

**THE ARRAN TRUST**

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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

# THE ARRAN TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr Kenneth Bone Mr Tom Tracey Mr Robert Waine Mrs Angela Elliott-Walker Mr Henry Murdo Mr Richard Small Mrs Margaret Currie
<b>Secretary</b>	Mr Tom Tracey
<b>Charity number</b>	SC042312
<b>Company number</b>	SC392051
<b>Principal address</b>	VisitArran Tourist Information Office Brodick Isle of Arran North Ayrshire KA27 8AU
<b>Registered office</b>	VisitArran Tourist Information Office Brodick Isle of Arran North Ayrshire KA27 8AU
<b>Independent examiner</b>	William Duncan + Co 30 Miller Road Ayr Ayrshire KA7 2AY
<b>Bankers</b>	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 2017**

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The trustees present their report and accounts for the year ended 31 March 2017.

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.

#### **Arran Access Trust -**

This is a repeat application and a contribution for £700 from the Arran Trust was approved for the Access For All walking leaflets, which are extremely popular.

#### **Duke of Edinburgh Award Scheme –**

Six young people were attempting to circumnavigate the island in kayaks over 2 x 3 days in June/July 2016. In those times they will complete a practice and an assessed kayak expedition. They will also complete a survey of seabirds in their breeding seasons around the entire island. The local D of E group was successfully awarded £746 towards kayak pool training.

#### **Arran Beekeeping Group**

The Beekeeping Group were awarded £300.32 to assist with costs of a virtual hive and children's beekeeper suits that could be used for educational purposes. The hive was sited near the Arran Ranger Centre, but is also available for local demonstrations etc.

#### **Arran Disc Golf**

A community disc golf course has been set up by a group of local volunteers, who engaged several businesses to sponsor 'holes'. Arran Trust provided £730.00 for signage and promotional materials for this free community asset.

#### **Arran Community Council**

A project was proposed by the Arran Community Council to encourage dog owners to clear up after their pets. A Dog Information Leaflet was subsequently produced, and printed by Arran Graphics at a cost of £330.00.

#### **Arran Heritage Museum**

Isle of Arran Heritage Museum is seen as a great asset to the island, portraying the social history of the island. Their present archive and store have reached the stage that we urgently need to expand to enable us to continue to receive artefacts and identify and collect items which have a definable connection with the island's heritage and are pertinent to its preservation. An award of £10,000 was made to Isle of Arran Heritage Museum to assist with the building costs.

## THE ARRAN TRUST

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

#### FOR THE YEAR ENDED 31 MARCH 2017

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##### **Brodick Improvements**

Brodick Beach is an iconic viewing point when visitors arrive on the island. The beach is in a state of disrepair, and the Improvements Committee (BIC) have been working to reinstate this iconic setting for the benefit of residents and visitors alike. The Trust approved a grant of £10,000 towards the work on groynes to assist in retaining the beach.

##### **Knotweed Busters**

Japanese Knotweed is an invasive species. Lamlash Improvements have submitted an application to assist in trained specialists eradicating the plant in specific areas of their community. The Trust awarded £1,300 to the project for materials.

##### **Roots of Arran**

Roots of Arran Community Woodland are planning to continue a path on-site. This was an application approved previously when Roots of Arran submitted a successful application to the Arran Trust for match-funding. Match-funding was only attained in this financial year, so the organisation received payment of £1080.00

##### **Shiskine Valley Improvements SCIO**

At the top of the B880 String Road there lies a waterfall which has previously been a scenic attraction for visitors., This was overgrown and the Arran Trust agreed to support the clearance work to the tune of £540.00.

##### **Geopark**

Arran is aspiring to become a UNESCO recognised Geopark. As such the island would offer improved interpretation and make geographical sites more engaging for all. The steering group were looking for a pledge of £1000 from the Arran Trust. The Trustees were very supportive of this and agreed pending the decision from Coastal Communities who they have asked for seedcorn funding. Providing they are successful in the former, the Trustees would also look favourably on giving further funding in the future on receipt of associated application.

##### **VisitArran Ltd**

It was decided to take on an intern part-time to support the Arran Trust development from April – June 2016. The employee was an undergraduate student and it was determined that the employee would be paid through VisitArran to the total of £1,724.25, and this amount was then reimbursed by the Arran Trust. In addition, VisitArran was paid £6,000 in lieu of administration of the project and staffing costs throughout the year.

##### **Achievements and performance**

###### Donations

- This year visitor donations have totalled £40,629
- Collecting cans & small fundraising events raised £2,685
- Just Giving generated £6,242

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.

## THE ARRAN TRUST

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

#### FOR THE YEAR ENDED 31 MARCH 2017

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#### 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 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.

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**Mr Tom Tracey**

Trustee

Dated: .....

# THE ARRAN TRUST

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

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I report on the accounts of the charity for the year ended 31 March 2017, 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: .....

**THE ARRAN TRUST****STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2017 £	2016 £
<b><u>Income from:</u></b>			
Donations and legacies	<b>3</b>	49,556	35,115
Investments	<b>4</b>	15	8
		-----	-----
<b>Total income</b>		49,571	35,123
		-----	-----
<b><u>Expenditure on:</u></b>			
Charitable activities	<b>5</b>	35,573	33,479
		-----	-----
<b>Net income for the year/ Net movement in funds</b>		13,998	1,644
Fund balances at 1 April 2016		20,795	19,151
		-----	-----
<b>Fund balances at 31 March 2017</b>		34,793	20,795
		=====	=====

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 2017**

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	9		657		821
<b>Current assets</b>					
Cash at bank and in hand		35,136		22,180	
<b>Creditors: amounts falling due within one year</b>	11				
		(1,000)		(2,206)	
Net current assets			34,136		19,974
<b>Total assets less current liabilities</b>			34,793		20,795
<b>Income funds</b>					
Unrestricted funds			34,793		20,795
			34,793		20,795

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 2017. 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 .....

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Mr Tom Tracey  
Trustee

Company Registration No. SC392051

# THE ARRAN TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2017

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#### 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

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. 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, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These accounts for the year ended 31 March 2017 are the first accounts of The Arran Trust prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

##### 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.

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## THE ARRAN TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2017

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#### 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 and intangible 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 receipts 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 2017****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**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Donations and gifts	49,556	35,115
	<u>49,556</u>	<u>35,115</u>

**4 Investments**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Interest receivable	15	8
	<u>15</u>	<u>8</u>

**THE ARRAN TRUST****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2017****5 Charitable activities**

	<b>2017</b>	<b>2016</b>
	£	£
Staff costs	7,724	6,000
Depreciation and impairment	164	-
Fundraising costs	332	369
Advertising and Sponsorship	266	600
Website Costs	360	1,260
	<u>8,846</u>	<u>8,229</u>
Grant funding of activities (see note 6)	26,727	25,250
	<u><u>35,573</u></u>	<u><u>33,479</u></u>

**6 Grants payable**

	<b>2017</b>	<b>2016</b>
	£	£
Grants to institutions:		
Arran Access Trust	700	6,500
Lochranza & Catacol Sea Society	-	3,000
Kildonan Hall	-	5,000
Kilmory Hall	-	1,400
Whiting Bay School	-	450
Shiskine Valley	540	5,828
Goatfell Gate	-	541
Arran Mountain Festival	-	325
Arran Land Footpath Network	-	2,206
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	-
	<u>26,727</u>	<u>25,250</u>
	<u><u>26,727</u></u>	<u><u>25,250</u></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 2017****8 Employees**

There were no employees during the year.

<b>Employment costs</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	7,724	6,000
	<u>7,724</u>	<u>6,000</u>

Employment costs consist of £6,000 administration costs recharged by VisitArran from their payroll expense and £1,724 for payment to a short term University intern.

**9 Tangible fixed assets**

	<b>Plant and machinery</b>
	<b>£</b>
<b>Cost</b>	
At 1 April 2016	821
At 31 March 2017	<u>821</u>
<b>Depreciation and impairment</b>	
Depreciation charged in the year	164
At 31 March 2017	<u>164</u>
<b>Carrying amount</b>	
At 31 March 2017	<u>657</u>
At 31 March 2016	<u>821</u>

<b>10 Financial instruments</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	1,000	2,206
	<u>1,000</u>	<u>2,206</u>

<b>11 Creditors: amounts falling due within one year</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Other creditors	1,000	2,206
	<u>1,000</u>	<u>2,206</u>

**12 Related party transactions**

No guarantees have been given or received.

## THE ARRAN TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### *FOR THE YEAR ENDED 31 MARCH 2017*

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#### **12 Related party transactions**

**(Continued)**

The charity paid VisitArran Limited £6,000 (2016 £6,000) for administration costs incurred during the year. VisitArran Limited is related by virtue of 3 common directorships. There were no amounts outstanding at the period end.

The charity awarded Arran Access Trust £700 (2016 £6,500) 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 £540 (2016 £5,828) 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.