REGISTERED COMPANY NUMBER: SC277276 (Scotland)
REGISTERED CHARITY NUMBER: SC041092

Report of the Trustees and

Financial Statements for the Year Ended 31 December 2025

for

HORSHADER COMMUNITY DEVELOPMENT (CONSOLIDATED)

Mann Judd Gordon Ltd
Chartered Accountants
& Statutory Auditors
26 Lewis Street
Stornoway
Isle of Lewis
HS1 2JF

HORSHADER COMMUNITY DEVELOPMENT

Contents of the Financial Statements
for the Year Ended 31 December 2025

Report of the Trustees
for the Year Ended 31 December 2025

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2025. The trustees have adopted the provisions of 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).

This report relates to the operations of the charity and its wholly owned subsidiary Risort Power Generation Limited which delivers specific elements of the charity's objectives.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The mission of the Horshader Community Development Trust, into the foreseeable future and with the support of the people in our area, is to make our community an attractive, sustainable and vibrant community to live in and, by extension, to benefit all the people of, and visitors to, the Western Isles. The Trust has 9 Key Strategic Tasks comprising our 8 charitable aims and one additional objective. These are:

- Developing the community in a sustainable manner;
- Supporting the disadvantaged in our community;
- Protecting our local environment;
- Regenerating our local economy;
- Supporting the Gaelic language and culture;
- Relieving poverty and hardship in our community;
- Providing recreational activities for our community;
- Supporting the advancement of all forms of education in our community; and
- Building a stronger Community Development Trust.

The Horshader community covers the townships of South Shawbost, Dalbeg and Dalmore.

STRATEGIC REPORT

Achievements and performance

Charitable activities

During the year the charity:-

- continued to operate and manage the community owned wind turbine through its subsidiary, Risort Power Generation Ltd;
- provided grants and goodwill donations to groups through the charity's community fund which opened for applications in 2014. Details of these grants and donations are detailed in note 7 to the financial statements;
- provided student bursary grants through the charity's community fund;
- expanded support for food and fuel poverty throughout the community;
- continued a community events and activities programme, which provided increased opportunities for recreation and education;
- accessed external funding to continue existing services, and for new projects.

Financial review

Principal funding sources

The Trust is extremely fortunate in that it has been able to depend on gift aid payments from its subsidiary, Risort Power Generation Limited ('RPG'). These payments are, of course, entirely dependent on the amount of power generated each year but are substantial and enable the Trust to finance community projects that might not attract external funding.

Full details of the charity's principal funding sources are included in the notes to the financial statements.

Report of the Trustees
for the Year Ended 31 December 2025

STRATEGIC REPORT
Financial review
Reserves policy
The general fund represents the unrestricted funds from past operating results. It also represents the free reserves of the charity. Funds are also raised for specific projects as required.

The Board has set up a Designated Fund for reserves, made up as follows:
- the Charity's Expenditure (£330,000)
- the Charity's Fund-raising Costs (i.e. Turbine's Operating Costs + Depreciation) (£200,000)
- A further maintenance reserve to meet emergency repairs (£100,000)
- A Decommissioning Fund (£30,000 set aside for this within the contractually required reserves at Co-op bank, doubling this to £60,000 seems prudent.)

In total, creating a Designated Reserve Fund within the Trust's cash reserves of £660,000.

The Board, recognising the windfall accrued from the exceptional wholesale energy prices in 2022 - 2024, and with the approval of the membership, have created two new designated funds to further the charity's goals into the future:

- The Horshader Bursary Fund (£467,767) to be invested with a view to funding bursaries for those undergoing tertiary education, or other learning activities in line with the Trust's educational support objective.
- The Horshader Future Income Fund (£243,656) to be invested with a view to replace the Risort Wind Turbine, with a new income stream, beyond 2032, when the RPG FiT agreement expires. This Fund will be augmented year on year with at least 10% of the turbine's generation income.

During the year the group's income (parent charity and its subsidiary RPG) exceeded expenditure resulting in net income of £64,144 for the period (2024 - £651,104). This represents an increase of £66,641 (2024 - £673,721) in unrestricted funds and a decrease of £2,497 (2024 - 22,6171) in restricted funds.

Going concern
The directors have reviewed the projections and, based on this review, have a reasonable expectation that the charity has adequate resources to continue in operation for a period of at least 12 months from the approval of the financial statements.

The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Future plans
The Trust implanted a Financial Management review and adopted an in-house accounting software platform (Xero). The operation of Xero throughout 2025 has been deemed a success.

Community Consultation results in the publication of a Community Development Plan, later than expected, in early 2026.

Following consultation with the community and statutory bodies, the Trust is hoping to move forward with the creation of a community woodland in the Horshader area. Detailed plans for a site at Loch Roinebhat are being progressed.

The Trust has embarked on a Future Income plan, to secure the repowering of the existing 900kW Wind Turbine, and to investigate further augmentation of its Community Wind Generation through a new windfarm development.

On 27th February 2026, the Trust finalised the purchase of the Old School Centre in Shawbost and plans to redevelop the building into 2026 and onwards.

The Trust will work with partnership groups to create and maintain close relationships with other voluntary and charitable organisations and the local school, as well as funding bodies and the local authority.

The local community will remain at the heart of everything we do.

Report of the Trustees
for the Year Ended 31 December 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document
The Association is a charitable company limited by guarantee, incorporated on 9 December 2004 and registered as a charity with effect from 8 December 2009. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

In 2025, the Board initiated a full Governance Review, and determined that the existing Articles of Association, with heavy reliance on "Table A" provisions under the Companies Act, were not fit for purpose. The Board has plans to repeal some erroneous Bye-laws adopted between 2019 and 2022, which have muddied the governance procedures. The Board has agreed to seek professional legal support from Charity Law experts to draft a new constitution in line with current Scottish Charity Law and will consult with the membership on reforms throughout 2026.

Recruitment and appointment of new trustees
The directors of the company are also charity trustees for the purpose of charity law.

Under the terms of the Memorandum and Articles of Association the Elected Directors are appointed by the members at the Annual General Meeting. The Elected Directors consist of no more than two Directors from the crofting township of Dalmore/Dalbeg and no more than six Directors from the crofting township of South Shawbost. One half of the Elected Directors must retire by rotation at each Annual General Meeting but are eligible for re-election.

The Board may also invite any Nominated Member of the company to nominate representatives to be appointed as Nominated Directors. Nominated Directors do not require to retire by rotation.

Related parties
In March 2010 the charity set up a wholly owned subsidiary company, Risort Power Generation Limited ('RPG'), to develop community-owned renewable energy projects.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
SC277276 (Scotland)

Registered Charity number
SC041092

Registered office
Raebhat House
North Shawbost
Isle of Lewis
HS2 9BD

Trustees
F A Jefferson
F Macleod (resigned 5.5.25)
P Lidgett
J M Macdonald
C Morrison

Auditors
Mann Judd Gordon Ltd
Chartered Accountants
& Statutory Auditors
26 Lewis Street
Stornoway
Isle of Lewis
HS1 2JF

Report of the Trustees
for the Year Ended 31 December 2025

REFERENCE AND ADMINISTRATIVE DETAILS
Solicitors
MacDonald Maciver & Co. Ltd
Solicitors
20 Francis Street
Stornoway
Isle of Lewis
HS1 2NB

STATEMENT OF TRUSTEES' RESPONSIBILITIES
The trustees (who are also the directors of Horshader Community Development for the purposes of company law) are responsible for preparing the Report of the Trustees 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. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent charitable company and of the incoming resources and application of resources, including the income and expenditure, of the group and parent charitable company for that period. In preparing those 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and parent charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and parent charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the group and parent charitable company 's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 22 June 2026 and signed on the board's behalf by:

F A Jefferson - Trustee

FA Jefferson

Report of the Independent Auditors to the Trustees and Members of Horshader Community Development

Opinion
We have audited the financial statements of Horshader Community Development (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2025 which comprise the group and parent charitable company's Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the group and parent charitable company 's affairs as at 31 December 2025 and of its incoming resources and application of resources, including its income and expenditure, 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company 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 relating 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 events or conditions that, individually or collectively, may cast significant doubt on the group and parent charitable company '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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Trustees and Members of Horshader Community Development

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where 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 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.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, the trustees 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 group and parent charitable company '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 group and parent charitable company or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Trustees and Members of Horshader Community Development

Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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:

Our approach was as follows:
We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined that the most significant are those that relate to employment matters and those relating directly the preparation of the financial statements, that is FRS102, Charities SORP and the Companies Act 2006.The charity is also subject to data protection laws (GDPR) and health and safety within the workplace.

We assessed the risks of material misstatement in respect of fraud as follows:

As part of our audit team discussion, we identified if any particular area was more susceptible to misstatement. A list of the known related parties was compiled along with an expectation of transactions between them. We then made fraud enquiries of those charged with governance and confirmed our related party list.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above. We corroborated our enquiries of those charged with governance by a review of the board minutes to date, a review of the bank statements to date, a review of the service organisation's payroll files for the year and a review of legal fees charged in the year for any evidence of legal or regulatory issues. Our considerations at planning were corroborated and no further legal or regulatory issues were noted.
We considered the risk of fraud through management override and, in response, we incorporated testing of manual journal entries throughout the year into our audit approach . A review of the year of bank statements was undertaken, to identify any large or unusual transactions. No transactions outside the normal course of business were identified.

Given the size of the entity, segregation of duties is limited, so we designed our audit procedures to identify and to address any material misstatements arising from this. Appropriate approval controls were found to be in place.

As the parent charitable company of Risort Power Generation Ltd, we have considered any instance of non-compliance by the subsidiary company and subsequent effect on the group. We are auditors for all entities within the group.

The engagement partner's assessment of whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations concluded that the overall risk was of fraud and misstatement was low and the experience of the audit team assigned was sufficient and no specialists were required. An appropriate level of materiality has been calculated in consideration of the inherent difficulty in detecting irregularities along with the perceived level of risk.

There are inherent limitations in the audit procedures described above that result in an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with International Standards on Auditing (UK). The further removed non-compliance with laws and regulations is from the events and financial transactions in the financial statements, the less likely the auditor is to become aware of it or recognise non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment through forgery, collusion, omission or misrepresentation. The primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Report of the Independent Auditors to the Trustees and Members of Horshader Community Development

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 group and parent 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 group and parent charitable company 's members and the 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 group and parent charitable company and the group and parent charitable company 's members as a body, for our audit work, for this report, or for the opinions we have formed.

John E Moffat BA FCA (Senior Statutory Auditor)
for and on behalf of Mann Judd Gordon Ltd
Chartered Accountants
& Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
26 Lewis Street
Stornoway
Isle of Lewis
HS1 2JF

22 June 2026

Statement of Financial Activities - Group
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 December 2025

	Notes	Unrestricted funds £	Restricted funds £	31.12.25 Total funds £	31.12.24 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	2,509	(2)	2,507	799
Charitable activities	5				
Community development		1,990	-	1,990	19,387
Community growing project		-	10,171	10,171	3,519
Rural Transport		-	8,576	8,576	6,062
Other trading activities	3	667,563	-	667,563	1,018,952
Investment income	4	32,860	-	32,860	29,260
Other income		-	4,377	4,377	-
Total		704,922	23,122	728,044	1,077,979
EXPENDITURE ON					
Raising funds	6	185,028	-	185,028	75,101
Charitable activities	7				
Community development		312,147	9,048	321,195	218,846
Community growing project		-	87,701	87,701	71,086
Rural Transport		-	69,976	69,976	61,842
Total		497,175	166,725	663,900	426,875
NET INCOME/(EXPENDITURE)		207,747	(143,603)	64,144	651,104
Transfers between funds	19	(141,106)	141,106	-	-
Net movement in funds		66,641	(2,497)	64,144	651,104
RECONCILIATION OF FUNDS					
Total funds brought forward		3,113,265	338,389	3,451,654	2,800,550
TOTAL FUNDS CARRIED FORWARD		3,179,906	335,892	3,515,798	3,451,654

The notes form part of these financial statements

HORSHADER COMMUNITY DEVELOPMENT

Statement of Financial Activities – Charity only
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 December 2025

	Unrestricted funds £	Restricted funds £	31.12.25 Total funds £	31.12.24 Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	2,508	(2)	2,506	799
Charitable activities				
Community development	17,124	-	17,124	34,746
Community growing project	-	10,171	10,171	3,519
Rural Transport	-	8,576	8,576	6,062
Investment income	898,831	-	898,831	741,964
Other income	-	4,377	4,377	-
Total	918,463	23,122	941,585	787,090
EXPENDITURE ON				
Charitable activities				
Community development	312,147	9,048	321,195	218,846
Community growing project	-	87,701	87,701	71,086
Rural Transport	-	69,976	69,976	61,842
Total	312,147	166,725	478,872	351,774
NET INCOME/(EXPENDITURE)	606,316	(143,603)	462,713	435,316
Transfers between funds	(141,106)	141,106	-	-
Net movement in funds	465,210	(2,497)	462,713	435,316
RECONCILIATION OF FUNDS				
Total funds brought forward	1,800,138	338,389	2,138,527	1,703,211
TOTAL FUNDS CARRIED FORWARD	2,265,348	335,892	2,601,240	2,138,527

The notes form part of these financial statements

HORSHADER COMMUNITY DEVELOPMENT

Balance Sheet - Group
31 December 2025

	Notes	Unrestricted funds £	Restricted funds £	31.12.25 Total funds £	31.12.24 Total funds £
FIXED ASSETS					
Tangible assets	15	736,875	99,262	836,137	950,186
CURRENT ASSETS					
Debtors: amounts falling due within one year	16	210,626	-	210,626	251,355
Cash at bank and in hand		2,275,297	236,630	2,511,927	2,283,604
		2,485,923	236,630	2,722,553	2,534,959
CREDITORS					
Amounts falling due within one year	17	(42,892)	-	(42,892)	(33,491)
NET CURRENT ASSETS		2,443,031	236,630	2,679,661	2,501,468
TOTAL ASSETS LESS CURRENT LIABILITIES		3,179,906	335,892	3,515,798	3,451,654
NET ASSETS		3,179,906	335,892	3,515,798	3,451,654
FUNDS	19				
Unrestricted funds:					
General fund				1,796,359	1,793,028
Community fund				12,299	140,237
Designated Fund - Reserves				660,000	660,000
Designated Fund - Horshader Bursary Fund				467,592	420,000
Designated Fund - Future Income Fund				243,656	100,000
				3,179,906	3,113,265
Restricted funds				335,892	338,389
TOTAL FUNDS				3,515,798	3,451,654

The financial statements were approved by the Board of Trustees and authorised for issue on 22 June 2026 and were signed on its behalf by:

F A Jefferson - Trustee

F.A. Jefferson

HORSHADER COMMUNITY DEVELOPMENT

Balance Sheet – Charity only
31 December 2025

	Notes	Unrestricted funds £	Restricted funds £	31.12.25 Total funds £	31.12.24 Total funds £
FIXED ASSETS					
Tangible assets	15	124,924	99,262	224,186	248,792
Investments		2	-	2	2
		124,926	99,262	224,188	248,794
CURRENT ASSETS					
Debtors: amounts falling due within one year	16	68,320	-	68,320	62,647
Debtors: amounts falling due after more than one year	16	-	221,082	221,082	221,082
Cash at bank and in hand		2,104,631	15,548	2,120,179	1,632,758
		2,172,951	236,630	2,409,581	1,916,487
CREDITORS					
Amounts falling due within one year	17	(32,529)	-	(32,529)	(26,754)
NET CURRENT ASSETS		2,140,422	236,630	2,377,052	1,889,733
TOTAL ASSETS LESS CURRENT LIABILITIES		2,265,348	335,892	2,601,240	2,138,527
NET ASSETS		2,265,348	335,892	2,601,240	2,138,527
FUNDS	19				
Unrestricted funds:					
General Fund				881,801	479,901
Community fund				12,299	140,237
Designated Fund - Reserves				660,000	660,000
Designated Fund - Horshader Bursary Fund				467,592	420,000
Designated Fund - Future Income Fund				243,656	100,000
				2,265,348	1,800,138
Restricted funds				335,892	338,389
TOTAL FUNDS				2,601,240	2,138,527

The financial statements were approved by the Board of Trustees and authorised for issue on 22 June 2026 and were signed on its behalf by:

F A Jefferson
....
F A Jefferson - Trustee

The notes form part of these financial statements

Cash Flow Statement - Group
for the Year Ended 31 December 2025

	Notes	31.12.25 £	31.12.24 £
Cash flows from operating activities			
Cash generated from operations	1	204,846	795,227
Finance costs paid		(1,138)	(1,375)
Tax paid		-	(108,027)
Net cash provided by operating activities		203,708	685,825
Cash flows from investing activities			
Purchase of tangible fixed assets		(16,662)	(48,295)
Sale of tangible fixed assets		8,417	-
Interest received		32,860	29,260
Net cash provided by/(used in) investing activities		24,615	(19,035)
Cash flows from financing activities			
Loan repayments in year		-	(391,542)
Net cash provided by/(used in) financing activities		-	(391,542)
Change in cash and cash equivalents in the reporting period		228,323	275,248
Cash and cash equivalents at the beginning of the reporting period		2,283,604	2,008,356
Cash and cash equivalents at the end of the reporting period		2,511,927	2,283,604

The notes form part of these financial statements

HORSHADER COMMUNITY DEVELOPMENT

Notes to the Cash Flow Statement - Group
for the Year Ended 31 December 2025

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.12.25	31.12.24
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	64,144	651,104
Adjustments for:		
Depreciation charges	126,670	116,908
Profit on disposal of fixed assets	(4,377)	-
Interest received	(32,860)	(29,260)
Finance costs	1,138	1,375
Decrease in debtors	40,730	129,302
Increase/(decrease) in creditors	9,401	(74,202)
Net cash provided by operations	204,846	795,227

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.25	Cash flow	At 31.12.25
	£	£	£
Net cash			
Cash at bank and in hand	2,283,604	228,323	2,511,927
	2,283,604	228,323	2,511,927
Total	2,283,604	228,323	2,511,927

HORSHADER COMMUNITY DEVELOPMENT

Cash Flow Statement – Charity only
for the Year Ended 31 December 2025

	Notes	31.12.25 £	31.12.24 £
Cash flows from operating activities			
Cash generated from operations	1	447,334	346,067
Interest paid		-	(23)
Finance costs paid		(1,138)	(1,352)
Net cash provided by operating activities		446,196	344,692
Cash flows from investing activities			
Purchase of tangible fixed assets		(16,662)	(48,295)
Sale of tangible fixed assets		8,417	-
Interest received		49,470	48,238
Net cash provided by/(used in) investing activities		41,225	(57)
Change in cash and cash equivalents in the reporting period		487,421	344,635
Cash and cash equivalents at the beginning of the reporting period		1,632,758	1,288,123
Cash and cash equivalents at the end of the reporting period		2,120,179	1,632,758

The notes form part of these financial statements

Notes to the Cash Flow Statement – Charity only
for the Year Ended 31 December 2025

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.12.25	31.12.24
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	462,713	435,316
Adjustments for:		
Depreciation charges	37,227	27,465
Profit on disposal of fixed assets	(4,377)	-
Interest received	(49,470)	(48,238)
Interest paid	-	23
Finance costs	1,138	1,352
Movement on group undertakings balances	-	(720)
Increase in debtors	(5,672)	(26,418)
Increase/(decrease) in creditors	5,775	(42,713)
Net cash provided by operations	447,334	346,067

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.25	Cash flow	At 31.12.25
	£	£	£
Net cash			
Cash at bank and in hand	1,632,758	487,421	2,120,179
	1,632,758	487,421	2,120,179
Total	1,632,758	487,421	2,120,179

continued...

Notes to the Financial Statements
for the Year Ended 31 December 2025

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the group and parent charitable company , which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling which is the functional currency of the charity.

Going Concern
The charity is a going concern and there are no material uncertainties casting significant doubt over its ability to continue as a going concern.

The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Preparation of consolidated financial statements
The consolidated accounts incorporate the accounts of the parent charitable company, Horshader Community Development and its wholly-owned subsidiary, Risort Power Generation Limited. All inter-company transactions and year-end balances are removed on consolidation.

Critical accounting judgements and key sources of estimation uncertainty
Fixed asset net book value and depreciation charges are the areas of the accounts which are affected by significant judgements and estimates. The directors exercise judgement in determining both the useful economic life and the likely residual value of the charity's assets. This judgement affects the rates of and charge for depreciation as well as grant release in the accounts for the year. It also therefore affects the net book value of the assets in the balance sheet.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Government grants
Income from government and other grants, whether capital grants or revenue grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

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

continued...

1. **ACCOUNTING POLICIES - continued**

Charitable activities
Charitable expenditure comprises those costs incurred by the charity in the delivery of its objects and activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. The allocation of direct and support costs are analysed in the notes to the financial statements.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the charity.

Governance costs
Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include accountancy fees and costs linked to the strategic management of the charity.

Allocation and apportionment of costs
All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. estimated usage.

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

Buildings	- 4% depreciation on cost
Plant and machinery	- 20% depreciation on cost, 5% depreciation on cost and Straight line over 7 years
Fixtures and fittings	- 25% depreciation on cost
Motor vehicles	- 25% depreciation on reducing balance
Office equipment	- 25% depreciation on cost

Tangible fixed assets are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £100 are not capitalised.

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Lease commitments
Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred over the period of the lease.

continued...

Notes to the Financial Statements - continued
for the Year Ended 31 December 2025

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Debtors and creditors
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. DONATIONS AND LEGACIES

	31.12.25	31.12.24
	£	£
Donations	2,507	799

3. OTHER TRADING ACTIVITIES

	31.12.25	31.12.24
	£	£
Risort Sales	667,563	1,018,952

4. INVESTMENT INCOME

	31.12.25	31.12.24
	£	£
Bank account interest	32,860	29,260

All investment income arises from assets held within the UK.

5. INCOME FROM CHARITABLE ACTIVITIES

		31.12.25	31.12.24
	Activity	£	£
Rental Income	Community development	1,827	5,451
Grants	Community development	-	12,046
Other Income	Community development	163	1,890
Grants	Community growing project	1,000	-
Growing Project	Community growing project	9,171	3,519
Grants	Rural Transport	1,862	1,755
Handyman	Rural Transport	4,607	2,158
Other Income	Rural Transport	2,107	2,149
		20,737	28,968

Grants received, included in the above, are as follows:

	31.12.25	31.12.24
	£	£
Comhairle nan Eilean Siar	-	11,866
Bus Service Operators Grant	1,862	1,755
DTA Scotland	-	180
Carried forward	1,862	13,801

continued...

Notes to the Financial Statements - continued
for the Year Ended 31 December 2025

5. INCOME FROM CHARITABLE ACTIVITIES - continued

	31.12.25	31.12.24
	£	£
Brought forward	1,862	13,801
Climate Hebrides	1,000	-
	2,862	13,801

6. RAISING FUNDS

Other trading activities

	31.12.25	31.12.24
	£	£
Risort direct costs	2,518	2,764
Risort operating costs	93,067	90,921
Risort tax charge	-	(108,027)
Depreciation	89,443	89,443
	185,028	75,101

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8)	Grant funding of activities (see note 9)	Support costs (see note 10)	Totals
	£	£	£	£
Community development	207,014	77,233	36,948	321,195
Community growing project	86,042	-	1,659	87,701
Rural Transport	66,661	-	3,315	69,976
	359,717	77,233	41,922	478,872

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.12.25	31.12.24
	£	£
Staff costs	203,464	169,735
Project costs and purchases	21,709	3,659
Site rent	15,410	15,588
Events	-	510
Minibus expenses	5,808	7,681
Repairs and renewals	15,890	9,932
Tools and equipment	11,399	2,232
Legal and professional fees	11,441	427
Donations	2,869	2,366
Fuel Poverty project	34,500	41,458
Depreciation	37,227	27,465
	359,717	281,053

continued...

9. GRANTS PAYABLE

	31.12.25	31.12.24
	£	£
Community development	77,233	24,165

The total grants paid to institutions during the year was as follows:

	31.12.25	31.12.24
	£	£
Clann an Latha an De	4,999	-
Carloway Community Association	-	2,000
Norse Mill	-	1,600
Sgoil Siabost School Fund	750	2,700
Carloway Agricultural Society	758	590
Westside Football Club	2,500	-
Shawbost Old School	-	800
Carloway Football Club	5,000	-
Western Thistle Football Club	6,276	-
Iomain Cholm Cille	-	1,000
Caradh-Cuimhne	-	2,000
Islands Book Trust	-	2,000
Sgoil an Taobh Siar	300	500
Stramash Lewis	200	-
Comunn Eachdraidh Charlabhaigh	4,050	-
Shawbost Free Church	40,000	-
Urras Coimhearsnachd Bhradhagair & Arnoil	3,800	-
	68,633	13,190

The total grants paid to individuals during the year was as follows:

	31.12.25	31.12.24
	£	£
Education bursaries	8,000	9,490
Goodwill Payments to Individuals	600	1,485
	8,600	10,975

10. SUPPORT COSTS

	Human resources	Other	Governance costs	Totals
	£	£	£	£
Community development	11,041	18,236	7,671	36,948
Community growing project	1,430	229	-	1,659
Rural Transport	2,898	417	-	3,315
	15,369	18,882	7,671	41,922

continued...

Notes to the Financial Statements - continued
for the Year Ended 31 December 2025

10. SUPPORT COSTS - continued

Support costs, included in the above, are as follows:

	Community development £	Community growing project £	Rural Transport £	31.12.25 Total activities £	31.12.24 Total activities £
Insurance	-	-	2,898	2,898	1,472
Light and heat	5,611	644	-	6,255	10,671
Telephone	4,196	-	-	4,196	2,792
Rates and water	1,234	786	-	2,020	2,147
Insurance	4,428	-	-	4,428	5,019
Training costs	3,720	77	-	3,797	804
Postage and stationery	1,765	151	6	1,922	1,705
Advertising and website	894	-	-	894	580
Bad debts	-	-	-	-	1,754
Membership and subscriptions	4,282	-	411	4,693	3,295
Sundry expenses	2,010	-	-	2,010	2,497
Bank charges	1,137	1	-	1,138	1,375
Auditors' remuneration	5,000	-	-	5,000	3,500
Accountancy and legal fees	2,671	-	-	2,671	8,945
	36,948	1,659	3,315	41,922	46,556

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.25 £	31.12.24 £
Auditors' remuneration	5,000	3,500
Depreciation - owned assets	126,671	116,908
Other operating leases	2,518	2,764
Surplus on disposal of fixed assets	(4,377)	-

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2025 nor for the year ended 31 December 2024.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2025 nor for the year ended 31 December 2024.

continued...

Notes to the Financial Statements - continued
for the Year Ended 31 December 2025

13. STAFF COSTS

	31.12.25	31.12.24
	£	£
Wages and salaries	191,587	161,370
Social security costs	8,322	6,011
Other pension costs	3,555	2,354
	203,464	169,735

The average monthly number of employees during the year was as follows:

	31.12.25	31.12.24
Charitable activities	14	14

No employees received emoluments in excess of £60,000.

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - Group

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	775	24	799
Charitable activities			
Community development	19,387	-	19,387
Community growing project	-	3,519	3,519
Rural Transport	-	6,062	6,062
Other trading activities	1,018,952	-	1,018,952
Investment income	29,260	-	29,260
Total	1,068,374	9,605	1,077,979
EXPENDITURE ON			
Raising funds	75,101	-	75,101
Charitable activities			
Community development	208,866	9,980	218,846
Community growing project	-	71,086	71,086
Rural Transport	-	61,842	61,842
Total	283,967	142,908	426,875
NET INCOME/(EXPENDITURE)	784,407	(133,303)	651,104
Transfers between funds	(110,686)	110,686	-
Net movement in funds	673,721	(22,617)	651,104
RECONCILIATION OF FUNDS			
Total funds brought forward	2,439,545	361,005	2,800,550
TOTAL FUNDS CARRIED FORWARD	3,113,266	338,388	3,451,654

continued...

15. TANGIBLE FIXED ASSETS - Group

	Buildings £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 January 2025	272,784	2,075,970	2,619
Additions	-	8,112	-
Disposals	-	-	-
At 31 December 2025	272,784	2,084,082	2,619
DEPRECIATION			
At 1 January 2025	92,398	1,360,250	2,619
Charge for year	10,912	99,716	-
Eliminated on disposal	-	-	-
At 31 December 2025	103,310	1,459,966	2,619
NET BOOK VALUE			
At 31 December 2025	169,474	624,116	-
At 31 December 2024	180,386	715,720	-

	Motor vehicles £	Office equipment £	Totals £
COST			
At 1 January 2025	101,091	25,421	2,477,885
Additions	8,550	-	16,662
Disposals	(52,796)	-	(52,796)
At 31 December 2025	56,845	25,421	2,441,751
DEPRECIATION			
At 1 January 2025	49,782	22,650	1,527,699
Charge for year	13,955	2,088	126,671
Eliminated on disposal	(48,756)	-	(48,756)
At 31 December 2025	14,981	24,738	1,605,614
NET BOOK VALUE			
At 31 December 2025	41,864	683	836,137
At 31 December 2024	51,309	2,771	950,186

continued...

Notes to the Financial Statements - continued
for the Year Ended 31 December 2025

15. TANGIBLE FIXED ASSETS – Charity only

	Buildings £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 January 2025	272,784	287,112	2,619
Additions	-	8,112	-
Disposals	-	-	-
At 31 December 2025	272,784	295,224	2,619
DEPRECIATION			
At 1 January 2025	92,398	272,786	2,619
Charge for year	10,912	10,273	-
Eliminated on disposal	-	-	-
At 31 December 2025	103,310	283,059	2,619
NET BOOK VALUE			
At 31 December 2025	169,474	12,165	-
At 31 December 2024	180,386	14,326	-

	Motor vehicles £	Office equipment £	Totals £
COST			
At 1 January 2025	101,091	25,421	689,027
Additions	8,550	-	16,662
Disposals	(52,796)	-	(52,796)
At 31 December 2025	56,845	25,421	652,893
DEPRECIATION			
At 1 January 2025	49,782	22,650	440,235
Charge for year	13,955	2,088	37,228
Eliminated on disposal	(48,756)	-	(48,756)
At 31 December 2025	14,981	24,738	428,707
NET BOOK VALUE			
At 31 December 2025	41,864	683	224,186
At 31 December 2024	51,309	2,771	248,792

continued...

Notes to the Financial Statements - continued
for the Year Ended 31 December 2025

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity Only	
	31.12.25	31.12.24	31.12.25	31.12.24
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	29,886	44,412	1,105	682
Other debtors	180,740	206,943	67,215	61,965
	210,626	251,355	68,320	62,647
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	221,082	221,082
Aggregate amounts	210,626	251,355	289,402	283,729

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity Only	
	31.12.25	31.12.24	31.12.25	31.12.24
	£	£	£	£
Trade creditors	12,518	11,418	12,518	11,207
Taxation and social security	6,679	123	6,679	123
Other creditors	23,695	21,950	13,332	15,424
	42,892	33,491	32,529	26,754

continued...

18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.25	31.12.24
	£	£
Within one year	4,150	4,150
Between one and five years	22,375	22,375
In more than five years	44,180	48,330
	70,705	74,855

19. MOVEMENT IN FUNDS - Group

	At 1.1.25	Net movement in funds	Transfers between funds	At 31.12.25
	£	£	£	£
Unrestricted funds				
General fund	1,793,028	323,329	(319,998)	1,796,359
Community fund	140,237	(127,938)	-	12,299
Designated Fund - Reserves	660,000	-	-	660,000
Designated Fund - Horshader Bursary Fund	420,000	12,356	35,236	467,592
Designated Fund - Future Income Fund	100,000	-	143,656	243,656
	3,113,265	207,747	(141,106)	3,179,906
Restricted funds				
Community Growing Project fund	4,355	(77,531)	76,371	3,195
Capital fund	334,034	(9,048)	-	324,986
Rural Support and Connect Fund	-	(57,024)	64,735	7,711
	338,389	(143,603)	141,106	335,892
TOTAL FUNDS	3,451,654	64,144	-	3,515,798

continued...

Notes to the Financial Statements - continued
for the Year Ended 31 December 2025

19. MOVEMENT IN FUNDS - Group - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	692,566	(369,237)	323,329
Community fund	-	(127,938)	(127,938)
Designated Fund - Horshader Bursary Fund	12,356	-	12,356
	704,922	(497,175)	207,747
Restricted funds			
Community Growing Project fund	10,170	(87,701)	(77,531)
Capital fund	-	(9,048)	(9,048)
Rural Support and Connect Fund	12,952	(69,976)	(57,024)
	23,122	(166,725)	(143,603)
TOTAL FUNDS	728,044	(663,900)	64,144

Comparatives for movement in funds

	At 1.1.24 £	Net movement in funds £	Transfers between funds £	At 31.12.24 £
Unrestricted funds				
General fund	1,478,457	845,257	(530,686)	1,793,028
Community fund	201,088	(60,851)	-	140,237
Designated Fund - Reserves	760,000	-	(100,000)	660,000
Designated Fund - Horshader Bursary Fund	-	-	420,000	420,000
Designated Fund - Future Income Fund	-	-	100,000	100,000
	2,439,545	784,406	(110,686)	3,113,265
Restricted funds				
Community Growing Project fund	16,458	(67,565)	55,462	4,355
Capital fund	344,014	(9,980)	-	334,034
Rural Support and Connect Fund	533	(55,757)	55,224	-
	361,005	(133,302)	110,686	338,389
TOTAL FUNDS	2,800,550	651,104	-	3,451,654

continued...

Notes to the Financial Statements - continued
for the Year Ended 31 December 2025

19. MOVEMENT IN FUNDS - Group - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,053,164	(207,907)	845,257
Community fund	15,210	(76,061)	(60,851)
	1,068,374	(283,968)	784,406
Restricted funds			
Community Growing Project fund	3,521	(71,086)	(67,565)
Capital fund	(1)	(9,979)	(9,980)
Rural Support and Connect Fund	6,085	(61,842)	(55,757)
	9,605	(142,907)	(133,302)
TOTAL FUNDS	1,077,979	(426,875)	651,104

FUNDS

General fund
The general fund represents unrestricted funds which the trustees are free to use in accordance with the charitable objects.

Community fund
This represents funds designated by the trustees to be reinvested in the community through the support of various community projects and also to assist with future operating costs.

Designated Fund - Reserves
This represents funds set aside as reserves, to cover charity expenditure, fund-raising costs, emergency repairs and a decommissioning fund.

Designated Fund - The Horshader Bursary Fund
This represents funds to be invested with a view to taking half the interest / yield to fund bursaries for those undergoing tertiary education, or other learning activities in line with the Trust's educational support objective.

Designated Fund - The Future Income Fund
This represents funds to be invested with a view to replace the Risort Wind Turbine, with a new income stream, beyond 2032, when the RPG FiT agreement expires. This Fund will be augmented year on year with at least 10% of the turbine's generation income.

Community Growing Project fund
This represents grants received from public funding agencies and trusts in respect of the charity's Community Growing project which includes the construction of six polytunnels and a solardome glasshouse and the employment of a full time horticulturist and a part time project outreach officer. The capital element of the project has been allocated to the Capital fund.

Capital fund
This represents grants received from public funding agencies and trusts in respect of specified capital expenditure.

Rural Support and Connect fund
The aim of the Rural Support and Connect project is to enable the community to enjoy a better quality of life through the community minibus and handy person service.

continued...

19. MOVEMENT IN FUNDS - continued

Transfers between funds

Fund transfers in the year represent the Trust's own contribution to restricted projects.

20. CONTINGENT LIABILITIES

Big Lottery Fund have a standard security over the lease of 3,850 square metres or thereby at South Shawbost, Isle of Lewis. This security is taken by the Big Lottery Fund as part of the conditions of grant funding to allow clawback of grant should these conditions not be met.

21. RELATED PARTY DISCLOSURES

Risort Power Generation Limited is a wholly owned trading subsidiary of Horshader Community Development which has been set up by the charity to develop community-owned renewable energy projects.

The charity has provided loans to its subsidiary to assist in the development of a community wind energy project. There is no scheduled repayment date and the loan bears interest at 3.5% above base rate. The balance of this loan at 31 December 2025 was £221,082 (2024 - £221,082). Interest charged on the loan during the year was £16,610 (2024 - £18,978). The amounts owed to the charity by the subsidiary at 31 December 2025 in relation to interest are £53,458 (2024: £36,848).

During the year ended 31 December 2025, the charity charged its subsidiary £13,934 (2024: £14,159 in relation to rent and £1,200 (2024: £1,200) in administration charges for the year. The charity also received gift aid payments of £849,361 (2024: £693,726) from the subsidiary during the year.

22. LIMITED BY GUARANTEE

The company is limited by guarantee and has no share capital. The liability of each member in the event of the company being wound up is restricted to £1.

23. PERMANENT ENDOWMENTS

The charity does not have any permanent endowments.

Detailed Statement of Financial Activities - Group for the Year Ended 31 December 2025

	Unrestricted funds £	Restricted funds £	31.12.25 Total funds £	31.12.24 Total funds £
INCOME AND ENDOWMENTS				
Donations and legacies				
Donations	2,509	(2)	2,507	799
Other trading activities				
Risort Sales	667,563	-	667,563	1,018,952
Investment income				
Bank account interest	32,860	-	32,860	29,260
Charitable activities				
Rental Income	1,827	-	1,827	5,451
Grants	-	2,862	2,862	13,801
Growing Project	-	9,171	9,171	3,519
Handyman	-	4,607	4,607	2,158
Other Income	163	2,107	2,270	4,039
	1,990	18,747	20,737	28,968
Other income				
Gain on sale of tangible fixed assets	-	4,377	4,377	-
Total incoming resources	704,922	23,122	728,044	1,077,979
EXPENDITURE				
Other trading activities				
Risort direct costs	2,518	-	2,518	2,764
Risort operating costs	93,067	-	93,067	90,921
Risort tax charge	-	-	-	(108,027)
Depreciation of tangible fixed assets	89,443	-	89,443	89,443
	185,028	-	185,028	75,101
Charitable activities				
Wages	88,947	102,640	191,587	161,370
Social security	-	8,322	8,322	6,011
Pensions	1,939	1,616	3,555	2,354
Project costs and purchases	14,244	7,465	21,709	3,659
Site rent	13,934	1,476	15,410	15,588
Events	-	-	-	510
Minibus expenses	-	5,808	5,808	7,681
Repairs and renewals	10,604	5,286	15,890	9,932
Tools and equipment	1,522	9,877	11,399	2,232
Legal and professional fees	11,441	-	11,441	427
Donations	2,869	-	2,869	2,366
Carried forward	145,500	142,490	287,990	212,130

Detailed Statement of Financial Activities - Group
for the Year Ended 31 December 2025

	Unrestricted funds £	Restricted funds £	31.12.25 Total funds £	31.12.24 Total funds £
Charitable activities				
Brought forward	145,500	142,490	287,990	212,130
Fuel Poverty project	34,500	-	34,500	41,458
Depreciation of tangible fixed assets	17,966	19,261	37,227	27,465
Grants to institutions	68,633	-	68,633	13,190
Grants to individuals	8,600	-	8,600	10,975
	275,199	161,751	436,950	305,218
Support costs				
Human resources				
Insurance	-	2,898	2,898	1,472
Light and heat	5,611	644	6,255	10,671
Telephone	4,196	-	4,196	2,792
Rates and water	1,234	786	2,020	2,147
	11,041	4,328	15,369	17,082
Other				
Insurance	4,428	-	4,428	5,019
Training costs	3,720	77	3,797	804
Postage and stationery	1,765	157	1,922	1,705
Advertising and website	894	-	894	580
Bad debts	-	-	-	1,754
Membership and subscriptions	4,282	411	4,693	3,295
Sundry expenses	2,010	-	2,010	2,497
Bank charges	1,137	1	1,138	1,375
	18,236	646	18,882	17,029
Governance costs				
Auditors' remuneration	5,000	-	5,000	3,500
Accountancy and legal fees	2,671	-	2,671	8,945
	7,671	-	7,671	12,445
Total resources expended	497,175	166,725	663,900	426,875
Net income	207,747	(143,603)	64,144	651,104