

THE ARRAN TRUST

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

**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

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THE ARRAN TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and financial statements for the year ended 31 March 2021.

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) (effective 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 Pioneer Project

Arran Pioneer Project is a voluntary run network of community-led farms in villages around Arran. The aim is to achieve, manage and coordinate a network of sites that are either directly created by the project, or in partnership with existing farmers and producers willing to participate, to allow the island community to access and develop land for growing food. This is accessible for all ability levels, community led farms and hopes to result in social hubs within walking distance of every islander within 5 years. Funding of £5,000 was awarded in Feb 2021 specifically for deer fencing at the site in Lochranza.

Community Run Public Toilets

As Arran opened up from the first lockdown in Summer 2020, it was agreed to support community-run public toilets with a one-off award of £200 each to support costs of additional sanitizer, cleaning products etc. Some public toilets remained closed, but each community group who received the award operated the toilets for the benefit of residents and visitors alike. The six groups were: Brodick Improvements, Lamash Improvements, Whiting Bay Improvements, Kilmory Hall, Blackwaterfoot Bogs, and Corrie & Sannox Village Committee.

Lochranza Centre CIC

The Arran Trust were very supportive of a collaborative project to produce three short promotional videos covering Arran's geology, archaeology, and ecology. These will eventually be downloaded for streaming and will promote all aspects of 'Arranology'. The Trustees awarded the project £5000 towards costs. The first aim of the project is to demonstrate a collaborative approach of all the bodies on Arran who deal with conservation and education (this includes Lochranza Centre, CIC, who submitted the application). The second is to promote Arran's unique status as an Island Geopark. The third is to educate our residents on how special this island is, generating pride and respect.

NTS Garbh Allt Bridge, Glen Rosa

NTS needed to replace the wooden Garbh Allt bridge with a new footbridge with argocat access. Argocats could no longer be guaranteed safe passage over the bridge in its current condition. An engineers report stated that the wooden footbridge was no longer fit for purpose and needed to be replaced as soon as possible. Width and strength of bridge would need to support Argocats to ensure safe access for Arran Mountain Rescue Team. The Trust had awarded this project £7000 in Dec 2019, and further investigation by engineers indicated a galvanized steel would be required to last longer. As such the Trustees awarded another £7000 towards the increased costs in Dec 2020. The bridge has now been installed.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Ongoing Running Costs

There are ongoing monthly management costs for the website, which includes an annual payment for the domain hosting. By error this was paid twice in 2020, and a refund has been authorized for April 2021. There is also a monthly payment made to Just Giving, and one off payments to Simply Business and VisitArran for insurance and administration costs.

Marketing

The Arran Trust took on the Arran Wishing Well from Arran Rotary in July 2020. This is a donation based coin collecting well, situated at the entrance to Brodick Pier. There were costs associated with new signage for this. In addition, advertising space was taken out in the Arran Banner visitor map, and also in their Christmas greeting message. A small advert was also placed to encourage donations, by way of promotion of the Arran Trust.

Achievements and performance

INCOME Notes:

1. All visitor gifting decreased greatly due to Covid-19 lockdown and restrictions which meant Arran could only open for visitors for 3 months.
2. The Wishing Well brought in some additional revenue which was unexpected.
3. Arran Milk donated 5p from every litre sold in 2020.
4. Friends of Arran Trust are gradual.
5. A voluntary group made Arran Facemasks and these were in return for donation to Arran Trust.
6. Bank compensation was paid following a lengthy dispute to get access to digital banking.

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.

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:

THE ARRAN TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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: 10 June 2021



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 2021, which are set out on pages 5 to 12.

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.

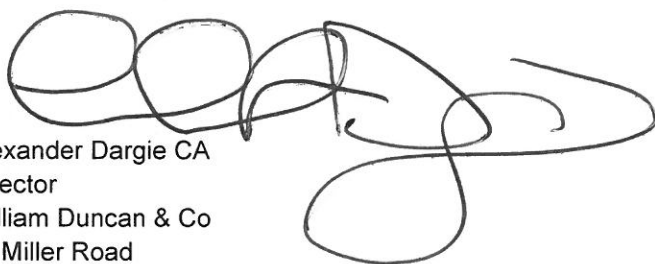
Basis of independent examiner's report

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

Dated: 15/6/21

THE ARRAN TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<u>Income and endowments from:</u>			
Donations and legacies	3	8,373	23,887
Investments	4	9	16
Other income	5	250	-
Total income		<u>8,632</u>	<u>23,903</u>
<u>Expenditure on:</u>			
Charitable activities	6	<u>21,144</u>	<u>32,039</u>
Net expenditure for the year/ Net movement in funds		(12,512)	(8,136)
Fund balances at 1 April 2020		<u>17,719</u>	<u>25,855</u>
Fund balances at 31 March 2021		<u><u>5,207</u></u>	<u><u>17,719</u></u>

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 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	10		-		165
Current assets					
Cash at bank and in hand		5,207		17,554	
Net current assets			5,207		17,554
Total assets less current liabilities			5,207		17,719
Income funds					
Unrestricted funds			5,207		17,719
			5,207		17,719

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 2021.

The directors 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 10 June 2021

Mr Tom Tracey
Trustee



Company Registration No. SC392051

THE ARRAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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 continued to assess the financial implications arising from the ongoing 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.

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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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
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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 2021

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	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	8,373	23,887

THE ARRAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

4 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Interest receivable	9	16

5 Other income

	Unrestricted funds	Total
	2021	2020
	£	£
Other income	250	-

6 Charitable activities

	Environmental protection or improvement	Environmental protection or improvement
	2021	2020
	£	£
Staff costs	1,000	5,000
Depreciation and impairment	164	164
Fundraising costs	234	451
Advertising and Sponsorship	544	175
Website Costs	852	3,489
Road Safety Leaflets	-	350
Insurance	150	-
	2,944	9,629
Grant funding of activities (see note 7)	18,200	22,410
	21,144	32,039

THE ARRAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

7 Grants payable

	2021 £	2020 £
Grants to institutions:		
Arran Access Trust	-	5,000
Kilmory Hall Improvements	200	-
Whiting Bay Improvements	200	280
Brodick Improvements	200	-
Lamlash Improvements	200	-
Geopark	-	(1,000)
Lochranza centre	5,000	-
Visit Arran	-	6,000
Arran Bike Club	-	130
Forestry and Land Scotland	-	5,000
National Trust for Scotland	7,000	7,000
Arran Pioneer Project	5,000	-
Blackwaterfoot Improvements	200	-
Corrie & Sannox Improvements	200	-
	<u>18,200</u>	<u>22,410</u>

8 Trustees

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

9 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Total	-	-
	<u>-</u>	<u>-</u>
Employment costs	2021 £	2020 £
Wages and salaries	1,000	5,000
	<u>1,000</u>	<u>5,000</u>

Employment costs consist of £1,000 (2020 - £5,000) 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 2021

10 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 April 2020	821
At 31 March 2021	821
Depreciation and impairment	
At 1 April 2020	657
Depreciation charged in the year	164
At 31 March 2021	821
Carrying amount	
At 31 March 2021	-
At 31 March 2020	165

11 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 continues to affect 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.

12 Related party transactions

The charity paid Visit Arran Limited £1,000 (2020- £5,000) for administration costs incurred during the year. The charity also awarded Visit Arran Limited £nil (2020 - £6,000) 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 £nil (2020- £5,000) 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.