

THE ARRAN TRUST

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

**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 2019

The trustees present their report and financial statements for the year ended 31 March 2019.

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 amended for accounting periods commencing from 1 January 2016)

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.

Geopark -

There is a will for Arran to have National Geopark status. To this end, Arran Trust have agreed to award £7,500 towards phase 2 of this project.

Arran Community Council (ACC)

Following the local authority ceasing to fund flower tubs, the Arran Trust awarded £600 to ACC to support purchase of bedding plants for community groups to who had expressed an interest in utilising tubs which will would otherwise be removed and potentially destroyed. The tubs were currently planted with spring bulbs and when these bloomed bulbs were removed and stored for future use. The tubs were replanted with bedding plants and the villages maintained these over the year.

Arran Sports Association

Some of the existing floodlights on the Astroturf were 10-20 years old and many had failed over recent years. The remaining bulbs were not environmentally suitable, and the Trust agreed to offer £2700 towards new LED lighting which would give the minimum acceptable level of light for use on the pitch, encouraging youth groups to partake in physical activity during winter months.

Arran Theatre & Arts Trust

The ATAT was awarded £8436 by the Trustees for an Arran Arts Heritage Trail. This will be an archive, which will consist of physical place markers, a dedicated website and accompanying leaflet and will highlight the many important visual artists who have been inspired by the environment and landscapes of Arran. The trail will for the first time make it possible for locals and visitors to visit, learn about and appreciate the locations which have inspired many important artists. The Trust asked for more information on this project which took the form of a presentation, before approval was awarded.

THE ARRAN TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

Fundraising Costs

The Trust paid £120 for the hire of Brodick Hall for a fundraising concert in May 2018; for the same concert VisitArran paid our £25.94 for refreshments, and £73 was paid to Wyvex Media for advertising the same event. The concert made £281.06 profit. In September 2018 the Trust ran a fundraising BBQ for the Arran Sportive, and costs paid out totaled £107.31, making a profit of £142.58

Marketing

An advert was taken out in the Arran Banner for both the Malt & Music Festival and as a Christmas Message. Adverts were taken out in both Arran Farmers' Show and Brodick Highland Games programmes. These would promote the Trust, but were also seen as support for the two longest running events on Arran, dating back to 19thC, and both established part of Arran's heritage. Further production of leaflets for Island Guide for Camping, and Island Guide for Dog, was produced bearing the Arran Trust logo. These have proved very popular with visitors and cost £600.

R//Evolution

Website improvements were required to conform with GDPR guidelines at a cost of £2160. The annual hosting fee was £720.

VisitArran

The Trustees awarded £4,000 in lieu of administration of the project throughout the year.

Achievements and performance

Donations

- This year visitor donations have totalled £18,117
- Collecting cans & small fundraising events raised £5,173
- Just Giving generated £322

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 2019

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: 9 September 2019

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 2019, 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.

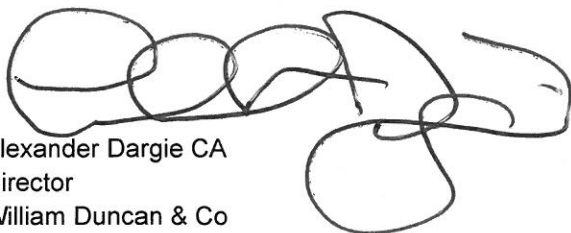
Basis of independent examiner's report

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

Dated: 9 September 2019

THE ARRAN TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

		Unrestricted funds 2019 £	Total 2018 £
	Notes		
<u>Income from:</u>			
Donations and legacies	3	23,612	41,502
Investments	4	20	18
Total income		<u>23,632</u>	<u>41,520</u>
<u>Expenditure on:</u>			
Charitable activities	5	<u>27,907</u>	<u>46,183</u>
Net expenditure for the year/ Net movement in funds		(4,275)	(4,663)
Fund balances at 1 April 2018		<u>30,130</u>	<u>34,793</u>
Fund balances at 31 March 2019		<u><u>25,855</u></u>	<u><u>30,130</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 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	9		329		493
Current assets					
Debtors	11	17		-	
Cash at bank and in hand		34,009		38,565	
		<u>34,026</u>		<u>38,565</u>	
Creditors: amounts falling due within one year	12	<u>(8,500)</u>		<u>(8,928)</u>	
Net current assets			25,526		29,637
Total assets less current liabilities			<u>25,855</u>		<u>30,130</u>
Income funds					
Unrestricted funds			25,855		30,130
			<u>25,855</u>		<u>30,130</u>

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 2019.

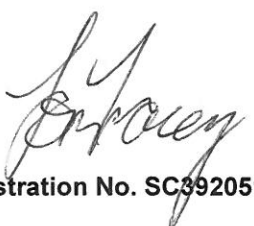
The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its 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 9 September 2019

Mr Tom Tracey
Trustee



Company Registration No. SC392051

THE ARRAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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 amended for accounting periods commencing from 1 January 2016). 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 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.

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.

THE ARRAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

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 2019

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
	2019 £	2018 £
Donations and gifts	23,612	41,502

THE ARRAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

4 Investments

	Unrestricted funds	Total
	2019 £	2018 £
Interest receivable	20	18

5 Charitable activities

	Environmental protection or improvement	Environmental protection or improvement
	2019 £	2018 £
Staff costs	4,000	9,600
Depreciation and impairment	164	164
Fundraising costs	541	953
Advertising and Sponsorship	546	782
Website Costs	3,420	960
	8,671	12,459
Grant funding of activities (see note 6)	19,236	33,724
	27,907	46,183

THE ARRAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

6 Grants payable

	2019 £	2018 £
Grants to institutions:		
Arran Access Trust	-	11,500
Shiskine Valley	-	3,896
Arran Mountain Festival	-	250
Arran Community Council	600	-
Geopark	7,500	-
Lochranza and Catacol Sea Society	-	2,800
Community of Arran Seabed Trust (COAST)	-	6,600
Eco Savy	-	500
21st Ayrshire Cubs	-	300
eXXpediton	-	500
Visit Arran	-	4,000
Forestry Commission Scotland	-	3,378
Arran Theatre and Arts Trust	8,436	-
Arran Sports Association	2,700	-
	<u>19,236</u>	<u>33,724</u>

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	2019 £	2018 £
Wages and salaries	<u>4,000</u>	<u>9,600</u>

Employment costs consist of £4,000 (2018 - £9,600) 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 2019

9 Tangible fixed assets

Plant and machinery
£

Cost

At 1 April 2018

821

At 31 March 2019

821

Depreciation and impairment

At 1 April 2018

328

Depreciation charged in the year

164

At 31 March 2019

492

Carrying amount

At 31 March 2019

329

At 31 March 2018

493

10 Financial instruments

2019
£

2018
£

Carrying amount of financial assets

Debt instruments measured at amortised cost

17

-

Carrying amount of financial liabilities

Measured at amortised cost

8,500

8,928

11 Debtors

2019
£

2018
£

Amounts falling due within one year:

Other debtors

17

-

12 Creditors: amounts falling due within one year

2019
£

2018
£

Other creditors

8,500

8,928

THE ARRAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

13 Related party transactions

The charity paid Visit Arran Limited £6,000 (2018 - £9,600) for administration costs incurred during the year. The charity also awarded Visit Arran Limited £nil (2018 - £4,000) 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 (2018 - £11,500) for projects during the year. Arran Access Trust is related by virtue of 1 common directorship. There were no amounts outstanding at the period end.

The charity awarded Shiskine Valley £nil (2018 - £3,896) for projects during the year. Shiskine Valley is related by virtue of 1 common directorship/committee member. There were no amounts outstanding at the period end.

The charity awarded Arran Sports Association £2,700 (2018 - £nil) for projects during the year. Arran Sports Association is related by virtue of 1 common directorship/committee member. There were no amounts outstanding at the period end.

The charity awarded Arran Theatre and Arts Trust £8,436 (2018 - £nil) for projects during the year. Arran Theatre and Arts Trust is related by virtue of 1 common directorship/committee member. There were no amounts outstanding at the period end.