

North Harris Trading Company Limited

Annual Report

November 2020 – October 2021

Board of Directors

Chairman
Gordon Ness

Vice Chair
Tim Langley

Directors
Steve McCombe

NHT/NHTC Directors
Barbara MacKay
Kirsty MacKay

Company Secretary
Michael Hunter

Chairman's Report

Year ending 31st October 2021

With Covid-19 and the ongoing restrictions placed on the company we continued our plan to consolidate, improve and remove some existing development schemes whilst looking for new revenue generating projects.

The shareholdings in Monan (Windfarm) and Bun Abhainn Eadarra (Micro Hyrdo) renewable energy schemes were exited from with some positive return to the company.

The Huisinis Gateway was reopened for a major portion of the tourist season and so income via donations was positive compared to 2020.

The recycling site at Urgha, whose operations have been expanded to include the sale of agricultural feed and some building/fencing supplies, continues to grow and the plan is to increase stockholding based on demand. Covid restricted the site for a number on months and restricted delivery of skips from CnES created a need to change hours of availability. A review of the site and the land usage could offer expansion mainly for crofting materials.

As previously stated in past AGM's, housing continues as a priority as the company and NHT continue to seek and review suitable site(s) with other agencies.

As always, I am very grateful to the board of directors for continuing to give their time to the company. I also thank the Trust board and staff for their support, in particular, David Wake and Michael Hunter for their consistent enthusiasm and professionalism.

Development Officer's Report

Year ending 31st October 2021

The North Harris Trading Company (NHTC) is the wholly-owned subsidiary of the North Harris Trust (NHT). It was established in 2003 to deliver new income streams to the Trust to allow it to expand its community development activities.

This year saw Earth Capital (EC) exit its two Harris hydro schemes. NHTC worked closely with The West Harris Trust to bid to secure community ownership of both the Bunavoneader and Glean Dubhlinn hydro-electric schemes. EC eventually accepted an superior bid from Hydropol, a Czech Republic based developer. As part of the original agreement Hydropol acquired the minority shareholdings held by the two community groups. As of August, NHTC has no stake in the scheme ownership. NHTC has since agreed terms to continue to provide monthly checks on the scheme. NHT will continue to receive a ground rent.

Early in the year, one of the Monan wind turbines experienced a catastrophic failure during maintenance. Pictures of the blades scattered on the ground were circulated widely on social media. Health and Safety concerns were raised with Constantine Wind Energy (CWE), the majority owner of the scheme. Later in the year CWE asked NHTC to co-sign a refinancing deal. The potential liabilities of this, along with operational concerns prompted the decision for NHTC to sell its minority shareholding in the windfarm.

Microgeneration has continued unabated throughout the pandemic. NHTC owns and operates three solar PV installations and three wind turbines. Quotes were received for the replacement of the Urgha Westwind turbine, as it is no longer supported. These proved to be too expensive to allow an acceptable payback time. It was agreed to inspect the turbine and continue operation.

NHTC continues to operate the North Harris Community Recycling Site on behalf of CnES. This year has once again been challenging with a lack of serviceable skips and drivers, meaning that skips haven't been turning over as quickly as needed. We have continued the restricted winter opening schedule throughout the year. There is some hope of the situation improving as CnES has secured funding to purchase new equipment.

The Crofting Supplies business continued to grow throughout the year. The product range has developed with the recent addition of wild bird feed and feeders and the broadening of the supplier base. As well as a card-payment terminal, a cloud-based till system was installed. This, along with the ability to print receipts, is providing an easier way of documenting sales and reporting VAT due. In May we received Kickstart funding to employ a young person for 6 months. This has offered extra help with the retail and recycling operations as well as supporting the Estate Maintenance team. The local availability of animal feeds and fencing materials has been well received by the community during this second year of the pandemic.

We continue to investigate opportunities to create more business space in North Harris. Following an earlier feasibility study into redeveloping the area around the recycling site at Urgha, a site investigation was undertaken. The conclusion drawn from the results of numerous trial pits was that any development would involve the removal of significant volumes of peat and spoil contaminated with years of domestic

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refuse. The possibility of relocating the recycling operation to the Gun Club is still being investigated with the use of portacabins/containers that don't require foundations excavated.