

## **21<sup>st</sup> Annual General Meeting of Sleat Community Trust**

**Date: Thursday, 23<sup>rd</sup> of January 2025**

**Venue: Talla Donaidh Chaimbeul, Sabhal Mòr Ostaig**

**Time: 7:00 pm**

### **1. Welcome from the Meeting Chair:**

Ade Stokes (financial Director SCT) welcomed the board as chair of the meeting.

Ade introduced himself as elected director and as chair of the meeting. The SCT Board has no appointed chair of the board at the moment, so the board meetings are chaired in rotation.

All attendees were informed of where the fire exits and toilets in the building are, and everyone was also advised that the meeting was being recorded for minuting purposes and then there was a quick run through of the agenda.

### **2. Attendance, Apologies and absences: the meeting was quorate with 10%.**

#### Attendees, Members:

Ashford	David
Campbell	Jonny
Davison	Carol
De Vries	Catherine
Gillies	Norman
Godfrey	Tim
Grant	Eilidh
Howarth	Nicola
Howarth	Philip
Larson	Anita
Lindsay	Ian
MacDonald	Frances J
MacDonald	John
MacDonald	Margaret
MacGillivray	Martin
MacGillivray	Margaret
MacInnes	Duncan
MacInnes	Polly
Maclean	Mary Flora
Marsh	Chris
McKay	Paddy
Noakes	Garry

Pendlebury	Christopher
Petri	Tricia
Rawlinson	Kathryn
Roberts	Peter
Roberts	Sheana
Rosie	Marie
Stiven	Calum
Stokes	Adrian
Stokes	Jo
Van	
Ruitenbeek	Diane
Van	
Ruitenbeek	Ruud
Ware	Rob
White	Rosy
Williamson	Andrew

Attendees, Non-Members:

Howarth	Ciorstan
MacLure	Janette
MacPherson	Norma

All above signed up to become members on the day

Macleod	Myrielle (Company Secretary)
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Cumming	Andy (Accountant)
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**Proxies:**

McGillivray	Alison
Gillies	Jean
Petri	Hans
Maclean	Ronald
Shone	Patricia
Shone	Richard

**Apologies:**

Armstrong	Patricia
	Mary
Barham	Louise
Barrington	Veronica
Byrne-	
Sutton	Fiona
Cook	Andy
Hutchison	Karen

Jackson	Dorothy
Larson	Simon
Macdonald	Angus
MacDonald	Donald
MacDonald	Morag
MacLennan	Donald A.
Nicolson	Donald

### **3. Minutes of the last AGM**

There were no action points from the last AGM and no questions on them were raised.

The minutes of the last AGM were proposed by Andy Williamson and seconded by Rosy White.

### **4. Presentation of accounts and reappointment of auditors**

Mann Judd Gordon has been the long running accountant and auditor for the whole of the Trust.

Andy Cumming (senior accountant and auditor) joined the meeting via Zoom to present the Accounts from April 2023- March 2024. He also shared his screen with the attendees.

The accountant explained that due to a combined income of all the entities (once you take of the intercompany transactions) of over 1 million and 66 thousand an audit and consolidated accounts are legally required by OSCR, the charity regulator.

The Trust has various fixed (such as office building, shop, Forest etc) and other assets which combined make up over 2 million pounds in assets.

Sleat Community Trading Ltd.'s 5-year Profit and Loss Account was shown. Sales in the shop were up significantly in comparison with the last 2 years. Other income (Skyenet) has been fairly consistent over the years. There is other income from Skyenet, Visit Sleat, Rural Fuel Duty Relief and the Post Office. The vast majority of the income for the whole Trust Income (nearly 1 million) comes from Trading and there it comes primarily from the Shop.

The overall Gross Profit (Income minus direct costs) has gone up but lower percentage in comparison to previous years of total income. Less money per pound of sale has been made. Prices of items have increased, and these increases had to be passed on to the customers.

The overheads that Trading have to deal with are the staff wages (sustainable local employment), light and Heat (which has dropped as charity is paying this opposed to the shop) and the payments to SCT to support the charity during the year. The payments to the Trust have also gone up over the years.

A donation from the shop of its profits to the charity at the end of the year was done to reduce the tax liability. Due to this, the shop is unable to build up any reserves.

Andy then focused on the Profit and Loss for Sleat Renewables. Ltd which was also a 5 year report.

SRL does not have the same requirements as the shop for paying its profits up to the Charity. Main operation of Sleat Renewables is the commercial operation of Tormore Forest.

Sales have dropped for SRL and the Long Term Forest Plan is still being developed. Without this, a felling licence cannot be obtained.

Due to the Sales having dropped, there was then less money made to transfer up to the Trust. Even though, in March 2024 there was more money transferred to the Trust on a monthly basis than before which is not sustainable. Sales have now dropped further which means there is less reserves and less profit. This will become a problem in the future if there are no other income streams from Sleat Renewables and funding to the Sleat Community Trust will be diminished.

Sleat Community Trust's report shows the income and expenditure for the Trust on its own. The Trust has become dependent on the income from Sleat Community Trading and Renewables over the years. The other sustainable income is investment income which comes from the garage. The rest of the income was from various grants for various small projects.

Andy then showed the income and expenditure for the entire operation. There was over 1 million worth of consolidated income for the 2023-2024 year. The deficit for the year was over £16,000. Restricted money is held in the account for specific purposes whereas unrestricted money is for everything else. In restricted funds there was a deficit of over £16,000 whereas in the unrestricted funds there was a deficit of over £36,000. This deficit is important to note for the viability of the organisation. Reserves of the overall organisation was shown on the balance sheet. The Net assets for Unrestricted funds was over £500,000 for the year where most of the money is tied up in fixed assets. The net current asset is just over £135,000. This shows that if all assets were sold during the year (including stocks etc) and all debits were paid, there would be a plus of £135,000 in the bank. This would keep the organisation going for 5 months of outgoings without any new income going in. The stated policy of the organisation states it should be 3 months, so we are ahead of this. However, last year, this was enough to cover 7 months. It has reduced in comparison to last year in reserves.

Overall, the charity needs to go over the business model to obtain a sustainable future which the Trustees are currently working on.

Ade asked if there were any questions for the accountant and none were raised. Ade Stokes thanked the accountant for joining.

Andy Cumming left the meeting at 7:33 pm.

The SCT board would like to re-appoint the auditors Mann Judd Gordon for this year. The membership was asked if they support this. A clear majority agreed to this.

## **5. Appointment of Trustees**

Since the last AGM in November 2023, 2 Directors stepped down.

Andrea Nollent stepped down in February 2024 and Martin MacGillivray (former Chair of the board) stepped down in March 2024.

Stepping down after this AGM will be:

- Flora MacLean
- Ruaridh Morrison
- Dòmhnall Angaidh MacLennan (former SMO representative)
- Ruud van Ruitenbeek (stepping down as co-opted director)
- Garry Noakes (stepping down as co-opted director)
- Christopher Pendlebury (former SRL chair)

Both Ruud and Garry were previously appointed as co-opted directors and are now stepping down from this role to be re-elected as elected directors.

Andy Williamson is the appointed director from the Sleat Community Council, and he is staying on as appointed director.

Ade thanked all the outgoing directors for their support and work.

Directors that will remain on the board and do not require re-election are:

- Eilidh Grant
- Paddy McKay
- Ade Stokes

All directors to be elected at this AGM had their Name, supporting statement and who proposed and who seconded their nomination shown on the screen for everyone to see. The membership was then asked to confirm election of the directors by show of hands.

*Ruud van Ruitenbeek: Majority elected*

*Garry Noakes: Majority elected*

*Duncan MacInnes: Majority elected*

*Donald MacDonald: Majority elected*

*John MacDonald: Majority elected*

With the newly elected Directors, this brings the total of SCT directors to 9. Up to 12 directors are allowed to be on the board. This leaves 3 places for the board to co-opt members of the community to fill skills gaps on the board.

The board also requires a young person (16-25 yrs) to be on the board. For this, Ciorstan Howarth was introduced and nominated to become co-opted at the next SCT board meeting (27/01/25).

Ade advised the membership that anybody interested in joining the Trust should contact the office.

It was also mentioned that volunteers are also required to help so if anybody would like to help in any capacity, they do not need to become board members. Please contact the office if you are interested.

## **6. Report from the Board**

### Sleat Community Trading Ltd. – Chair: Ruud Van Ruitenbeek

Ruud introduced himself as chair of the Trading board and thanked the community for a good year (even with the challenges that had to be faced). He thanked the members of Visit Sleat, the people who shop in the store and the Skyenet broadband customers for their valuable and much needed support.

Ruud then handed over to Catherine de Vries, one of the 3 Shop Managers.

### Armadales Stores – Catherine de Vries

Catherine informed the community that the sales have been healthy and there has been an increase in sales in comparison to recent years despite the fuel sales being significantly down because of Mallaig fuel station been back open and running.

The summer has unfortunately not been great, but the shop is continuing to grow. More local customers are shopping in the store as well as customers that do not live in Sleat. A lot of Tourists are keen to support the local shops as well. There has been an increased internet and Facebook presence from the shop and the shop proves to be a worthy shopping experience while stocking staples as well as different things that are harder to get elsewhere.

The high point of the year for Armadales Stores was the recently awarded Sustainability Award from the Scottish Grocers Federation which considered the shop's heating, refill, use of less plastic, local produce, EV deliveries and recycled fuel pumps. Armadales Stores can now say they are an award-winning shop. The award belongs to the community though as they are the ones that support it. The pressure is now on to keep providing a great shopping experience. Despite all the highs, profits for the shop do not come easy. A community shop pays more than your regular supermarket and it cannot compete with them. However, the managers are trying to keep the margins as fair as possible, but they have to strike a balance between this and keeping the shop afloat.

The shop supports about 10 shops which are paid above minimum wage which is healthy for the community. Catherine mentioned thanks to the staff that has recently left and the new staff that has joined since, which brings new energy and ideas to the new team.

Catherine then thanked all the staff, volunteers, volunteer drivers and customers of Armadales Stores for their continuing work and support and for creating a warm and welcome atmosphere.

Some more highlights for the store were the fruit and vegetables promotion in October which entitled everyone to 10% off fruit and vegetables and where each child could get a free piece of fruit, sponsored by the supplier Williamson.

The shop is stocking some new products already and hoping to stock some more things to keep it exiting and is also offering gift vouchers for sale.

Armadale Stores also celebrated their 3<sup>rd</sup> anniversary in 2024, and this was celebrated with art from the community.

#### Skynet- Calum Stiven

Calum Stiven, who is the engineer for Skynet introduced himself and confirmed that Skynet has currently got 138 customers who are all residential customers. This is a slight decrease to last year.

The small profit that Skynet has gotten has been reinvested to work on the network. Core Routers have been replaced, and batteries have been installed at core sites which will help with internet access when there is a power cut. The monitoring system has also been updated to give more accurate data. There was a series of problems with the wider network (West Highland Internet Exchange) that Skynet connects to such as a capacity restraint to the fibre in Mallaig which caused some knock-on issues which are still affecting Skynet. This caused a decline in the efficiency of the service for the northern users of Skynet in Heaste, Ord and Drumfearn. Most prominent issues have now been fixed.

In future, switches at the core mast sites will be replaced and Fibre Optic cable will be ordered at Tarskavaig Village Hall and hopefully offer different services through that. Automatic fail over for customers with mobile data that need a higher level of up time than we have at the moment is also being looked at. The uptime now is at 99.98%.

Reasons for the loss of customers were the increased competition by Starlink (wireless technology) and Fibre to the premises rolling out during the area that Skynet covers and less uptake of new customers, but Skynet is here to compete.

#### Visit Sleat – Paddy McKay

Paddy explained that Visit Sleat is solely run by volunteers, Jane McDermott, Kevin and Janni Williams and himself.

Visit Sleat runs the website Sleat, Perfectly Skye which has been redesigned recently to give customers the opportunity to upload their own data. Visit Leaf also produces a leaflet every year that is being distributed in various outlets. There is also an option for anyone to take and distribute some for their own guests etc. Visit Sleat is also very active on Facebook thanks to Kevin and Janni. They promote Sleat so people come down and visit Sleat. Over the last years Visit Sleat has introduced interactive screens in the Trust foyer and at An Crubh.

Any income is being re-invested to promote the area.

Visit Sleat has also got a leaflet in the Visitor Magazine and the Landmark Bedroom Folder.

In the future, they are hoping to get more businesses/members involved to support each other. Please get in touch if you would like to have your business put on the website and leaflet.

#### Sleat Renewables Ltd. – Chris Pendlebury

Chris introduced himself as having previously been the chair of SRL, but he has since stepped down.

Chris pointed out that SRL is in a dire financial position, and he explained how SRL got there and what to do about this.

In March 2023 the Trust was informed that both Mike Shucksmith and Gordon Matheson's positions were not going to be funded anymore from April 2023. Gordon had previously managed SRL and had ideas for its development which included spending money from the SRL funds and grants to purchase a truck, a blower, electric doors, generator and new concrete baffles. This was fully supported by the SRL board at the time.

To help, Mike's and Gordon's positions were to be funded via the Trust, but this was not viable long term. This left SRL without Business Managers and then also without any administrative support for over 4 months.

In November 2023 problems arose when the humidity meter for woodchip broke, and the cost was more than £600 to repair this.

In December 2023, SRL lost their second biggest customer, Lochalsh Leisure Centre, due to an electrical fire so they stopped taking woodchip from SRL.

Issues with the ferries in December 23/January 24 caused the chipper to not come over which meant SRL ran out of woodchip. This brought about the loss of the biggest contract with the college Sabhal Mòr Ostaig.

The third customer, An Crubh, then had issues with the woodchip that was delivered and has not come back.

Therefore, the main source of SRL's income with woodchip has disappeared and caused financial issues.

In the future, SRL will be a much smaller organisation which will be reliant on volunteers for producing split logs etc. for local sale.

A bright spot however was that in August 2023 the Forest loan had been paid off. The Tormore Forest is therefore wholly owned by the community and the Trust.

To help with the financial difficulties, there are certain things that SRL can do.

With the felling licence in place wood can be cut and sold off. This would clear SRL's debt as woodchip is no longer a source of income, but this is being delayed by the approval of the Long-Term Forest Plan.

Chris thanked Polly and the rest of the SRL board and John Rawlinson for their help during difficult times and he also thanked the customers who are continuing to order split logs.

Environmentally wise, SRL has done some Buddleia control (funded by a grant) and some tree planting has been done. However, tree planting is a sticking point for the approval of the Long – Term Forest Plan as it is impossible to plant the required amount using volunteers only.



### Sleat Community Trust – Ade Stokes (financial director):

Ade went through the objectives from last year's Trustee report. One point in there was that the Number of Directors on the board should be raised. This was achieved at the last AGM with 2 elected and 2 co-opted Directors to replace 3 that had stepped down.

Donation money from the Sleat Hydro was to be used for charitable purposes and this was achieved by donating £750 together to the Ardvasar Permaculture and the Broadford Youth Club.

Going forward, there are a couple of things the Trust must do.

The board will need strengthening, which has been done at this AGM.

The appointment of a Chair of the board needs to be done and the board also needs to do a strategic review which has already been started with the help of DTAS (independent help) to identify what needs to be done going forward and how to develop a strategy.

### Community Council Collaboration – Andy Williamson:

Andy Williamson then took over. Andy is a director of Sleat Community Trust and has been appointed as such by the Sleat Community Council.

Andy pointed out that both the Trust and the council are now working more closely together.

Andy has been responsible with others for writing the Local Place Plan for Sleat. This has been done without any funding towards it and Andy thanked the team and especially Duncan MacInnes and all the other Trust and Council members for their help in getting this done.

The Local Place Plan is an aspirational plan for what people in Sleat want, what they want to do and what they want to have done better in the short and medium term. The plan itself is a 10-year plan and is at the moment still a draft, waiting for feedback from ward councillors. The Local Place Plan will be used to guide the Trust's strategic review.

Any comments on the draft plan are welcome and Andy left some drafts in print available for members to look at and take away.

Andy also mentioned that Funding to refurbish the old Ardvasar Playpark has been given and a plan has been agreed. The budget has been brought down, and there is money in the remaining budget for tables and benches, locally made. The building works will hopefully start when the weather gets better in conjunction with the Dunvegan playpark refurbishment.

### SCT – Finance – Ade Stokes:

Ade explained that the key message from the Statutory accounts done by the accountants is that the Trust needs to become self-sufficient. This is a key measure to be focusing on.

The state of the bank balance for the Charity itself is something that has been focused on this year because the bank balance itself not only reflects expenses both also the income the Trust receives, largely from Trading and SRL. At the end of the last financial year, the Trust had close to £40,000 in

the bank account. Each month this has been slowly eroded as the Trust has been paying more out in bills than was made in income.

The lump sum contribution from Trading at the end of last year has left SCT in a slightly better position for the end of this financial year even though some of this money had to be loaned out to SRL.

This tells us that the Trust is too heavily reliant on the lump sum contributions from Trading which is not guaranteed as margins are tight. Taking the SRL income away from the Trust, leaves the situation in a worse position. There needs to be a way to replace the SRL income and find new sources of income which is where the strategic planning comes in and is extremely important.

Any ideas are welcomed by the Board.

## **7. Questions:**

### Question 1:

Potential loss of SRL income?

Ade Stokes: SRL pay the Trust a set amount each month which is roughly £1,200 per month. Without an income they will struggle to pay this to the Trust.

### Question 2:

Has there been any thought on discussing with our lairds (FEI/Clan) donating a percentage of profits to Trust?

Andy Williamson: One estate is always very receptive to supporting community initiatives however a profit-sharing arrangement is highly unlikely with either estate.

### Question 3:

Look widely at what funding is available and determine which way to go. During the strategic review the Trust needs to look widely at what funding is available and see if there is anything we want to do.

Ade Stokes: at a recent DTAS event in Staffin that he and Myrielle Macleod (SCT Admin) attended there were Business Development Managers available for all other Trusts but not Sleat Community Trust. As a development trust we can use project funding to support a Business Development Officer to manage the project. The Trust needs to be actively looking for funding and projects but should find the right projects and not chase infrastructure money as this can often long-term overheads and challenges associated with it.

A portfolio of potential projects is being made so that the Trust can apply for funding as it arises. This needs to be a focus for next year.

All agreed that a passive income would be best and that the Trust already has considerable assets.

It was suggested that more conversations with other groups need to be had as well going forward.

No more questions were posed.

Ade Stokes thanked everyone involved for their work on preparing and running the AGM and an extra thanks went out to the College and Eilidh Grant. A thanks was also offered to everyone attending.

**The AGM closed at 08:55 pm.**