

THE ARRAN TRUST

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

**Company Registration No. SC392051 (Scotland)
Charity Registration No. SC042312 (Scotland)**

THE ARRAN TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|----------------------------------|---|
| Trustees | Mr Kenneth Bone Mr Tom Tracey Mr Robert Waine Mrs Angela Elliott-Walker Mr Henry Murdo Mr Richard Small Mrs Margaret Currie |
| Secretary | Mr Tom Tracey |
| Charity number (Scotland) | SC042312 |
| Company number | SC392051 |
| Principal address | VisitArran Tourist Information Office Brodick Isle of Arran North Ayrshire KA27 8AU |
| Registered office | VisitArran Tourist Information Office Brodick Isle of Arran North Ayrshire KA27 8AU |
| Independent examiner | William Duncan + Co Ltd 30 Miller Road Ayr Ayrshire KA7 2AY |
| Bankers | Royal Bank of Scotland Brodick Branch Brodick Isle of Arran KA27 8AP |

THE ARRAN TRUST

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THE ARRAN TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020

The trustees present their report and financial statements for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's memorandum and articles of association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as issued in October 2019 for accounting periods commencing from 1 January 2019)

Objectives and activities

The charity's objects are the delivery of environmental enhancements and conservation of the Isle of Arran and the promotion of sustainable development practices. Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. The policies adopted in furtherance of these objects are to protect the environment and fund conservation and green infrastructure and there has been no change in these during the year.

Fundamental to achieving our objectives is engagement with Visitors to Arran to support the environment by voluntarily contributing to Arran Trust.

Arran Access Trust – Dougarie Path

A grant of £2000 was awarded to support improvements to Dougarie footpath which leads up to Glen Iorsa to the Loch. This is a popular route on the west side of Arran.

Arran Access Trust – Fisherman's Walk

It was agreed to offer £3000 to Arran Access Trust to assist in remedial works on this popular route.

Arran Bike Club

Funding of £130 was awarded in support of a new information pack for off-road cycling. This would offer a selection of routes which would encourage visitors and local residents alike, to take their bike off the busier main thoroughfares. The remaining £500 for the overall costs was met by NAC COAGS funding.

Forestry & Land Scotland

The Trustees awarded £5000 towards improvements to the Giants' Graves footpath which goes up from Whiting Bay. The costs of the works to be carried out are considerable, given the location of this path, which is hard to access with materials.

NTS – Garbh Allt Bridge

An award of £7000 was made to support the building of a new bridge to assist access up Glen Rosa for the Ranger Service and Arran Mountain Rescue Team. This bridge is the main access to the Arran hills, as well as being popular with low level walkers. However, the wooden infrastructure is no longer safe and makes the area inaccessible for all, including Arran Mountain Rescue team.

The funding is to replace the wooden bridge with a steel structure, allowing separate access for argo cats when required for hill rescue.

VisitArran

An award of £6,000 was made to VisitArran as part of a project to assist in developing the Fisherman's Walk further, with signage and interpretation from the pier onwards. This was part of a larger funding programme put together by Arran Access Trust, North Ayrshire Council and VisitArran. Work on this project is ongoing.

Whiting Bay & District Improvements

The Trustees supported a bid from the WBDI to reproduce their popular Walk Your Way Round Whiting Bay leaflets. These had been very popular in the past, and with the Forestry opening up, offered visitors and residents a map and a choice of five circular routes. £280 was awarded towards the overall cost of this information.

THE ARRAN TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

EyeSpace Digital

A new website was created for the Arran Trust over summer 2019. This offered easier opportunity for encouraging new 'Friends of Arran Trust' and also for online donations. The website also highlighted some of the key projects undertaken. Total cost was £3,293.70 with ongoing maintenance costs of £39 per calendar month.

R/Evolution

Website costs were incurred until the new website was set up.

Fundraising Costs

The Trust undertook some fundraising and promotion during summer 2019. This involved a Texas Scramble golf competition (which was supported and sponsored by local businesses), and also various small raffles at Arran Farmers' Show and Brodick Highland Games. Costs incurred overall were £202.38.

Marketing

Adverts were taken out in the Arran Banner to promote the Trust; one in Summer and one in Winter. Adverts were also taken out in both Arran Farmers' Show and Brodick Highland Games programmes.

A further £5,000 was made to VisitArran in lieu of Administration for the year.

Achievements and performance

Income Notes:

1. Visitor Gifting from Auchrannie resort has decreased from previous years due to a change in their policy.
2. Various fundraising events brought in some additional revenue

Due to the Coronavirus (Covid-19) outbreak, the trust meetings have been cancelled, as a result no grants have been awarded after the year end.

The trustees have cash reserves in excess of outstanding grants and will adjust future awards to suit the income received ensuring the charity remains a going concern through the pandemic.

The Arran Trust was set up as a sister company to VisitArran Ltd, and is a registered charity. The Arran Trust is a visitor gifting scheme, that supports community groups and businesses to potentially sustain, restore, protect, interpret and conserve the environmental beauty of Arran that so attracts these same visitors. This may be in the form of access, interpretation, education, heritage or perhaps even species reintroduction. The Arran Trust continues to grow and develop, as awareness of the Trust and its aims become more apparent to community groups and visitors alike. Over 30 local businesses support the Trust, by use of collecting cans, sponsored products or nightly donations from visitors.

Financial review

The Trustees consider the financial position of the charity to remain strong and plan to increase income and gifting in future years by adding resources to support the expansion of existing programmes and the creation of new programmes.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

THE ARRAN TRUST

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

FOR THE YEAR ENDED 31 MARCH 2020

Structure, governance and management

The charity is a company limited by guarantee, was incorporated on 24th January 2011 and has no share capital.

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

Mr Kenneth Bone

Mr Tom Tracey

Mr Robert Waine

Mrs Angela Elliott-Walker

Mr Henry Murdo

Mr Richard Small

Mrs Margaret Currie

The current trustees are responsible for appointment of additional or replacement trustees. Any proposals or nominations are discussed at the next Board meeting and a majority decision is required.

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

The charity is controlled by the Board of Trustees, who make the decisions at the Board meetings. The day to day management is carried out by Sheila Gilmour, Executive Director of VisitArran Ltd.

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

Mr Tom Tracey

Trustee

Dated: 28 August 2020



THE ARRAN TRUST

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE ARRAN TRUST

I report on the financial statements of the charity for the year ended 31 March 2020, which are set out on pages 5 to 13.

Respective responsibilities of trustees and examiner

The trustees, who are also the directors of The Arran Trust for the purposes of company law, are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

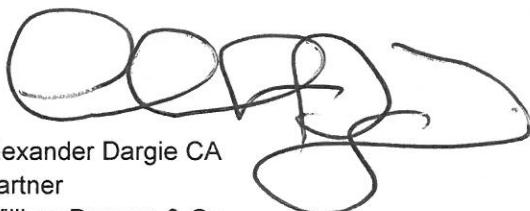
Basis of independent examiner's report

My examination was carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - (ii) to prepare accounts which accord with the accounting records, comply with Regulation 8 of the 2006 Accounts Regulations;
- have not been met; or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Alexander Dargie CA
Partner

William Duncan & Co
30 Miller Road
Ayr
Ayrshire
KA7 2AY

Dated: 4/7/2020

THE ARRAN TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020

| | Notes | Unrestricted funds 2020 £ | Total 2019 £ |
|---------------------------------------|-------|------------------------------------|--------------------|
| <u>Income from:</u> | | | |
| Donations and legacies | 3 | 23,887 | 23,612 |
| Investments | 4 | 16 | 20 |
| Total income | | 23,903 | 23,632 |
| <u>Expenditure on:</u> | | | |
| Charitable activities | 5 | 32,039 | 27,907 |
| Net expenditure for the year/ | | | |
| Net movement in funds | | (8,136) | (4,275) |
| Fund balances at 1 April 2019 | | 25,855 | 30,130 |
| Fund balances at 31 March 2020 | | 17,719 | 25,855 |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE ARRAN TRUST

BALANCE SHEET

AS AT 31 MARCH 2020

| | Notes | 2020 £ | 2019 £ |
|---|-------|-----------|-----------|
| Fixed assets | | | |
| Tangible assets | 9 | 165 | 329 |
| Current assets | | | |
| Debtors | 10 | - | 17 |
| Cash at bank and in hand | | 17,554 | 34,009 |
| | | 17,554 | 34,026 |
| Creditors: amounts falling due within one year | 11 | - | (8,500) |
| Net current assets | | 17,554 | 25,526 |
| Total assets less current liabilities | | 17,719 | 25,855 |
| | | 17,719 | 25,855 |
| Income funds | | | |
| Unrestricted funds | | 17,719 | 25,855 |
| | | 17,719 | 25,855 |

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2020.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 28 August 2020

Mr Tom Tracey
Trustee

Company Registration No. SC392051

THE ARRAN TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Charity information

The Arran Trust is a private company limited by guarantee incorporated in Scotland. The registered office is VisitArran, Tourist Information Office, Brodick, Isle of Arran, North Ayrshire, KA27 8AU.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's memorandum and articles of association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as issued in October 2019 for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have assessed the financial implications arising from the Coronavirus (Covid-19) outbreak, which has affected the UK. The trustees have reviewed forecasts for the 12 months based on any anticipated change in the charity's activities in the short term. The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

THE ARRAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure, other than that which is capitalised, is charged to the SOFA on an accruals basis, inclusive of VAT.

Charitable activities comprises all costs and expenses considered to relate to achieving and maintaining the objects of The Arran Trust.

Grant funding is recognised when the award is agreed by the trustees.

Governance costs are those costs incurred to allow The Arran Trust to comply with statutory obligations.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|---------------------|-------------------|
| Plant and machinery | 20% straight line |
|---------------------|-------------------|

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE ARRAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Derecognition of financial liabilities

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

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

| | Unrestricted funds | Total |
|---------------------|-----------------------|--------|
| | 2020 | 2019 |
| | £ | £ |
| Donations and gifts | 23,887 | 23,612 |
| | ===== | ===== |

THE ARRAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

4 Investments

| | Unrestricted funds | Total |
|---------------------|--------------------|--------|
| | 2020 £ | 2019 £ |
| Interest receivable | 16 | 20 |
| | ===== | ===== |

5 Charitable activities

| | Environmental protection or improvement | Environmental protection or improvement |
|---|---|---|
| | 2020 £ | 2019 £ |
| Staff costs | | |
| Depreciation and impairment | 5,000 | 4,000 |
| Fundraising costs | 164 | 164 |
| Advertising and Sponsorship | 451 | 541 |
| Website Costs | 175 | 546 |
| Road Safety Leaflets | 3,489 | 3,420 |
| | 350 | - |
| | ===== | ===== |
| | 9,629 | 8,671 |
| Grant funding of activities (see note 6) | 22,410 | 19,236 |
| | ===== | ===== |
| | 32,039 | 27,907 |
| | ===== | ===== |

THE ARRAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

6 Grants payable

| | 2020 £ | 2019 £ |
|------------------------------|--------------|--------------|
| Grants to institutions: | | |
| Arran Access Trust | 5,000 | - |
| Whiting Bay Improvements | 280 | - |
| Arran Community Council | - | 600 |
| Geopark | (1,000) | 7,500 |
| Visit Arran | 6,000 | - |
| Arran Theatre and Arts Trust | - | 8,436 |
| Arran Sports Association | - | 2,700 |
| Arran Bike Club | 130 | - |
| Forestry and Land Scotland | 5,000 | - |
| National Trust for Scotland | 7,000 | - |
| | <hr/> 22,410 | <hr/> 19,236 |
| | <hr/> <hr/> | <hr/> <hr/> |

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or reimbursement of travelling expenses during the year.

8 Employees

There were no employees during the year.

| Employment costs | 2020 £ | 2019 £ |
|--------------------|-----------|-----------|
| Wages and salaries | 5,000 | 4,000 |
| | <hr/> | <hr/> |

Employment costs consist of £5,000 (2019 - £4,000) administration costs recharged by Visit Arran Limited from their payroll expense.

THE ARRAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

| | | | |
|-----------|---|----------------------------|-------------|
| 9 | Tangible fixed assets | | |
| | | Plant and machinery | |
| | | £ | |
| | Cost | | |
| | At 1 April 2019 | | 821 |
| | At 31 March 2020 | | 821 |
| | Depreciation and impairment | | |
| | At 1 April 2019 | | 492 |
| | Depreciation charged in the year | | 164 |
| | At 31 March 2020 | | 656 |
| | Carrying amount | | |
| | At 31 March 2020 | | 165 |
| | At 31 March 2019 | | 329 |
| 10 | Debtors | | |
| | | 2020 | 2019 |
| | Amounts falling due within one year: | £ | £ |
| | Other debtors | - | 17 |
| 11 | Creditors: amounts falling due within one year | | |
| | | 2020 | 2019 |
| | | £ | £ |
| | Other creditors | - | 8,500 |
| 12 | Events after the reporting date | | |

At the date on which the financial statements were approved, the financial implications arising from the Coronavirus (Covid-19) outbreak, which affected the UK, have been assessed by the trustees. The trustees have reviewed forecasts for any anticipated change in the charity's activities in the short term. The trustees are of the opinion that the Covid-19 outbreak is a non-adjusting Post Balance Sheet Event and that the charity remains a going concern.

Due to the Coronavirus (Covid-19) outbreak, trust meetings have been cancelled and no grant applications have been approved after the year end.

THE ARRAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

13 Related party transactions

The charity paid Visit Arran Limited £5,000 (2019- £4,000) for administration costs incurred during the year. The charity also awarded Visit Arran Limited £6,000 (2019 - £nil) for projects during the year. Visit Arran Limited is related by virtue of 3 common directorships. There were no amounts outstanding at the period end.

The charity awarded Arran Access Trust £5,000 (2019- £nil) for projects during the year. Arran Access Trust is related by virtue of 1 common directorships. There were no amounts outstanding at the period end.