

HEBRIDEAN TRUST

THE HEBRIDEAN TRUST LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2018

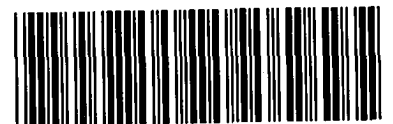
INDEX

Page	1-6	Trustees' Report
	7-9	Independent Auditors' Report
	10-11	Statement of Financial Activities
	12	Balance Sheet
	13	Cash Flow Statement
	14-22	Notes to the Financial Statements

Registered Company Number 1653639

Registered Charity Numbers 285629 & SC038956

WEDNESDAY



A07 *A7EUES00* 19/09/2018 #265
COMPANIES HOUSE

THE HEBRIDEAN TRUST LIMITED**Trustees' Report
for the Year Ended 31 March 2018****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 I L Boyd
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 32 St Giles Oxford OX1 3ND
REGISTERED OFFICE	194 Woodstock Road Oxford OX2 7NQ

THE HEBRIDEAN TRUST LIMITED**Trustees' Report
for the Year Ended 31 March 2018 (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 Tiree, 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 a 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 Tiree, 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 2018 (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 explore and discover 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 2018 (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 groundbreaking 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 2017. 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. Our 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 2018 (continued)****FINANCIAL REVIEW**

Income - Total income amounted to £153k (2016/17: £134k). The Trust's balance sheet total is £2.85 million.

Expenditure - Total expenditure was £141k compared with £137k in the previous year.

Reserves

The Trust's deficit on unrestricted reserves is reduced to £470 as at 31 March 2018 (2016/17 - £14,446). 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 2018.

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 some time the trustees have felt that the village of Hynish should be given back by The Hebridean Trust to the local Tìree community and discussions are in place with the Tìree Community Development Trust, itself a charity with similar objectives to those of the Hebridean Trust. In the event of the proposal proceeding The Hebridean Trust would continue to raise funds for disadvantaged children to have free or slightly subsidised holidays at Alan Stevenson House. The Hebridean Trust would also maintain its involvement in both the exhibition about the building of the Skerryvore lighthouse and the Treshnish Isles survey. This plan concerning Hynish will not affect the Trust's involvement in other matters including the ownership of the Treshnish Isles.

THE HEBRIDEAN TRUST LIMITED**Trustees' Report
for the Year Ended 31 March 2018 (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 18 Aug 2018 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 2018 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 2018 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:

13/9/2018

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 2018**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
INCOME FROM:					
Donations	3	2,351	24,650	27,001	28,798
Interest receivable		13	-	13	18
Charitable activities	4	<u>125,698</u>	<u>-</u>	<u>125,698</u>	<u>105,263</u>
Total income		<u>128,062</u>	<u>24,650</u>	<u>152,712</u>	<u>134,079</u>
EXPENDITURE ON:					
Charitable activities	5	<u>116,737</u>	<u>24,397</u>	<u>141,134</u>	<u>136,672</u>
Total expenditure		<u>116,737</u>	<u>24,397</u>	<u>141,134</u>	<u>136,672</u>
NET INCOME/(EXPENDITURE)	9	11,325	253	11,578	(2,593)
Transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS		11,325	253	11,578	(2,593)
Balances brought forward		<u>(14,446)</u>	<u>2,858,068</u>	<u>2,843,622</u>	<u>2,846,215</u>
BALANCES CARRIED FORWARD AT 31 MARCH 2018		<u>(3,121)</u>	<u>2,858,321</u>	<u>2,855,200</u>	<u>2,843,622</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 2018 or 2017 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 2017**

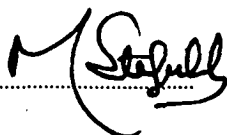
	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
INCOME FROM:				
Donations	3	8,073	20,725	28,798
Interest receivable		18	-	18
Charitable activities	4	<u>105,263</u>	<u>-</u>	<u>105,263</u>
Total income		<u>113,354</u>	<u>20,725</u>	<u>134,079</u>
EXPENDITURE ON:				
Charitable activities	5	<u>98,345</u>	<u>38,327</u>	<u>136,672</u>
Total resources expended		<u>98,345</u>	<u>38,327</u>	<u>136,672</u>
NET INCOME/(EXPENDITURE)	9	15,009	(17,602)	(2,593)
Transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS		15,009	(17,602)	(2,593)
Balances brought forward		<u>(29,455)</u>	<u>2,875,670</u>	<u>2,846,215</u>
BALANCES CARRIED FORWARD AT 31 MARCH 2017		<u>(14,446)</u>	<u>2,858,068</u>	<u>2,843,622</u>

THE HEBRIDEAN TRUST LIMITED
Company number: 1653639

Financial Statements for the Year Ended 31 March 2018
Balance Sheet

	Note	2018		2017	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10		2,620,523		2,620,808
Heritage assets	11		<u>255,687</u>		<u>255,687</u>
			2,876,210		2,876,495
CURRENT ASSETS					
Stock			1,233		-
Debtors	12		4,877		5,796
Cash at bank and in hand	13		<u>49,177</u>		<u>50,560</u>
			55,287		56,356
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14		<u>(36,297)</u>		<u>(49,229)</u>
NET CURRENT ASSETS			<u>18,990</u>		<u>7,127</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,895,200		2,883,622
CREDITORS: AMOUNT FALLING DUE AFTER ONE YEAR	15		<u>(40,000)</u>		<u>(40,000)</u>
NET ASSETS			<u>2,855,200</u>		<u>2,843,622</u>
Unrestricted funds	18		(3,121)		(14,446)
Restricted funds	18		<u>2,858,321</u>		<u>2,858,068</u>
TOTAL CHARITY FUNDS			<u>2,855,200</u>		<u>2,843,622</u>

The financial statements were approved and authorised for issue by the Council of Management on 18th August 2018



M P Stanfield (Member of Council)

The notes on pages 14 to 22 form part of the financial statements.

THE HEBRIDEAN TRUST LIMITED

Financial Statements for the Year Ended 31 March 2018
Cash flow statement

	2018	2017
	£	£
Cash flows from operating activities:		
Net cash provided by (used by) operating activities (analysed below)	(599)	58
Cash flows from investing activities		
Purchase of tangible fixed assets	<u>(784)</u>	<u>(7,293)</u>
Change in cash and cash equivalents in the reporting period	(1,383)	(7,235)
Cash and cash equivalents at the beginning of the reporting period	<u>50,560</u>	<u>57,795</u>
Cash and cash equivalents at the end of the reporting period	<u>49,177</u>	<u>50,560</u>

Note:**Reconciliation of net movement in funds to net cash flow from operating activities**

	2018	2017
	£	£
Net movement in funds for the reporting period (as per the statement of financial activities)	11,578	(2,593)
Adjustments for:		
Depreciation charges	1,069	4,136
(Increase) in stock	(1,233)	-
Decrease/(increase) in debtors	919	(2,792)
(Decrease)/increase in creditors	<u>(12,932)</u>	<u>1,307</u>
Net cash provided by operating activities	<u>(599)</u>	<u>58</u>

THE HEBRIDEAN TRUST LIMITED

Financial Statements for the Year Ended 31 March 2018 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:

- A surplus was generated on unrestricted funds in the year and projections show the charity has sufficient cashflow to continue
- support is 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.

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.

THE HEBRIDEAN TRUST LIMITED

Financial Statements for the Year ended 31 March 2018

Notes – continued

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

	2018	2017
	£	£
Restricted income:		
Provision of a residential facility for visiting groups	<u>24,650</u>	<u>20,725</u>
	<u>24,650</u>	<u>20,725</u>
Unrestricted income:		
From other sources	<u>2,351</u>	<u>8,073</u>
	<u>2,351</u>	<u>8,073</u>

4 INCOME FROM CHARITABLE ACTIVITIES

	2018	2017
	£	£
Support, stimulation and development of the economics and cultures of island communities	16,777	16,668
Provision of a residential facility for visiting groups	<u>108,921</u>	<u>88,595</u>
	<u>125,698</u>	<u>105,263</u>

THE HEBRIDEAN TRUST LIMITED

Financial Statements for the Year Ended 31 March 2018

Notes - continued

5 EXPENDITURE ON CHARITABLE ACTIVITIES

	Activities Undertaken Directly £	2018 Support Costs £	Total 2018 £
Support, stimulation and development of the economies and cultures of island communities	18,029	12,616	30,645
Restoration of buildings of historical and architectural worth	-	-	-
Protection and conservation of the natural environment	2,513	7,209	9,722
Provision of a residential facility for visiting groups	<u>84,547</u>	<u>16,220</u>	<u>100,767</u>
	<u>105,089</u>	<u>36,045</u>	<u>141,134</u>
	Activities Undertaken Directly £	2017 Support Costs £	Total 2017 £
Support, stimulation and development of the economies and cultures of island communities	11,771	4,708	16,479
Restoration of buildings of historical and architectural worth	-	7,454	7,454
Protection and conservation of the natural environment	3,245	785	4,030
Provision of a residential facility for visiting groups	<u>82,423</u>	<u>26,286</u>	<u>108,709</u>
	<u>97,439</u>	<u>39,233</u>	<u>136,672</u>

6 SUPPORT COSTS

	2018	2017 £
Staff costs	15,497	13,780
Office costs	4,427	3,595
Insurance	7,828	9,941
Travel expenses	1,809	2,193
Depreciation	1,069	4,136
Governance costs (note 8)	5,415	5,348
Bank charges	-	240
	<u>36,045</u>	<u>39,233</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 2018
Notes - continued

7 STAFF COSTS

	2018	2017
	£	£
Wages and salaries	56,658	50,526
Social Security costs	3,771	3,678
Pension	<u>921</u>	<u>335</u>
	<u>61,350</u>	<u>54,539</u>

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

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

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

One trustee received reimbursement of travel and subsistence expenses totalling £1,256 (2017: £1,713 two trustees).

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

8 GOVERNANCE COSTS

	2018	2017
	£	£
Legal and professional fees	633	810
Audit and accountancy fees	<u>4,782</u>	<u>4,538</u>
	<u>5,415</u>	<u>5,348</u>

9 NET INCOME is stated after charging:

	2018	2017
	£	£
Depreciation	1,069	4,136
Auditor's remuneration	<u>3,708</u>	<u>3,500</u>

THE HEBRIDEAN TRUST LIMITED

Financial Statements for the Year Ended 31 March 2018

Notes - continued

10 FIXED ASSETS - TANGIBLE ASSETS

	Freehold Property £	Equipment Furniture & Fittings £	Motor Vehicle £	Total £
Cost:				
At 31 March 2017	2,618,188	143,080	-	2,761,268
Additions	-	784	-	784
Disposals	-	-	-	-
At 31 March 2018	<u>2,618,188</u>	<u>143,864</u>	<u>-</u>	<u>2,762,052</u>
Depreciation:				
At 1 April 2017	-	140,460	-	140,460
Charge for year	-	1,069	-	1,069
Disposals	-	-	-	-
At 31 March 2018	<u>-</u>	<u>141,529</u>	<u>-</u>	<u>141,529</u>
Net book value:				
At 31 March 2018	<u>2,618,188</u>	<u>2,335</u>	<u>-</u>	<u>2,620,523</u>
At 31 March 2017	<u>2,618,188</u>	<u>2,620</u>	<u>-</u>	<u>2,620,808</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 2017 and 31 March 2018	<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

	2018 £	2017 £
Debtors	825	3,373
Prepayments and accrued income	<u>4,052</u>	<u>2,423</u>
	<u>4,877</u>	<u>5,796</u>

THE HEBRIDEAN TRUST LIMITED

Financial Statements for the Year Ended 31 March 2018
Notes – continued

13 CASH AT BANK AND IN HAND

2018
£

2017
£

Bank balances

49,177

50,560

14 CREDITORS - amounts falling due within one year

2018
£

2017
£

Trade creditors

1,546

7,207

Accruals and deferred income

34,751

42,022

Loan (note 16)

-

-

36,297

49,229

Hynish
£

Total
2018
£

Total
2017

Deferred income

Brought forward

38,273

38,273

31,666

Amounts released in the year

(38,273)

(38,273)

(31,666)

Amount deferred in year

30,865

30,865

38,273

Carried forward

30,865

30,865

38,273

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

15 CREDITORS – amounts falling due after one year

2018
£

2017
£

Loan (note 16)

40,000

40,000

16 TRANSACTIONS WITH TRUSTEES AND RELATED PARTIES

At 31 March 2018 M P Stanfield, a Trustee, had loaned the Trust £40,000 (2017: £40,000) (see note 15). The loan is interest free and repayable over 10 years.

THE HEBRIDEAN TRUST LIMITED**Financial Statements for the Year Ended 31 March 2018****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 2018 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 2018
Notes - continued

18 ANALYSIS OF MOVEMENT ON AND COMPOSITION OF THE FUNDS

2018

	General £	Upper Square £	Alan Stevenson House £	Lower Square £	Treshnish Islands £	Total Restricted £	Total £
Income	128,062	-	24,650	-	-	24,650	152,712
Expenditure	<u>(116,737)</u>	<u>-</u>	<u>(24,397)</u>	<u>-</u>	<u>-</u>	<u>(24,397)</u>	<u>(141,134)</u>
Movement for the year	11,325	-	253	-	-	253	11,578
Balance on funds:							
At 31 March 2017	<u>(14,446)</u>	<u>876,943</u>	<u>2,398</u>	<u>1,670,276</u>	<u>308,451</u>	<u>2,858,068</u>	<u>2,843,622</u>
At 31 March 2018	<u>(3,121)</u>	<u>876,943</u>	<u>2,651</u>	<u>1,670,276</u>	<u>308,451</u>	<u>2,858,321</u>	<u>2,855,200</u>
Analysis of funds balances between the net assets:							
Fixed assets	20,540	876,943	-	1,670,276	308,451	2,855,670	2,876,210
Net current assets/(liabilities)	16,339	-	2,651	-	-	2,651	18,990
Long term liabilities	<u>(40,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,000)</u>
	<u>(3,121)</u>	<u>876,943</u>	<u>2,651</u>	<u>1,670,276</u>	<u>308,451</u>	<u>2,858,321</u>	<u>2,855,200</u>

All the funds except the general reserve are restricted.

THE HEBRIDEAN TRUST LIMITED

Financial Statements for the Year Ended 31 March 2018

Notes - continued

18 ANALYSIS OF MOVEMENT ON AND COMPOSITION OF THE FUNDS (CONTINUED)
2017

	General £	Upper Square £	Alan Stevenson House £	Lower Square £	Treshnish Islands £	Total Restricted £	Total £
Income	113,354	-	20,725	-	-	20,725	134,079
Expenditure	<u>(98,345)</u>	<u>-</u>	<u>(38,327)</u>	<u>-</u>	<u>-</u>	<u>(38,327)</u>	<u>(136,672)</u>
Movement for the year	15,009	-	(17,602)	-	-	(17,602)	(2,593)
Balance on funds:							
At 31 March 2016	<u>(29,455)</u>	<u>876,943</u>	<u>20,000</u>	<u>1,670,276</u>	<u>308,451</u>	<u>2,875,670</u>	<u>2,846,215</u>
At 31 March 2017	<u>(14,446)</u>	<u>876,943</u>	<u>2,398</u>	<u>1,670,276</u>	<u>308,451</u>	<u>2,858,068</u>	<u>2,843,622</u>
Analysis of funds balances between the net assets:							
Fixed assets	20,825	876,943	-	1,670,276	308,451	2,855,670	2,876,495
Net current assets/(liabilities)	4,729	-	2,398	-	-	2,398	7,127
Long term liabilities	<u>(40,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,000)</u>
	<u>(14,446)</u>	<u>876,943</u>	<u>2,398</u>	<u>1,670,276</u>	<u>308,451</u>	<u>2,858,068</u>	<u>2,843,622</u>

All the funds except the general reserve are restricted.