

**Report of the Directors and
Financial Statements for the Period 1 October 2006 to 31 December 2007
for
Sealladh Na Beinne Moire**

DRAFT

Sealladh Na Beinne Moire

**Contents of the Financial Statements
for the Period 1 October 2006 to 31 December 2007**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6
Profit and Loss Account	10

DRAFT

Sealladh Na Beinne Moire
Company Information
for the Period 1 October 2006 to 31 December 2007

DIRECTORS:

A MacMillan
D Blaney
Rev M J MacDonald
S M A MacEachen
J MacMillan
M Matheson
L MacLeod
G MacAulay

SECRETARY:

Ms S MacEachen

REGISTERED OFFICE:

1 Bornish
South Uist
Western Isles
HS8 5SA

REGISTERED NUMBER:

SC290324

AUDITORS:

Campbell Stewart MacLennan & Co
Chartered Accountants
8 Wentworth Street
Portree
Isle of Skye
IV51 9EJ

Sealladh Na Beinne Moire

**Report of the Directors
for the Period 1 October 2006 to 31 December 2007**

The directors present their report with the financial statements of the company for the period 1 October 2006 to 31 December 2007.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of negotiating and financing the purchase of South Uist Estate for the benefit of the community through the purchase of South Uist Estates Ltd and its subsidiary companies and South Uist Renewable Energies Ltd. The purchase took place on 1 December 2006.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2006 to the date of this report.

A MacMillan
D Blaney
Rev M J MacDonald
S M A MacEachen
J MacMillan
M Matheson

Other changes in directors holding office are as follows:

D P Buckland - resigned 21 March 2007
H Fraser - resigned 21 March 2007
L MacLeod - appointed 1 May 2007
G MacAulay - appointed 7 June 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Campbell Stewart MacLennan & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:

.....
D Blaney - Director

Date:

**Report of the Independent Auditors to the Members of
Sealladh Na Beinne Moire**

We have audited the financial statements of Sealladh Na Beinne Moire for the period ended 31 December 2007 on pages four to nine. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

Basis of audit opinion

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2007 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

Campbell Stewart MacLennan & Co
Chartered Accountants
8 Wentworth Street
Portree
Isle of Skye
IV51 9EJ

Date:

Sealladh Na Beinne Moire
Profit and Loss Account
for the Period 1 October 2006 to 31 December 2007

	Notes	Period 1.10.06 to 31.12.07 £	Period 14.9.05 to 30.9.06 £
TURNOVER		-	-
Administrative expenses		67,099	43,189
		<u>(67,099)</u>	<u>(43,189)</u>
Other operating income		307,598	75,118
OPERATING PROFIT	2	240,499	31,929
Interest receivable and similar income		250	35
		<u>240,749</u>	<u>31,964</u>
Interest payable and similar charges		30,356	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		210,393	31,964
Tax on profit on ordinary activities	3	-	-
PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION		<u><u>210,393</u></u>	<u><u>31,964</u></u>

The notes form part of these financial statements

Sealladh Na Beinne Moire

Balance Sheet
31 December 2007

	Notes	31.12.07		30.9.06	
		£	£	£	£
FIXED ASSETS					
Tangible assets	4		582		998
Investments	5		4,265,768		-
			<u>4,266,350</u>		<u>998</u>
CURRENT ASSETS					
Debtors	6	398,955		170	
Cash at bank		26,740		34,113	
		<u>425,695</u>		<u>34,283</u>	
CREDITORS					
Amounts falling due within one year	7	483,888		3,317	
		<u>483,888</u>		<u>3,317</u>	
NET CURRENT (LIABILITIES)/ASSETS			(58,193)		30,966
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,208,157</u>		<u>31,964</u>
ACCRUALS AND DEFERRED INCOME	8		3,965,800		-
NET ASSETS			<u>242,357</u>		<u>31,964</u>
RESERVES					
Profit and loss account	9		242,357		31,964
			<u>242,357</u>		<u>31,964</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the Board of Directors on and were signed on its behalf by:

.....
A MacMillan - Director

Sealladh Na Beinne Moire

Notes to the Financial Statements
for the Period 1 October 2006 to 31 December 2007

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Exemption from preparing consolidated financial statements

The financial statements contain information about Sealladh Na Beinne Moire as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 248 of the Companies Act 1985 from the requirements to prepare consolidated financial statements.

Tangible fixed assets

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

Plant and machinery etc - 25% on cost

Deferred tax

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

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

2. OPERATING PROFIT

The operating profit is stated after charging:

	Period 1.10.06 to 31.12.07 £	Period 14.9.05 to 30.9.06 £
Depreciation - owned assets	416	333
Auditors' remuneration	<u>2,500</u>	<u>1,200</u>
Directors' emoluments and other benefits etc	<u>-</u>	<u>-</u>

3. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the period ended 31 December 2007 nor for the period ended 30 September 2006.

Sealladh Na Beinne Moire

Notes to the Financial Statements - continued
for the Period 1 October 2006 to 31 December 2007

4. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 October 2006 and 31 December 2007	1,331
DEPRECIATION	
At 1 October 2006	333
Charge for period	416
At 31 December 2007	749
NET BOOK VALUE	
At 31 December 2007	582
At 30 September 2006	998

5. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
Additions	4,265,768
At 31 December 2007	4,265,768
NET BOOK VALUE	
At 31 December 2007	4,265,768

The company's investments at the balance sheet date in the share capital of companies include the following:

South Uist Estates Ltd

Nature of business: Estate managers

	%	
Class of shares:	holding	
Ordinary	100.00	31.12.07
		£
Aggregate capital and reserves		3,354,191
Loss for the period		(162,007)

Lothian Shelf (175) Ltd

Nature of business: Estate managers

	%	
Class of shares:	holding	
Ordinary	100.00	31.12.07
		£
Aggregate capital and reserves		363,793
Loss for the period		(44,073)

Sealladh Na Beinne Moire

Notes to the Financial Statements - continued
for the Period 1 October 2006 to 31 December 2007

5. **FIXED ASSET INVESTMENTS - continued**

Lothian Shelf (176) Ltd

Nature of business: Estate Managers

Class of shares:	%		
Ordinary	holding		
	100.00		
		31.12.07	
		£	
Aggregate capital and reserves		592,566	
Profit for the period		133,523	
		<u> </u>	

South Uist Renewable Energies Ltd

Nature of business: Renewable energies development

Class of shares:	%		
Ordinary	holding		
	100.00		
		31.12.07	
		£	
Aggregate capital and reserves		(15,951)	
Loss for the period		(2,170)	
		<u> </u>	

6. **DEBTORS**

	31.12.07	30.9.06
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	391,230	-
Other debtors	7,725	-
	<u> </u>	<u> </u>
	398,955	-
	<u> </u>	<u> </u>
Amounts falling due after more than one year:		
Other debtors	-	170
	<u> </u>	<u> </u>
Aggregate amounts	<u>398,955</u>	<u>170</u>

7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.07	30.9.06
	£	£
Bank loans and overdrafts	467,417	-
Taxation and social security	1,336	668
Other creditors	15,135	2,649
	<u> </u>	<u> </u>
	483,888	3,317
	<u> </u>	<u> </u>

8. **ACCRUALS AND DEFERRED INCOME**

	31.12.07	30.9.06
	£	£
Deferred government grants	3,965,800	-
	<u> </u>	<u> </u>

Sealladh Na Beinne Moire

Notes to the Financial Statements - continued
for the Period 1 October 2006 to 31 December 2007

9. RESERVES

	Profit and loss account £
At 1 October 2006	31,964
Profit for the period	210,393
	<hr/>
At 31 December 2007	<u>242,357</u>

DRAFT

Sealladh Na Beinne Moire

Profit and Loss Account
for the Period 1 October 2006 to 31 December 2007

	Period 1.10.06 to 31.12.07		Period 14.9.05 to 30.9.06	
	£	£	£	£
Income		-		-
Other income				
Donations	5,587		34,748	
Membership fees	82		728	
Sale of merchandise	-		170	
Fundraising income	32,860		-	
Deferred grant amortisation	246,200		-	
Government grants	22,869		39,472	
Deposit account interest	250		35	
		<u>307,848</u>		<u>75,153</u>
		307,848		75,153
Expenditure				
Wages	9,615		19,250	
Social security	1,836		1,836	
Rent	2,706		-	
Insurance	450		107	
Telephone	972		544	
Post and stationery	779		1,428	
Travelling	-		379	
Repairs and renewals	179		-	
Household and cleaning	102		312	
Website	-		1,698	
Meeting costs	-		225	
Computer costs	245		417	
Fundraising costs	15,198		-	
Sundry expenses	289		797	
Legal fees	26,578		608	
Auditors' remuneration	2,500		1,200	
Promotions and printing	-		1,884	
Renewable energy feasibility	-		11,697	
Depreciation of tangible fixed assets				
Computer equipment	416		333	
Hire of office equipment	926		474	
		<u>62,791</u>		<u>43,189</u>
		62,791		43,189
Finance costs				
Bank charges	4,308		-	
Bank loan interest	30,049		-	
Interest payable	307		-	
		<u>34,664</u>		<u>-</u>
		34,664		-
NET PROFIT		<u><u>210,393</u></u>		<u><u>31,964</u></u>
		210,393		31,964