary.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's Articles of Association, 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.

#### **1.2 Basis of Consolidation**

The consolidated group financial statements consist of the financial statements of the parent charity company, South Islay Development together with all entities controlled by the parent charity company (its subsidiaries).

All financial statements are made up to 31 May 2025 where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated consolidation unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### **1.3 Going concern**

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

#### **1.4 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

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 financial statements.

#### **1.5 Income**

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.

# SOUTH ISLAY DEVELOPMENT

## COMPANY STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 MAY 2025**

---

### 1 Accounting policies

#### 1.5 Cont'd

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Grant 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.

Trading subsidiary turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account any trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.6 Expenditure

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

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

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees.

All costs are allocated between expenditure categories of the SOFA on a basis designed to reflect the use of the resources. Costs relating to a particular activity are allocated directly, others are absorbed by organisation.

#### 1.7 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.

Depreciation 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:

Freehold land and buildings	0% on land & 10% straight line on Mobile Home site
Plant and equipment	20% reducing balance & 10% straight line
Fixtures and fittings	20% reducing balance
Computers	20% reducing balance

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 net income/(expenditure) for the year.

# SOUTH ISLAY DEVELOPMENT

## COMPANY STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 MAY 2025**

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### 1 Accounting policies

#### 1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

In the parent charity financial statements, investment in subsidiary is measured at cost and subsequently measured at cost less and accumulated impairment losses.

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.

#### 1.9 Impairment of fixed assets

At each reporting end date, the group reviews the carrying amounts of its tangible 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).

#### 1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.11 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.

#### 1.12 Financial instruments

The group 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 group's balance sheet when the group 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.

# SOUTH ISLAY DEVELOPMENT

## COMPANY STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 MAY 2025**

---

### 1 Accounting policies

#### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans from fellow group companies 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Derecognition of financial liabilities***

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

### 1.13 Taxation

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

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

### 1.14 Employee benefits

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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 1.15 Retirement benefits

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

### 1.16 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 Critical accounting estimates and judgements

In the application of the group's accounting policies, the trustees 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.

# SOUTH ISLAY DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2025

#### 3 Donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Donations and gifts	5,375	208,312	213,687	5,802	188,524	194,326
Grants	7,729	1,332,993	1,340,722	-	1,168,446	1,168,446
	<u>13,104</u>	<u>1,541,305</u>	<u>1,554,409</u>	<u>5,802</u>	<u>1,356,970</u>	<u>604,131</u>
<b>Grants receivable for core activities</b>						
Argyll & Bute Council	7,500	669,310	676,810	-	726,294	726,294
Highlands & Islands Enterprise	-	496,839	496,839	-	165,938	165,938
DTA Scotland	-	2,100	2,100	-	-	-
Foundation Scotland / Crown Estates	-	45,191	45,191	-	15,000	15,000
Scottish Power	-	1,000	1,000	-	-	-
Islay Energy Trust/ Local Energy Scotland/Energy Savings Trust	-	35,085	35,085	-	2,600	2,600
NHS	-	4,000	4,000	-	-	-
Suez Communities Trust	-	32,413	32,413	-	-	-
National Lottery	-	24,097	24,097	-	42,681	42,681
Arbeg, All Islay Fund	-	4,050	4,050	-	39,442	39,442
Museum Scotland	-	-	-	-	2,125	2,125
Procast	-	2,000	2,000	-	-	-
Argyll Community Housing Association	-	500	500	-	-	-
The Glenmorangie Company	-	-	-	-	150,348	150,348
Elixir Distillers	-	-	-	-	10,121	10,121
InspirAlba	229	15,408	15,637	-	12,397	12,397
The Co-operative Bank	-	500	500	-	-	-
Age Scotland	-	-	-	-	500	500
Candex	-	-	-	-	1,000	1,000
Western Recreation Trust	-	-	500	-	-	-
	<u>7,729</u>	<u>1,332,993</u>	<u>1,340,722</u>	<u>-</u>	<u>1,168,446</u>	<u>1,168,446</u>

# SOUTH ISLAY DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2025

### 4 Charitable activities

	General activities 2025 £	General activities 2024 £
Management services	20,000	20,000
Charitable rental income	728	1,432
	<u>20,728</u>	<u>21,432</u>

### 5 Income from other trading activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024	Restricted funds 2024 £	Total 2024 £
Fundraising events	32,196	18,161	50,357	25,489	22,245	47,734
Trading subsidiary	<u>747,019</u>	<u>-</u>	<u>747,019</u>	<u>747,870</u>	<u>-</u>	<u>747,870</u>
	<u>779,215</u>	<u>18,161</u>	<u>797,376</u>	<u>773,359</u>	<u>22,245</u>	<u>795,604</u>

### 6 Other income

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Other income	-	700
	<u>-</u>	<u>700</u>

### 7 Raising Funds

	Unrestricted Funds	Restricted Funds	Total 2025 £	Total 2024 £
Fundraising and publicity				
Other fundraising costs	10,150	5,263	15,413	8,887
Trading subsidiary	<u>728,442</u>	<u>-</u>	<u>728,442</u>	<u>735,144</u>
	<u>738,592</u>	<u>5,263</u>	<u>743,855</u>	<u>744,031</u>

# SOUTH ISLAY DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2025

### 8 Charitable activities

	General activities	Community Projects	Port Ellen Playing Fields	Total 2025	Total 2024
	2025	2025	2025		
	£	£	£	£	£
Staff costs	62,533	-	25,974	88,507	98,451
Depreciation and impairment	5,620	-	9,072	14,692	11,220
Advertising & Promotions	396	-	-	396	1,291
Events & Hospitality	14,073	-	-	14,073	21,619
Professional Fees	-	329	1,500	1,829	18,206
Repairs, renewals and maintenance	7,231	-	-	7,231	2,645
Room & venue hire	26	-	-	26	-
Subscriptions	730	-	-	730	649
Travel and subsistence	1,757	-	-	1,757	3,342
	<u>92,366</u>	<u>329</u>	<u>36,546</u>	<u>129,241</u>	<u>157,423</u>
Grants payable (see note 10)	119,644	-	-	119,644	352,226
Share of support costs (see note 11)	22,324	-	-	22,324	7,799
Share of governance costs (see note 11)	35,470	-	-	35,470	14,131
	<u>269,804</u>	<u>329</u>	<u>36,546</u>	<u>306,679</u>	<u>531,579</u>
<b>Analysis by fund</b>					
Unrestricted funds	65,108	-	904	66,012	22,872
Restricted funds	204,696	329	35,642	240,667	508,707
	<u>269,804</u>	<u>329</u>	<u>36,546</u>	<u>306,679</u>	<u>531,579</u>

# SOUTH ISLAY DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2025

#### 8 Charitable activities

For the year ended 31 May 2024

	General activities 2024 £	Community Projects 2024 £	Port Ellen Playing Fields £	Total 2024 £
Staff costs	71,524	-	26,927	98,451
Depreciation and impairment	7,211	-	4,009	11,220
Advertising & Promotions	1,291	-	-	1,291
Events & Hospitality	21,619	-	-	21,619
Other Project expenses	-	-	-	-
Professional Fees and Subscriptions	-	-	18,206	18,206
Training & Seminars	-	-	-	-
Repairs and renewals	2,645	-	-	2,645
Subscriptions	649	-	-	649
Travel & subsistence	3,342	-	-	3,342
	<u>108,281</u>	<u>-</u>	<u>49,142</u>	<u>157,423</u>
Grants payable (see note 10)	352,226	-	-	352,226
Share of support costs (see note 11)	7,779	-	-	7,799
Share of governance costs (see note 11)	14,131	-	-	14,131
	<u>482,437</u>	<u>-</u>	<u>49,142</u>	<u>531,579</u>
<b>Analysis by fund</b>				
Unrestricted funds	22,872	-	-	22,872
Restricted funds	459,565	-	49,142	508,707
	<u>482,437</u>	<u>-</u>	<u>49,142</u>	<u>531,579</u>

#### 9 Description of charitable activities

##### General activities

General Activities are those carried out by the organisation for the benefit of the community or to raise funds for their general reserves,

##### Community Projects

Community Projects are projects specifically aimed at involving or benefiting the community such as Christmas tree lights and the community garden.

##### Port Ellen Playing Fields

Port Ellen Playing fields includes the costs and activities carried out in the building of a new community hub.

# SOUTH ISLAY DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2025

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#### 10 Grants payable

For the year ended 31 May 2025

	<b>General activities 2025 £</b>	<b>Total 2024 £</b>
Grants to institutions (20 grants)		
Islay Community Grants (restricted)	119,644	352,226
	<hr/>	<hr/>
	119,644	352,226
	<hr/>	<hr/>

#### **All Islay Fund**

A panel of Islay volunteer residents has been established to appraise and allocate grant funding from applications on an annual basis. The panel are independent to South Islay Development. The process is administered by South Islay Development as highlighted in the Trustees report and note 22 and note 25 to the accounts.

The key aims and aspirations include:

- The fund benefiting organisations, projects and enterprising activities across the whole of Islay.
- Building sustainable community groups for all ages within our community.
- Encouraging groups to use The Ardbeg All Islay fund as match funding with other funders.

The panel priorities within the decision-making process include:

- Supporting Active lives – ensuring access to a range of physical and healthy activities.
- Building Community Resilience – helping residents access learning and training, supporting carers to access external services or supporting local; cultural activities and facilities
- Enhancing the Environment - establishing or supporting environmental schemes such as CO2 reduction, recycling, or land use, including biodiversity improvements and peat land restoration

# SOUTH ISLAY DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2025

### 11 Support costs

	Support costs	Governance costs	2025	Support costs	Governance costs	2024
	£	£	£	£	£	£
Computer & IT expenses	2,368	-	2,368	1,221	-	1,221
Finance Expenses	692	-	692	643	-	643
Management	402	-	402	896	-	896
Premises	18,862	-	18,862	5,021	-	6,118
Audit fees	-	15,167	15,167	-	6,980	6,980
Accountancy & payroll	-	15,054	15,054	-	6,707	7,151
Legal	-	5,249	5,249	-	444	444
	<u>22,324</u>	<u>35,470</u>	<u>57,794</u>	<u>7,799</u>	<u>14,131</u>	<u>21,930</u>
Analysed between						
Charitable activities	<u>22,324</u>	<u>35,470</u>	<u>57,794</u>	<u>7,799</u>	<u>14,131</u>	<u>21,930</u>

Governance costs includes payments to the auditors of £15,167 (2024 - £6,980) for audit fees of the parent charity £15,000 (2024 £1,352) for non-audit services and accounting software support, and £5,000 (2024 - £3,000) for audit fees of the subsidiary (included within 'trading subsidiary' note 7).

### 12 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

### 13 Employees - Group

The average monthly number of employees for the group during the year was:

	2025	2024
	Number	Number
Local Development Officer	-	1
Port Ellen Playing Fields Project Manager	1	1
Admin & Finance Officer	1	1
Assistant Development Manager	1	1
Subsidiary staff	6	6
	<u>9</u>	<u>10</u>
Total	<u>9</u>	<u>10</u>

# SOUTH ISLAY DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2025

### 13 Cont'd

#### Employment costs

	2025 £	2024 £
Wages and salaries	132,989	130,742
Social security costs	2,415	2,861
Other pension costs	1,792	2,484
	<u>137,196</u>	<u>136,087</u>

There were no employees of either the group or company whose annual remuneration was more than £60,000

#### Employees - Company

The average monthly number of employees for the company during the year was:

	2025 Number	2024 Number
Local Development Officer	-	1
Port Ellen Playing Fields Project Manager	1	1
Admin & Finance Officer	1	1
Sonas Childcare Project Manager	1	1
Total	<u>3</u>	<u>4</u>

#### Employment costs

	2025 £	2024 £
Wages and salaries	84,434	93,514
Social security costs	2,415	2,861
Other pension costs	1,658	2,076
	<u>88,507</u>	<u>98,451</u>

### 14 Other Expenses

	Unrestricted Funds 2025 £	Total 2024 £
Net loss on disposal of tangible fixed assets	-	-

# SOUTH ISLAY DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2025

#### 15 Tangible fixed assets - Group

	Freehold land and buildings	Assets under construction	Plant and equipment	Fixtures and fittings	Computers	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 June 2024	231,111	1,353,568	81,759	4,826	3,688	1,674,952
Additions	-	1,457,348	20,834	-	-	1,478,182
Disposals	-	-	-	-	-	-
At 31 May 2025	231,111	2,810,916	102,593	4,826	3,688	3,153,134
<b>Depreciation and impairment</b>						
At 1 June 2024	31,721	-	16,139	3,664	2,809	54,333
Depreciation charged in the year	2,417	-	12,816	232	176	15,641
Eliminated in respect of disposals	-	-	-	-	-	-
At 31 May 2025	34,138	-	28,954	3,897	2,986	69,975
<b>Carrying amount</b>						
At 31 May 2025	196,973	2,810,916	73,639	929	702	3,083,159
At 31 May 2024	199,390	1,353,568	65,620	1,162	879	1,620,619

Assets under construction relates to capital costs to date on the new community building at Port Ellen Playing Fields and the prospective SONA's childcare capital project.

# SOUTH ISLAY DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2025

#### 15 Tangible fixed assets - Company

	Freehold land and buildings	Assets under construction	Plant and equipment	Fixtures and fittings	Computers	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 June 2024	231,111	1,353,568	77,540	4,826	3,688	1,670,733
Additions	-	1,457,348	13,159	-	-	1,470,507
Disposals	-	-	-	-	-	-
At 31 May 2025	231,111	1,353,568	90,699	4,826	3,688	3,141,240
<b>Depreciation and impairment</b>						
At 1 June 2024	31,721	-	13,384	3,664	2,809	51,578
Depreciation charged in the year	2,417	-	11,868	232	176	14,693
Eliminated in respect of disposals	-	-	-	-	-	-
At 31 May 2025	34,138	-	25,251	3,897	2,986	66,272
<b>Carrying amount</b>						
At 31 May 2025	196,973	2,810,916	65,448	929	702	3,074,968
At 31 May 2024	199,390	1,353,568	64,156	1,162	879	1,619,155

Assets under construction relates to capital costs to date on the new community building at Port Ellen Playing Fields and the prospective SONA's childcare capital project.

# SOUTH ISLAY DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2025

#### 16 Fixed asset investments - Company

	<b>Other investments</b>
<b>Cost or valuation</b>	
At 1 June 2024 & 31 May 2025	100
<b>Carrying amount</b>	
At 31 May 2025	100
At 31 May 2024	100

	<b>Notes</b>	<b>2025 £</b>	<b>2024 £</b>
Other investments comprise:			
Investments in subsidiaries	<b>27</b>	100	100

<b>17 Debtors</b>	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>				
Trade debtors	209,489	207,011	201,791	203,134
Amounts owed by subsidiary undertakings	-	-	1,194	1,172
Other debtors	5,691	26,261	2,927	23,234
Prepayments and accrued income	42,073	1,485	41,074	1,484
	<u>257,253</u>	<u>234,757</u>	<u>246,986</u>	<u>229,025</u>

<b>18 Creditors: amounts falling due within one year</b>	<b>Note</b>	<b>Group</b>		<b>Company</b>	
		<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans		10,397	10,140	-	-
Borrowings		-	-	-	-
Other taxation and social security		3,850	4,414	-	-
Deferred income	<b>21</b>	31,667	31,667	31,667	31,667
Trade creditors		17,869	185,391	12,798	168,371
Other creditors		135,311	180,544	124,435	169,848
Accruals and deferred income		19,886	6,102	19,886	6,102
		<u>218,980</u>	<u>418,258</u>	<u>188,786</u>	<u>375,988</u>

Included within 'Other creditors' is an amount of £123,950 (2024 - £169,588) for grants payable at the year end in relation to them being administrators for the All Islay Ardbeg fund. The project is fully described within the trustees report.

# SOUTH ISLAY DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2025

### 19 Creditors: amounts falling due after more than one year

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Bank loans	4,332	14,841	-	-

### 20 Loans and overdrafts

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Bank loans	14,729	24,981	-	-
Other loans	5,884	5,884	-	-
	20,613	30,865	-	-
Payable within one year	16,281	16,024	-	-
Payable over one year	4,332	14,841	-	-
	20,613	30,865	-	-

### 21 Deferred Income

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Arising from Deferred Grants	31,667	31,667	31,667	31,667

Deferred income is included in the financial statements as follows:

Deferred income included within:

Current Liabilities	31,667	31,667	31,667	31,667
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Movements in the year:

Deferred income at 1 June 2024	31,667	70,384	31,667	70,384
Released from previous periods	(31,667)	(70,384)	(31,667)	(70,384)
Resources deferred in the year	31,667	31,667	31,667	31,667
Deferred income at 31 May 2025	31,667	31,667	31,667	31,667

Deferred grants represent multi-year & performance related grants where the conditions have not yet been met, these will be released to match the relevant expenditure.

# SOUTH ISLAY DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2025

### 22 Restricted funds

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

	At 1 June 2024	Incoming resources	Resources expended	Transfers	At 31 May 2025
	£	£	£	£	£
Ardbeg All Islay Fund	185,077	180,000	(119,644)	-	245,433
Port Ellen Community Hub Project	1,837,306	1,216,850	(11,449)	-	3,042,707
Staffing costs	28,005	30,177	(45,743)	-	12,439
SID SONAs Childcare Project	6,000	40,625	-	-	46,625
MacDonald Fund / Foundation Scotland	15,000	45,191	(18,453)	-	41,738
Community Garden	176	150	(423)	97	-
National Lottery	2,043	15,500	(17,543)	-	-
Adapt & Thrive	28,533	-	(2,774)	-	25,759
Other	7,346	30,973	(29,901)	(97)	8,321
	<u>2,109,486</u>	<u>1,559,466</u>	<u>(245,930)</u>	<u>-</u>	<u>3,423,022</u>

# SOUTH ISLAY DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2025

### 22 Restricted funds

Previous year:	At 1 June 2023	Incoming resources	Resources expended	Transfers	At 31 May 2024
	£	£	£	£	£
The Ardbeg All Islay Fund	360,000	180,000	(354,923)	-	185,077
Port Ellen Community Hub Project	812,458	1,034,506	(9,658)	-	1,837,306
Staffing costs	-	76,441	(48,436)	-	28,005
Foundation Scotland/MacDonald Fund	1,989	15,000	(4,666)	2,677	15,000
Community Garden	1,651	1,048	(2,523)	-	176
Foundation Scotland / Crown Estates Early Years	6,000	-	-	-	6,000
National Lottery	3,117	30,977	(24,748)	(7,303)	2,043
Adapt & Thrive	31,307	-	(2,774)	-	28,533
Elix Staff/Running Costs	18	30,121	(34,765)	4,626	-
Other	1,791	11,122	(26,808)	21,241	7,346
	<u>1,218,331</u>	<u>1,379,215</u>	<u>(509,301)</u>	<u>21,241</u>	<u>2,109,486</u>

# SOUTH ISLAY DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2025

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#### 22 Restricted funds

The Port Ellen Playing Fields Project has been our main project. It includes the new community hub known as the Pavilion, the Motorhome Park and relocation and extension of the children's play park with associated landscaping. This project now in its 6th year continues to be fully supported by all funders:-

- Highlands & Islands Enterprise (HIE)
- Argyll & Bute Council
- Ardbeg All Islay Fund
- Rural Tourism Infrastructure Fund (RTIF)

Despite delays and increased costs there is sufficient funding to complete the project at this stage. A healthy contingency fund is maintained at £35,000.

Core costs for staffing and office support is provided by an amalgamation of the grants received from:-

- Argyll & Bute Council
- Highlands & Islands Enterprise (HIE)
- Inspire Alba
- The National Lottery
- Foundation Scotland/Macdonald Fund
- Ardbeg All Islay Fund.

All have an excellent rapport and confidence with the project manager. The accounts bear witness to the amounts of funding achieved.

The Ardbeg All Islay Fund is in partnership with The Glenmorangie Company and follows the sale of a rare Ardbeg 1975 cask sold to a private investor for £16m. A £1m fund was established to distribute to local organisations, projects, and enterprising activities across the whole of Islay over a 5 year period. Grants continue to be available to not-for-profit groups that are working to benefit, enhance the local community and create a legacy.

The fund monies have been paid out in line with the awards approved and committed by the independent panel. A complete list of grant recipients is well publicised. This fund is currently its fourth year. Since its inception it has distributed and monitored 75 grants to groups on Islay. It has become part of "Islay life".

SID received a further £200k in the year, £20k per year for administration (which is unrestricted) and the remaining £180k is distributed.

SID SONAS Project - Plans are underway for a purpose built childcare facility, providing childcare for 0-3 year olds. This has been aided by:-

- Argyll and Bute Council CLLD Fund
- Argyll & Bute Health and Social Care Partnership
- Procast.

Further funding will be required to commence detailed architectural design and planning.

Work within our community to enhance its environs is important to SID. Maintenance of the Community Garden, annual planting and of the half barrels around the village is greatly appreciated by villagers and tourists alike. A firework display on bonfire night continues to be more magnificent year on year. Many thanks to the local fire brigade for aiding and assisting with this. Some cheer is brought during the lead up to Christmas by street lighting and a Christmas Tree lighting ceremony is well supported. SID maintains the tradition of providing refreshments at the majority of these events. So the funding from The Co-op Community Fund local businesses is well spent.

The increasing popularity of the Port Ellen Bowling Club providing both outdoor and indoor bowling during the winter months is greatly supported by SID

The Filling Station has been supported by the Adapt and Thrive Fund which has allowed a new cash register complimented by enhanced fiscal software.

The HELP Appeal supports the development of a Helipad on Islay still in the planning and design stages. Discussions are underway with the owner of a potential site.

During the year SID has been pleased to help, advise and offer some administrative and office services to other several groups on Islay.

There is much in-kind assistance for members and businesses in producing lunch clubs, ceilidhs, concerts and disco dances. In themselves bolstering SID income and maintaining connectivity, consultation and engagement with our local community.

These activities bear witness to SID's achievements and give confidence to external funders that "SID delivers".

# SOUTH ISLAY DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2025

### 23 Analysis of net assets between funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Fund balances at 31 May 2025 are represented by:						
Tangible assets	66,447	3,016,712	3,083,159	61,472	1,559,147	1,620,619
Current assets/(liabilities)	66,183	406,449	481,493	82,343	550,339	632,682
Long term assets/(liabilities)	(4,491)	-	(4,491)	(15,119)	-	(15,119)
	<u>137,139</u>	<u>3,423,161</u>	<u>3,560,161</u>	<u>128,696</u>	<u>2,109,486</u>	<u>2,238,182</u>

### 24 Capital Commitments

At 31 May 2025 the group had the capital  
Contracted for but not provided in the financial statement:

	Group		Company	
	2025 £	2024 £	2025 £	2024 £
Acquisition of property, plant, and equipment	<u>232,421</u>	<u>792,934</u>	<u>232,4214</u>	<u>792,394</u>

The commitment of £232,421 is in relation to the building of a new Community Hub at Port Ellen Playing Fields. Construction continues post year end, until the hand back from the contractor took place in September 2025.

### 25 Related party transactions

The charity purchased advertising services from Ileach Ltd totalling £569 (2024 - £1,464). The entity is related by virtue of a shared trustee Mr James Porteous.

As disclosed at the Restricted funds, note 22, The Ardbeg All Islay Fund is in partnership with the Ardbeg Distillery. There is an independent Board who receive review and approve or reject the funding applications. South Islay Development have provided an administration role for this project and have no influence or control over the decisions of the funds. South Islay Development were however able to apply to this fund. In the year South Islay Development was successful for application awards totalling £6,725 (2024 - £25,441). The entity is related by common board members.

# SOUTH ISLAY DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2025

#### 26 Subsidiaries

These financial statements are separate charity financial statements for 2025:

Details of the charity's subsidiaries at 31 May 2025 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
South Islay Trading Company	Scotland	Fuel Station	Ordinary	100.00	

#### 27 Cash generated from operations - Group

	2025 £	2024 £
Surplus for the year	1,321,979	904,898
Adjustments for:		
Taxation charges	(119)	(6)
Depreciation and impairment of tangible fixed assets	15,640	11,560
Finance costs	396	793
Loss on disposal of tangible fixed assets	-	-
Movements in working capital:		
(Increase) /Decrease in stocks	3,675	(7,253)
(Increase) /Decrease in debtors	(22,496)	(214,726)
Increase/(Decrease) in creditors	(199,533)	330,780
Increase/(Decrease) in deferred income	-	(38,717)
<b>Cash generated from operations</b>	<u>1,119,542</u>	<u>987,329</u>

#### 28 Analysis of changes in net funds - Group

	At 1 June 2024 £	Cash flows £	At 31 May 2025 £
Cash at bank and in hand	797,580	(369,288)	428,292
Loans falling due within one year	(16,025)	(257)	(16,282)
Loans falling due over one year	(14,841)	10,509	(4,332)
	<u>766,714</u>	<u>(359,036)</u>	<u>407,678</u>

# SOUTH ISLAY DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2025

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<b>29 Cash generated from operations - Company</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Surplus for the year	1,327,213	903,444
Adjustments for:		
Depreciation and impairment of tangible fixed assets	14,692	11,220
Loss on disposal of tangible fixed assets	-	-
Movements in working capital:		
(Increase)/Decrease in debtors	(17,961)	(218,710)
(Decrease) in creditors	(187,200)	330,944
Increase in deferred income	-	(38,717)
<b>Cash generated from operations</b>	<b>1,136,744</b>	<b>988,181</b>

### 30 Analysis of changes in net funds - Company

	<b>At 1 June 2024</b>	<b>Cash flows</b>	<b>At 31 May 2025</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	725,506	(333,763)	391,743
Loans falling due within one year	-	-	-
	<u>725,506</u>	<u>(333,763)</u>	<u>391,743</u>