

HEBRIDEAN TRUST

THE HEBRIDEAN TRUST LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020

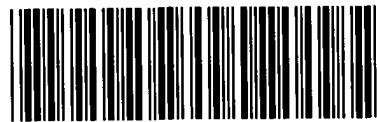
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Registered Company Number 1653639

Registered Charity Numbers 285629 & SC038956

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THE HEBRIDEAN TRUST LIMITED**Trustees' Report
for the Year Ended 31 March 2020****REFERENCE AND ADMINISTRATIVE DETAILS**

| | |
|------------------------------|--|
| CHARITY REGISTRATION NUMBERS | 285629 SC038956 |
| COMPANY REGISTRATION NUMBER | 1653639 |
| COUNCIL (TRUSTEES) | M P Stanfield A M Smith MA (Oxon) L P Stanfield Sir I L Boyd I J McKinnon (appointed 1 February 2020) R Campbell (appointed 1 February 2020) S G C MacKenzie (appointed 1 February 2020) |
| AUDITORS | Critchleys Audit LLP Beaver House 23-38 Hythe Bridge Street Oxford OX1 2EP |
| SOLICITORS | Burness Paull LLP 120 Bothwell Street Glasgow G2 7JL |
| BANKERS | The Royal Bank of Scotland Drummond House Redheughs Ave Edinburgh EH12 9RH |
| REGISTERED OFFICE | 194 Woodstock Road Oxford OX2 7NQ |

THE HEBRIDEAN TRUST LIMITED**Trustees' Report
for the Year Ended 31 March 2020 (continued)****GOVERNANCE**

The charity is governed by its Memorandum & Articles of Association.

The Trustees collectively form the Council of Management. The existing Council members appoint any new Trustees. The Trustees, all of whom are specialists in their own areas, are given the opportunity of attending additional training courses and making visits to projects. Michael Stanfield, who Chairs the Council of Management, will, from time to time, nominate a Trustee with particular knowledge relating to a project to oversee that project. In these circumstances the Trustee may also act as spokesperson for the project. All Trustees give of their time freely and no Trustee remuneration was paid in the year. The Trustees make policy decisions but are not involved in the day to day running of the Trust.

The major risks to which the charity has been exposed have been reviewed by the Trustees and systems established to mitigate those risks. We are glad to report that a surplus in this year has been achieved.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

Our mission remains to support, stimulate and develop the economies of island communities, to restore and maintain buildings of outstanding architectural work, to protect and preserve the natural environment and to educate the public in all matters Gaelic.

The Hebridean Trust was formed in 1982 with the aim of helping reverse the population decline in the Hebridean islands by creating jobs and income for those living on the islands, restoring buildings of architectural significance and informing the general public about the Hebrides, its way of life, its Gaelic culture and its natural heritage.

The Trust has referred to the guidance contained in the Charity Commission's general guidance on public benefit and the Office of the Scottish Charity Regulator's guidance on meeting the charity test when reviewing aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The Trust set out by restoring two significant buildings of heritage and architectural worth. The Signal Tower, Hynish, Isle of Tìree, once the only means of communicating with the keepers of the Skerryvore Lighthouse, some 10 miles out at sea, was opened as a small museum. More recently the Trust has re-told the "Story of Skerryvore Lighthouse" in an interpretative exhibition, now housed in the former smithy in Hynish. The exhibition attracts significant numbers of visitors and the Trust relies upon a network of local volunteers to run it. The Trust also restored a terrace of thatched buildings including a cottage, barn and byre, on the Isle of Tìree, which it has subsequently passed back into the island's housing stock.

Whilst there has been less demand for low cost housing on the Island all our available properties are let.

THE HEBRIDEAN TRUST LIMITED**Trustees' Report
for the Year Ended 31 March 2020 (continued)**

The Trust has regenerated a former stores building, also Category A listed, to provide a residential facility for visiting groups from all over the UK. In 1991, HRH The Princess Royal opened Alan Stevenson House, which, in conjunction with a former smithy conversion to a self-catering unit known as Morton Boyd House, now forms The Hynish Centre. Since then the Trust has subsidised use of the facilities by thousands of disadvantaged young people and educational groups. Part of the Trust's strategy in developing The Hynish Centre was to create additional employment within the Centre itself. It has employed both a local full time Warden and a full time Assistant Warden as well as various paid for and voluntary staff. The local economy has benefited from supplies bought to run the Centre and from the custom of visiting groups. The Centre continues to flourish following a major refurbishment in 2011-12.

In terms of natural heritage, the Trust raised funds to purchase the Treshnish Isles, which are one of the finest sites in the British Isles for studying natural history. An uninhabited archipelago of islands, rocks and skerries lying to the west of the Isle of Mull, they have attracted many visitors keen to visit their unspoilt habitat. In 2000 their future was uncertain and, although the islands have SSSI (Site of Special Scientific Interest) status and classification as a Special Protection Area under the EC Directive on the Conservation of Wild Birds, the Trust felt it was important that they should be managed to maximise their long-term contribution to the community as well as to nature conservation. Since acquiring the islands, the Trust has co-ordinated and financed archaeological surveys and annual wildlife surveys which are published on the Trust's website. The Trust has produced a detailed management plan for the islands, which it is in the course of implementing.

ACHIEVEMENTS AND PERFORMANCE

The following report focuses on those activities undertaken to further our charitable purposes and provide public benefit.

Support, stimulation and development of the economies and cultures of island communities

Our 11 Category A listed buildings are of architectural significance and could be viewed freely from the outside throughout the year as part of the Hynish Heritage Trail. In order to respect the privacy of the tenants, access to the interior was by arrangement only. The future use of these properties are under review, and refurbishment continues on some.

We estimate that visitor numbers to The Story of Skerryvore Lighthouse exhibition and the Treshnish Isles Natural History exhibition have increased. The exhibitions were open from April to September, with access available at other times by arrangement. We continue to subsidise the running costs and admission remains free. We are grateful to our volunteers for their time.

THE HEBRIDEAN TRUST LIMITED

Trustees' Report for the Year Ended 31 March 2020 (continued)

Restoration of buildings of historical and architectural worth

Following the scheduling of Cairn na Burgh castle on the Treshnish Isles, fundraising continued for the proposed archaeological survey of Cairn na Burgh Beg, which forms part of Cairn na Burgh castle. Having already carried out a standing building survey on the adjacent island of Cairn na Burgh More, which highlighted the great potential for further archaeological work on that island, this also demonstrated the benefits of a survey of the island of Cairn na Burgh Beg. By obtaining an overall picture of the conservation recommendations for the castle we would seek to prioritise the structures that require most urgent attention. As storm petrels use the castle walls as nesting habitat, our conservation work in both natural history and archaeology is strongly linked.

The development of the interpretative element of bringing Hynish harbour and flushing system back to life, with a view to restoring the system when the economic climate allows, has been taken forward. We have been working towards creating a digital animation of the system, supported by Glasgow School of Art's Digital Design Studio. They are responsible for the ground breaking international 3D scanning project to digitally document Scotland's UNESCO designated World Heritage Sites and five international ones. Fund raising continues to progress this project.

Protection and conservation of the natural environment

The annual seabird survey, conducted on our behalf by the Treshnish Isles Auk ringing Group (TIARG), took place at the end of June 2019. The majority of the week's fieldwork was centred upon Lunga & Sgeir a' Chaisteil where the regular annual full seabird census and the systematic ringing of specific seabird colonies was carried out. We provided the group of volunteers with access to a boat for the purpose of extending the scope of the survey and recording on as many of the islands as possible. The survey results are shown in full on our web site. All TIARG census and ringing data are fed into two national monitoring programmes, the Seabird Colony Register (J.N.C.C.) and National Ringing Database (British Trust for Ornithology), respectively. The data supplied are of great conservation value as they are the sole means by which the seabird colonies of the Treshnish Isles are currently monitored. As part of our monitoring for the presence of potential mammalian predators, it was noted that there were no known occurrences nor evidence of the presence of American Mink or Norway Rat on Lunga or Sgeir a' Chaisteil.

Provision of a residential facility for visiting groups

Three of our Category A listed buildings, forming the Hynish Centre, were let for short stays (1 night to 3 weeks) throughout the year, providing benefit through the experience of staying in them. Charges to stay in them are set to be within reach of a high proportion of the population. This also encourages high occupancy and maximising charitable income towards the on-going maintenance. These buildings can be booked for the equivalent of £25 to £53 per person per night. For those unable to pay, and as part of our approach to widening access at the Centre, we have developed a bursary scheme to subsidise groups of disadvantaged young people to stay at the Centre. This was well received by groups and funders alike. The increased community use of the properties was also welcomed.

Work continues on the development of our new website and secure on-line booking system, with a focus on increasing occupancy at the Hynish Centre and supporting the continuing movement online of many of the Trust's and its partners' activities.

THE HEBRIDEAN TRUST LIMITED**Trustees' Report
for the Year Ended 31 March 2020 (continued)****FINANCIAL REVIEW**

Income - Total income amounted to £164k (2018/19: £153k). The Trust's balance sheet total is £2.84 million.

Expenditure - Total expenditure was £174k compared with £151k in the previous year.

Reserves

The Trust's deficit on unrestricted reserves was £23,736 at 31 March 2020 (2018/19 - £12,201). The Trustees will seek to build free reserves through fundraising and income generation. The Trustees will also continue to raise funds to repay the balance of the loan outstanding at 31 March 2020.

PLANS FOR THE FUTURE

The Trust plans to carry out the proposed archaeological survey of Cairn na Burgh Beg as soon as funds allow.

For more than three years the trustees have been discussing with the Tiree Community Development Trust giving the village of Hynish to the local Tiree community by gifting it to the Tiree Community Development Trust. However the Tiree Community Development Trust have decided not to accept the gift that was both unexpected and surprising. The Trustees still wish to ensure the community of Tiree is fully engaged in operating the village, as they are aware of the large number of local residents are in favour. Following discussions with local residents in February 2020 three new island based Trustees were appointed with a view to making The Hebridean Trust 'an island Trust'. A decision to relocate the Oxford Office to Tiree was taken in February 2020. The Oxford Office closed on 30 June 2020 and opened on Tiree on 1 July 2020.

The coronavirus crisis hit at the year-end and this led to the Trustees deciding to put into hibernation all its operations on Tiree. Subsequently the Trust received after the year-end substantial support both from the Scottish Government and other sources that will enable the Trust to return to normal operation as the coronavirus lockdown is eased through the coming year and beyond.

THE HEBRIDEAN TRUST LIMITED**Trustees' Report
for the Year Ended 31 March 2020 (continued)****Statement of Directors' Responsibilities**

Members of the Council are directors of the company.

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the directors are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware.

Each director has taken all steps that he ought to have taken as a director in order to make himself aware of relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the Small Companies Regime under Section 419(2) of the Companies Act 2006.

This report was approved by the Council on 24/7/20 and signed on its behalf by



M P Stanfield
Chairman

INDEPENDENT AUDITORS' REPORT
To the Trustees and Members of The Hebridean Trust Limited

Opinion

We have audited the financial statements of The Hebridean Trust limited (the "Charity") for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 2(a) to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT
To the Trustees and Members of The Hebridean Trust Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charity has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the charity has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies' exemption in preparing the Trustees' Annual Report and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement [set out on page 6], the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITORS' REPORT
To the Trustees and Members of The Hebridean Trust Limited (continued)

Use of our report

This report is made solely to the Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Kirtland, Senior Statutory Auditor
For and on behalf of Critchleys Audit LLP, Statutory Auditor

Oxford

Date: 12 October 2020
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Critchleys Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE HEBRIDEAN TRUST LIMITED

**Statement of Financial Activities (Including Income and Expenditure Account)
for the Year Ended 31 March 2020**

| | Note | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2020 £ | Total Funds 2019 £ |
|--|------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| INCOME FROM: | | | | | |
| Donations | 3 | 27,847 | 23,995 | 51,842 | 38,604 |
| Interest receivable | | 58 | - | 58 | 47 |
| Charitable activities | 4 | <u>112,059</u> | <u>-</u> | <u>112,059</u> | <u>114,474</u> |
| Total income | | <u>139,964</u> | <u>23,995</u> | <u>163,959</u> | <u>153,125</u> |
| EXPENDITURE ON: | | | | | |
| Charitable activities | 5 | <u>151,499</u> | <u>22,995</u> | <u>174,494</u> | <u>151,404</u> |
| Total expenditure | | <u>151,499</u> | <u>22,995</u> | <u>174,494</u> | <u>151,404</u> |
| NET INCOME/(EXPENDITURE) | 9 | (11,535) | 1,000 | (10,535) | 1,721 |
| Transfers between funds | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET MOVEMENT IN FUNDS | | (11,535) | 1,000 | (10,535) | 1,721 |
| Balances brought forward | | <u>(12,201)</u> | <u>2,865,670</u> | <u>2,853,469</u> | <u>2,851,748</u> |
| BALANCES CARRIED FORWARD AT 31 MARCH 2020 | | <u>(23,736)</u> | <u>2,866,670</u> | <u>2,842,934</u> | <u>2,853,469</u> |

None of the trust's activities was acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 2020 or 2019 other than those included above.

THE HEBRIDEAN TRUST LIMITED

Statement of Financial Activities (Including Income and Expenditure Account)
Comparatives for the Year Ended 31 March 2019

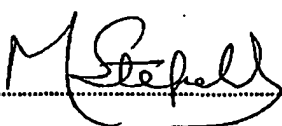
| | Note | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2019 £ |
|--|------|----------------------------|--------------------------|-----------------------------|
| INCOME FROM: | | | | |
| Donations | 3 | 15,504 | 23,100 | 38,604 |
| Interest receivable | | 47 | - | 47 |
| Charitable activities | 4 | <u>114,474</u> | <u>-</u> | <u>114,474</u> |
| Total income | | <u>130,025</u> | <u>23,100</u> | <u>153,125</u> |
| EXPENDITURE ON: | | | | |
| Charitable activities | 5 | <u>135,653</u> | <u>15,751</u> | <u>151,404</u> |
| Total resources expended | | <u>135,653</u> | <u>15,751</u> | <u>151,404</u> |
| NET INCOME/(EXPENDITURE) | 9 | (5,628) | 7,349 | 1,721 |
| Transfers between funds | | <u>-</u> | <u>-</u> | <u>-</u> |
| NET MOVEMENT IN FUNDS | | (5,628) | 7,349 | 1,721 |
| Balances brought forward | | <u>(6,573)</u> | <u>2,858,321</u> | <u>2,851,748</u> |
| BALANCES CARRIED FORWARD AT 31 MARCH 2019 | | <u>(12,201)</u> | <u>2,865,670</u> | <u>2,853,469</u> |

THE HEBRIDEAN TRUST LIMITED
Company number: 1653639

Financial Statements for the Year Ended 31 March 2020
Balance Sheet

| | Note | 2020 | | 2019 | |
|---|------|-------|------------------|-------|------------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 10 | | 2,621,579 | | 2,621,205 |
| Heritage assets | 11 | | <u>255,687</u> | | <u>255,687</u> |
| | | | 2,877,266 | | 2,876,892 |
| CURRENT ASSETS | | | | | |
| Stock | | 1,019 | | 1,745 | |
| Debtors | 12 | | 4,250 | | 4,758 |
| Cash at bank and in hand | 13 | | <u>21,656</u> | | <u>44,038</u> |
| | | | 26,925 | | 50,541 |
| CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | 14 | | <u>(26,257)</u> | | <u>(33,964)</u> |
| NET CURRENT ASSETS | | | <u>668</u> | | <u>16,577</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 2,877,934 | | 2,893,469 |
| CREDITORS: AMOUNT FALLING DUE AFTER ONE YEAR | 15 | | <u>(35,000)</u> | | <u>(40,000)</u> |
| NET ASSETS | | | <u>2,842,934</u> | | <u>2,853,469</u> |
| Unrestricted funds | 18 | | (23,736) | | (12,201) |
| Restricted funds | 18 | | <u>2,866,670</u> | | <u>2,865,670</u> |
| TOTAL CHARITY FUNDS | | | <u>2,842,934</u> | | <u>2,853,469</u> |

The financial statements were approved and authorised for issue by the Council of Management on 24/7/20



M P Stanfield (Member of Council)

The notes on pages 13 to 23 form part of the financial statements.

THE HEBRIDEAN TRUST LIMITED

Financial Statements for the Year Ended 31 March 2020

Notes

1 CHARITABLE COMPANY INFORMATION

The company is limited by guarantee (incorporated in the United Kingdom) not having any share capital. It is a public benefit entity with its registered office at 194 Woodstock Road, Oxford, OX2 7NQ.

2 ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's financial statements.

a **Basis of accounting:**

The financial statements are prepared under the historical cost convention and in compliance with all applicable accounting standards, FRS 102 the Companies Act 2006 and the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities (FRS 102).

In common with many other charities of our size and nature we use our auditors to assist with the preparation of the financial statements.

b **Going concern:**

The financial statements have been prepared by the Trustees on a going concern basis despite the deficit on unrestricted funds as:

- The coronavirus crisis hit at the year-end and this led to the Trustees deciding to put into hibernation all its operations on Tìree. Subsequently the Trust received after the year-end substantial support both from the Scottish Government and other sources that will enable the Trust to return to normal operation as the coronavirus lockdown is eased through the coming year and beyond.
- Projections show the charity has sufficient cashflow to continue
- support has been provided by a Trustee in the form of a loan.

c **Income:**

Income is included when they are receivable. For charitable activities any income received in advance of the service being performed is treated as deferred income. Any grants to assist with the purchase of tangible fixed assets are credited to the SOFA within restricted funds with the related fixed asset being capitalised on the balance sheet.

d **Donations in kind:**

The Trust receives donations in kind and unpaid assistance towards the cost of its operations. These donations are frequently difficult to evaluate due to their nature. The company's policy, accordingly, is to exclude the effect of all such contributions from the financial statements.

e **Tangible fixed assets and depreciation:**

Tangible fixed assets other than land and buildings are stated at historical cost less depreciation cost includes any irrecoverable VAT. Depreciation is provided on a straight line basis which reflects the anticipated useful lives of the assets and their estimated residual value. No depreciation is provided with respect to land and buildings as the Council are of the opinion that these assets represent the Trust's main contribution to meeting its objectives, and they will be maintained in the condition to which they are brought by restoration work through planned maintenance with effect that the residual values remain close to carrying values. Depreciation on the excess of carrying value over residual value would be considered immaterial.

f **Heritage Assets**

Heritage assets are included at cost.

THE HEBRIDEAN TRUST LIMITED

Financial Statements for the Year ended 31 March 2020

Notes – continued

- g Expenditure:**
These are included on an accruals basis and include irrecoverable VAT. Direct costs are included in the relevant charitable activity and support costs are those costs that are not direct to one activity. These are allocated across the activities.
- h Fund accounting:**
Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements. Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objects of the charity.
- i Operating leases:**
Operating lease rentals are charged to resources expended on a straight line basis.
- j Pensions – defined contribution scheme:**
Contributions are charged to resources expended as they become payable under the scheme.

3 DONATIONS

| | 2020 | 2019 |
|---|---------------|---------------|
| | £ | £ |
| Restricted income: | | |
| Protection and conservation of the natural environment | 500 | 600 |
| Provision of a residential facility for visiting groups | <u>23,495</u> | <u>22,500</u> |
| | <u>23,995</u> | <u>23,100</u> |
| Unrestricted income: | | |
| From other sources | <u>27,847</u> | <u>15,504</u> |
| | <u>27,847</u> | <u>15,504</u> |

4 INCOME FROM CHARITABLE ACTIVITIES

| | 2020 | 2019 |
|--|----------------|----------------|
| | £ | £ |
| Support, stimulation and development of the economics and cultures of island communities | 16,560 | 16,960 |
| Provision of a residential facility for visiting groups | <u>95,499</u> | <u>97,514</u> |
| | <u>112,059</u> | <u>114,474</u> |

THE HEBRIDEAN TRUST LIMITED

Financial Statements for the Year Ended 31 March 2020

Notes - continued

5 EXPENDITURE ON CHARITABLE ACTIVITIES

| | Activities Undertaken Directly £ | 2020 Support Costs £ | Total 2020 £ |
|--|---|---|-----------------------------|
| Support, stimulation and development of the economies and cultures of island communities | 21,208 | 23,245 | 44,453 |
| Restoration of buildings of historical and architectural worth | 54 | 5,071 | 5,125 |
| Protection and conservation of the natural environment | 2,769 | 1,692 | 4,461 |
| Provision of a residential facility for visiting groups | <u>106,971</u> | <u>13,484</u> | <u>120,455</u> |
| | <u>131,002</u> | <u>43,492</u> | <u>174,494</u> |
| | Activities Undertaken Directly £ | 2019 Support Costs £ | Total 2019 £ |
| Support, stimulation and development of the economies and cultures of island communities | 11,539 | 22,635 | 34,174 |
| Restoration of buildings of historical and architectural worth | - | 4,116 | 4,116 |
| Protection and conservation of the natural environment | 2,744 | 2,058 | 4,802 |
| Provision of a residential facility for visiting groups | <u>93,048</u> | <u>15,264</u> | <u>108,312</u> |
| | <u>107,331</u> | <u>44,073</u> | <u>151,404</u> |

6 SUPPORT COSTS

| | 2020 £ | 2019 £ |
|---------------------------|-------------------|-------------------|
| Staff costs | 17,393 | 17,285 |
| Office costs | 4,688 | 6,268 |
| Insurance | 11,283 | 10,165 |
| Travel expenses | 2,603 | 2,839 |
| Depreciation | 2,195 | 1,654 |
| Governance costs (note 8) | 4,773 | 5,015 |
| Bank charges | <u>557</u> | <u>847</u> |
| | <u>43,492</u> | <u>44,073</u> |

Support costs are allocated to the charitable activities based on the Trustees' estimate of the time spent supporting each of the four activities.

THE HEBRIDEAN TRUST LIMITED

Financial Statements for the Year Ended 31 March 2020
Notes - continued

7 STAFF COSTS

| | 2020 | 2019 |
|-----------------------|----------------------|----------------------|
| | £ | £ |
| Wages and salaries | 73,409 | 67,176 |
| Social Security costs | 2,083 | 4,987 |
| Pension | <u>2,530</u> | <u>2,053</u> |
| | <u>78,022</u> | <u>74,216</u> |

The average monthly number of employees during the year was made up as follows:

| | No | No |
|---------------|-----------|-----------|
| Hynish Centre | 2 | 4 |
| Support costs | <u>2</u> | <u>1</u> |

No employees' emoluments exceeded £60,000 in the year.

One trustee received reimbursement of travel and subsistence expenses totalling £2,603 (2019: £2,453).

The Trustees are considered to be the only key management and received no remuneration in the year.

8 GOVERNANCE COSTS

| | 2020 | 2019 |
|-----------------------------|---------------------|---------------------|
| | £ | £ |
| Legal and professional fees | - | - |
| Audit and accountancy fees | <u>4,773</u> | <u>5,015</u> |
| | <u>4,773</u> | <u>5,015</u> |

9 NET INCOME is stated after charging:

| | 2020 | 2019 |
|------------------------|--------------|--------------|
| | £ | £ |
| Depreciation | 2,195 | 1,654 |
| Auditor's remuneration | <u>3,600</u> | <u>3,820</u> |

THE HEBRIDEAN TRUST LIMITED

Financial Statements for the Year Ended 31 March 2020
Notes - continued

10 FIXED ASSETS - TANGIBLE ASSETS

| | Freehold Property £ | Equipment Furniture & Fittings £ | Total £ |
|------------------------|---------------------------|---|------------------|
| Cost: | | | |
| At 31 March 2019 | 2,618,188 | 146,200 | 2,764,388 |
| Additions | - | 2,570 | 2,570 |
| Disposals | - | - | - |
| At 31 March 2020 | <u>2,618,188</u> | <u>148,770</u> | <u>2,766,958</u> |
| Depreciation: | | | |
| At 1 April 2019 | - | 143,183 | 143,183 |
| Charge for year | - | 2,196 | 2,196 |
| Disposals | - | - | - |
| At 31 March 2020 | <u>-</u> | <u>145,379</u> | <u>145,379</u> |
| Net book value: | | | |
| At 31 March 2020 | <u>2,618,188</u> | <u>3,391</u> | <u>2,621,579</u> |
| At 31 March 2019 | <u>2,618,188</u> | <u>3,017</u> | <u>2,621,205</u> |

All assets held are used for direct charitable purposes. Equipment, fixtures and fittings are depreciated over 4 years.

11 HERITAGE ASSETS

| | Treshnish Islands £ |
|-----------------------------------|---------------------------|
| Cost | |
| At 1 April 2019 and 31 March 2020 | <u>255,687</u> |

There have been no purchases or sales of heritage assets in the last 5 years.

The Treshnish Islands are owned and managed for their environmental qualities. Public access is permitted.

12 DEBTORS

| | 2020 £ | 2019 £ |
|--------------------------------|--------------|--------------|
| Debtors | 515 | 1,350 |
| Prepayments and accrued income | <u>3,735</u> | <u>3,408</u> |
| | <u>4,250</u> | <u>4,758</u> |

THE HEBRIDEAN TRUST LIMITED

Financial Statements for the Year Ended 31 March 2020
Notes – continued**13 CASH AT BANK AND IN HAND**

| | 2020 | 2019 |
|---------------|---------------|---------------|
| | £ | £ |
| Bank balances | <u>21,656</u> | <u>44,038</u> |

14 CREDITORS - amounts falling due within one year

| | 2020 | re-stated 2019 |
|------------------------------|---------------|---------------------------|
| | £ | £ |
| Trade creditors | 684 | 1,887 |
| Accruals and deferred income | 25,573 | 32,077 |
| Loan (note 16) | <u>-</u> | <u>-</u> |
| | <u>26,257</u> | <u>33,964</u> |

| | Hynish | Total | Total |
|------------------------------|---------------|---------------|---------------|
| | £ | 2020 | 2019 |
| | | £ | |
| Deferred Income | | | |
| Brought forward | 27,746 | 27,746 | 34,317 |
| Amounts released in the year | (27,746) | (27,746) | (34,317) |
| Amount deferred in year | <u>38,233</u> | <u>38,233</u> | <u>27,746</u> |
| Carried forward | <u>38,233</u> | <u>38,233</u> | <u>27,746</u> |

Hynish represents deposits paid by visitors in advance of their stay.

15 CREDITORS – amounts falling due after one year

| | 2020 | 2019 |
|----------------|---------------|---------------|
| | £ | £ |
| Loan (note 16) | <u>35,000</u> | <u>40,000</u> |

16 TRANSACTIONS WITH TRUSTEES AND RELATED PARTIES

At 31 March 2020 M P Stanfield, a Trustee, had loaned the Trust £35,000 (2019: £40,000) (see note 15). The loan is interest free and repayable over 10 years.

During 2020 donations totaling £4,000 (2019: nil) were received from Trustees.

THE HEBRIDEAN TRUST LIMITED**Financial Statements for the Year Ended 31 March 2020****Notes - continued****17 NOTES ON SPECIFIC FUNDS****a Upper Square**

We have restored the four lighthouse properties at Upper Square, which are all let to islanders. All these buildings are listed Category A.

b Alan Stevenson House

The movements in the year and balance at 31 March 2020 represent grants received to provide subsidised and free holidays to disadvantaged children after the year-end. This fund has been expended in the year.

c Lower Square - This includes the following projects:**Alan Stevenson House**

This development at Hynish comprises Morton Boyd House, The Cottage, Hynish Harbour Scouring System, Boom Gates and Alan Stevenson House. Alan Stevenson House is used as an activity centre. All these buildings are listed Category A.

The Barracks

This Category A building in Hynish is being restored and will be upgraded to give 6 apartments when funds allow.

Hynish Harbour and Other Developments

This includes the harbour and the conversion of the Old Stores, cowsheds, pigsty and Old Stable at Hynish to workshops, storerooms and accommodation, all listed Category A.

THE HEBRIDEAN TRUST LIMITED

Financial Statements for the Year Ended 31 March 2020
Notes - continued

18 ANALYSIS OF MOVEMENT ON AND COMPOSITION OF THE FUNDS

2020

| | General £ | Upper Square £ | Alan Stevenson House £ | Lower Square £ | Treshnish Islands £ | Total Restricted £ | Total £ |
|---|------------------|----------------------|---------------------------------|----------------------|---------------------------|--------------------------|------------------|
| Income | 139,964 | - | 23,495 | - | 500 | 23,995 | 163,959 |
| Expenditure | <u>(151,499)</u> | - | <u>(22,495)</u> | - | <u>(500)</u> | <u>(22,995)</u> | <u>(174,494)</u> |
| Movement for the year | (11,535) | - | 1,000 | - | - | 1,000 | (10,535) |
| Balance on funds: | | | | | | | |
| At 31 March 2019 | <u>(12,201)</u> | <u>876,943</u> | <u>10,000</u> | <u>1,670,276</u> | <u>308,451</u> | <u>2,865,670</u> | <u>2,853,469</u> |
| At 31 March 2020 | <u>(23,736)</u> | <u>876,943</u> | <u>11,000</u> | <u>1,670,276</u> | <u>308,451</u> | <u>2,866,670</u> | <u>2,842,934</u> |
| Analysis of funds balances between the net assets: | | | | | | | |
| Fixed assets | 21,596 | 876,943 | - | 1,670,276 | 308,451 | 2,855,670 | 2,877,266 |
| Net current assets/(liabilities) | (10,332) | - | 11,000 | - | - | 11,000 | 668 |
| Long term liabilities | <u>(35,000)</u> | - | - | - | - | - | <u>(35,000)</u> |
| | <u>(23,736)</u> | <u>876,943</u> | <u>11,000</u> | <u>1,670,276</u> | <u>308,451</u> | <u>2,866,670</u> | <u>2,842,934</u> |

All the funds except the general reserve are restricted.

THE HEBRIDEAN TRUST LIMITED

Financial Statements for the Year Ended 31 March 2020
Notes – continued18 ANALYSIS OF MOVEMENT ON AND COMPOSITION OF THE FUNDS (CONTINUED)
2019

| | General £ | Upper Square £ | Alan Stevenson House £ | Lower Square £ | Treshnish Islands £ | Total Restricted £ | Total £ |
|---|--------------|----------------------|---------------------------------|----------------------|---------------------------|--------------------------|------------|
| Income | 130,025 | - | 22,500 | - | 600 | 23,100 | 153,125 |
| Expenditure | (135,653) | - | (15,151) | - | (600) | (15,751) | (151,404) |
| Movement for the year | (5,628) | - | 7,349 | - | - | 7,349 | 1,721 |
| Balance on funds: | | | | | | | |
| At 31 March 2018 | (6,573) | 876,943 | 2,651 | 1,670,276 | 308,451 | 2,858,321 | 2,851,748 |
| At 31 March 2019 | (12,201) | 876,943 | 10,000 | 1,670,276 | 308,451 | 2,865,670 | 2,853,469 |
| Analysis of funds balances between the net assets: | | | | | | | |
| Fixed assets | 21,222 | 876,943 | - | 1,670,276 | 308,451 | 2,855,670 | 2,876,892 |
| Net current assets/(liabilities) | 6,577 | - | 10,000 | - | - | 10,000 | 16,577 |
| Long term liabilities | (40,000) | - | - | - | - | - | (40,000) |
| | (12,201) | 876,943 | 10,000 | 1,670,276 | 308,451 | 2,865,670 | 2,853,469 |

All the funds except the general reserve are restricted.