

THE ARRAN TRUST

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

**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

CONTENTS

	Page
Trustees' report	1 - 3
Independent examiner's report	4
Statement of financial activities	5
Balance sheet	6
Notes to the accounts	7 - 12

THE ARRAN TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2018

The trustees present their report and accounts for the year ended 31 March 2018.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Company's Memorandum & Articles of Association, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) issued on 16th July 2014.

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.

21st Ayrshire Cubs -

The cubs undertake voluntary work with the Rangers at Brodick Castle to improve the grounds. The Trust awarded the cubs £300 towards their accommodation costs for this exercise.

Arran Access Trust : Geopark -

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

Arran Access Trust: High Corrie Footpath -

The Trust awarded £3000 for the construction of an all weather footpath which would prevent further deterioration and damage to the route. The project has created a better walking experience for users whilst minimising environmental damage.

Arran Access Trust: Access on Arran Leaflets -

The Arran Access Trust produce a very popular 'Access on Arran' leaflet with a map of walks and access. The Trust awarded £1,000 towards the reprint of this informative and popular leaflet for visitors.

Arran Mountain Festival –

The Trustees agreed to contribute £250 towards the training of more local mountain leaders.

Community of Arran Seabed Trust: Interpretation -

The Trust supported the Community of Arran Seabed Trust (COAST) in their plans to develop site-specific interpretation panels along the coastline informing visitors about the organisation and in the importance of marine conservation. The Trust supported this application by awarding £2,600 to this project.

Community of Arran Seabed Trust: Octopus Centre -

Funding of £4,000 was awarded to the Community of Arran Seabed Trust (COAST) to support the development of the Octopus Centre. The Centre will provide snorkelling opportunities and drone footage of the seabed in No Take Zone.

THE ARRAN TRUST

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2018

Eco Savy-

To support the reduction of plastic waste, Eco Savy has initiated a campaign to refill water bottles. The Arran Trust supported this by awarding the project £500 towards window decals that promote the scheme.

eXXpedition -

An all-woman crew sailed round the coast of Britain researching plastics and the impact of such on marine life. At each stop they gave educational talks. Arran Trust offered £500 towards costs in order that a stop over was made in Lamlash Bay where they could inform visitors and local school children alike.

Forestry Commission Scotland -

A previous application for part-funding towards to access to Carn Ban, an archaeological site in south Arran had been approved in October 2014 but put on hold pending others work. FCS now wished to proceed. The Trust confirmed the original amount of £3,377.84 would now be awarded.

Lochranza & Catacol Sea Society -

This group runs the only step ashore facility on Arran. The Trust awarded £2,800 towards the maintenance costs of the new pins for the pontoon.

Shiskine Valley Improvements SCIO -

The voluntary path building team in this area, had noted drainage issues at the south of Blackwaterfoot beyond what is known as 'Preachers Cave'. Arran Trust awarded £2,600 towards the materials required for this work to be carried out. A further £1,296 was awarded to cover VAT which had not been included in the costings previously.

Visit Arran Limited-

The Trustees awarded £4,000 to a proof of concept project with University of West of Scotland which would be used to enhance Arran with 360 degree footage, including the Geopark.

Visit Arran Limited was also paid £9,600 in lieu of administration of the project and staffing costs throughout the year.

Achievements and performance

Donations

- This year visitor donations have totalled £36,082
- Collecting cans & small fundraising events raised £4,102
- Just Giving generated £1,318

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.

THE ARRAN TRUST

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2018

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 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: 17 August 2018



THE ARRAN TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE ARRAN TRUST

I report on the accounts of the charity for the year ended 31 March 2018, 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: 17 August 2018

THE ARRAN TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
<u>Income from:</u>			
Donations and legacies	3	41,502	49,556
Investments	4	18	15
Total income		<u>41,520</u>	<u>49,571</u>
<u>Expenditure on:</u>			
Charitable activities	5	46,183	35,573
Net (expenditure)/income for the year/ Net movement in funds		(4,663)	13,998
Fund balances at 1 April 2017		<u>34,793</u>	<u>20,795</u>
Fund balances at 31 March 2018		<u><u>30,130</u></u>	<u><u>34,793</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 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	9		493		657
Current assets					
Cash at bank and in hand		38,565		35,136	
Creditors: amounts falling due within one year	11	(8,928)		(1,000)	
Net current assets			29,637		34,136
Total assets less current liabilities			30,130		34,793
Income funds					
Unrestricted funds			30,130		34,793
			30,130		34,793

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 2018. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The trustees' responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts 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 accounts, so far as applicable to the company.

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

The accounts were approved by the Trustees on 17 August 2018

Mr Tom Tracey
Trustee



Company Registration No. SC392051

THE ARRAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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 accounts 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 accounts 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 accounts, 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 accounts.

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 accounts.

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 2018

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
---------------------	-------------------

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.

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.

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.

THE ARRAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.9 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

	2018	2017
	£	£
Donations and gifts	41,502	49,556

4 Investments

	2018	2017
	£	£
Interest receivable	18	15

THE ARRAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

5 Charitable activities

	2018 £	2017 £
Staff costs	9,600	7,724
Depreciation and impairment	164	164
Fundraising costs	953	332
Advertising and Sponsorship	782	266
Website Costs	960	360
	<u>12,459</u>	<u>8,846</u>
Grant funding of activities (see note 6)	33,724	26,727
	<u><u>46,183</u></u>	<u><u>35,573</u></u>

6 Grants payable

	2018 £	2017 £
Grants to institutions:		
Arran Access Trust	11,500	700
Shiskine Valley	3,896	540
Arran Mountain Festival	250	-
Duke of Edinburgh Award Scheme	-	746
Arran Heritage Museum	-	10,000
Arran Beekeeping Group	-	300
Brodick Improvements	-	10,000
Roots of Arran	-	1,080
Lamlash Improvements Group	-	1,300
Arran Community Council	-	330
Arran Disc Golf	-	731
Geopark	-	1,000
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	-
	<u>33,724</u>	<u>26,727</u>

7 Trustees

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

THE ARRAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

8 Employees

There were no employees during the year.

Employment costs	2018	2017
	£	£
Wages and salaries	9,600	7,724

Employment costs consist of £9,600 (2017 - £6,000) administration costs recharged by Visit Arran Limited from their payroll expense and £nil (2017 - £1,724) for payment to a short term University intern.

9 Tangible fixed assets

	Plant and machinery
	£
Cost	
At 1 April 2017	821
At 31 March 2018	821
Depreciation and impairment	
At 1 April 2017	164
Depreciation charged in the year	164
At 31 March 2018	328
Carrying amount	
At 31 March 2018	493
At 31 March 2017	657

10 Financial instruments

	2018	2017
	£	£
Carrying amount of financial liabilities		
Measured at amortised cost	8,928	1,000

11 Creditors: amounts falling due within one year

	2018	2017
	£	£
Other creditors	8,928	1,000

THE ARRAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

12 Related party transactions

The charity paid Visit Arran Limited £9,600 (2017 - £6,000) for administration costs incurred during the year. The charity also awarded Visit Arran Limited £4,000 (2017 - £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 £11,500 (2017 - £700) 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 £3,896 (2017 - £540) 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.