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Charity Registration No. SC043771

Company Registration No. SC409596 (Scotland)

THE CABRACH TRUST
TRUSTEES' REPORT AND UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016

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THE CABRACH TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr G Gordon Mrs P J Nelson Mr D R Thomson Mr A Wilson
Charity number	SC043771
Company number	SC409596
Charity principal office address	Inverharroch Farm Lower Cabrach Huntly Aberdeenshire AB54 4EU
Registered office	Inverharroch Farm Lower Cabrach Huntly Aberdeenshire AB54 4EU
Independent examiner	Munro Rankine CA Cathedral Accountancy Ltd Elgin Moray IV30 1JR
Bankers	Santander Bootle Merseyside L30 4GB

THE CABRACH TRUST

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THE CABRACH TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The trustees present their report and accounts for the year ended 31 March 2016.

The charity changed its name to "The Cabrach Trust" on 2 December 2015.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's current statutory requirements, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005, the Financial Reporting Standard For Smaller Entities (effective April 2008).

Structure, governance and management

The charity is a company limited by guarantee not having a share capital and is governed by the rules set out in its Memorandum and Articles of Association. The company number is SC409596. At a meeting the trustees held in December 2015, the trustees voted unanimously to adopt a revised Memorandum and Articles of Association. The new articles were designed to enhance the governance of the charity in line with best practice.

The charity is administered by a board of trustees.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mrs P M Gordon-Duff	(Resigned 4 March 2016)
Mr G Gordon	
Mrs P J Nelson	
Ms F J Murdoch	(Resigned 29 June 2015)
Mr D R Thomson	(Appointed 22 March 2016)
Mr A Wilson	(Appointed 2 December 2015)

New trustees are appointed at the annual general meeting or may be appointed by the existing trustees during the year.

None of the trustees of the charity have any beneficial interest in the company.

Potential trustees are identified by existing trustees having regard to the skills available and required. The board has been actively canvassing for new trustees, with a view to strengthening the board's capabilities to support the growth of the trust. New trustees are given appropriate training according to the requirements of the position.

In recognition of the progress being made with the Trust's plans for development, during the year the board agreed to appoint its first staff member. A recruitment campaign resulted in over 70 applications for the position of Executive Director for the Cabrach Trust. The post was filled during March by an experienced third sector manager Ms. Sue Savege, who took up her appointment shortly after the end of the financial year in April 2016.

THE CABRACH TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

Objectives and activities

The charity's objects and purposes for which the Company is established are wholly charitable and are to facilitate rural regeneration, for public benefit, within and around the Cabrach area, including the advancement of education and the arts, heritage and culture.

The main activity conducted during the year was progressing the development of a business plan for a visitor centre at Inverharroch Farm explaining the heritage and history of whisky distilling & smuggling in the local area, all with the intention of attracting and educating people visiting the Cabrach or who live locally. A design team finalised fully costed outline plans for the Heritage Centre that the board reviewed and approved. In order to assess the feasibility of the project the board commissioned a leading accounting firm to conduct due diligence on the business plan, and a fundraising consultant presented a strategy for raising the estimated £5M required for capital expenditure. Both these work streams were completed during the year, and provided valuable input to the board.

In parallel to the plans for the Heritage Centre discussions began with the Moray Council with a view to possibly acquiring the Acorn Centre and related buildings and land adjacent to the charity's existing property at the Cabrach. Currently leased by the Trust at no charge to the local community association, the Acorn Centre provides a hall for community activities. The objective of the charity would be to provide long-term security for the community as regards offering a public meeting space. The Trust is being advised by a specialist consultant who ran a workshop in partnership with Cabrach Community Association to consult with local residents and to seek their input in shaping the project.

During the course of the year the farm continued to be leased to local tenants who have kept sheep in the fields over the course of most of the year, thus maintaining the farm in active use. Inverharroch House continued to be leased to a family.

Achievements and performance

During the year the charity incurred expenditure of £79,766 in connection with the work related to the feasibility study for the proposed visitor centre and incurred a further £16,486 in operating costs. These costs have been met from rental income of £10,500, donations of £80,055 and from reserves.

Financial review

It is the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity, at a level which covers unrestricted expenditure and provides sufficient funds to cover management, administration and support costs.

The level of unrestricted funds held at the period end was £586,658 of which £530,000 represented the value of the property, £9,422 the value of the charity's trademark and £47,236 the value of net current assets.

The board discussed the funding position with its main benefactors and were given reassurance that funding would normally continue to be forthcoming, at least for the following twelve months, while plans to grow the charity continue to make good progress.

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 CABRACH TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

Statement of trustees' responsibilities

The trustees who are also the directors of The Cabrach Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts 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.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board of trustees



Mr G Gordon

Trustee

Dated: 31 May 2016

THE CABRACH TRUST

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE CABRACH TRUST

I report on the accounts of the charity for the year ended 31 March 2016, which are set out on pages 5 to 10.

Respective responsibilities of trustees and examiner

The charity's trustees 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 charity's trustees consider that the audit requirement of Regulation 10(1) (d) 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.

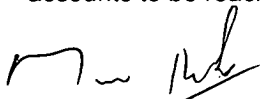
Basis of independent examiner's report

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. 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 seeks explanations from the 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 connection with 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 386 of the Companies Act 2006; and
 - (ii) to prepare accounts which accord with the accounting records, comply with the accounting requirements of 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;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.



Munro Rankine CA
Independent examiner
Cathedral Accountancy Ltd
4 North Guildry Street
Elgin
Moray
IV30 1JR

Dated: 31 May 2016

THE CABRACH TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2015 £
<u>Incoming resources from generated funds</u>			
Donations and legacies	2	80,055	-
Activities for generating funds (rents received)		10,500	10,312
		<u>90,555</u>	<u>10,312</u>
Total incoming resources			
		<u>90,555</u>	<u>10,312</u>
<u>Resources expended</u>	3		
Charitable activities			
Fundraising expenditure		96,252	55,247
		<u>96,252</u>	<u>55,247</u>
Governance costs	5	1,012	1,070
		<u>1,012</u>	<u>1,070</u>
Total resources expended		<u>97,264</u>	<u>56,317</u>
Net expenditure for the year/ Net movement in funds		(6,709)	(46,005)
Fund balances at 1 April 2015		<u>593,367</u>	<u>639,373</u>
Fund balances at 31 March 2016		<u>586,658</u>	<u>593,368</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE CABRACH TRUST

BALANCE SHEET

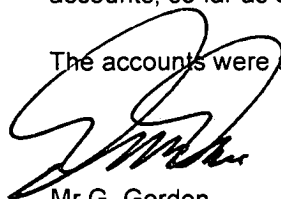
AS AT 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Intangible assets	9		9,422		10,768
Tangible assets	10		530,000		530,000
			<u>539,422</u>		<u>540,768</u>
Current assets					
Debtors	11	275		-	
Cash at bank and in hand		67,832		62,712	
		<u>68,107</u>		<u>62,712</u>	
Creditors: amounts falling due within one year	12	(20,871)		(10,112)	
Net current assets			<u>47,236</u>		<u>52,600</u>
Total assets less current liabilities			<u>586,658</u>		<u>593,368</u>
Income funds					
Unrestricted funds			<u>586,658</u>		<u>593,368</u>
			<u>586,658</u>		<u>593,368</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2016. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The directors acknowledge their responsibilities for ensuring that the company 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.

The accounts were approved by the Board on 31 May 2016



Mr G Gordon
Trustee

Company Registration No. SC409596

THE CABRACH TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, the Financial Reporting Standard For Smaller Entities (effective April 2008), the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 and the Statement of Recommended Practice (SORP) for Accounting and Reporting by Charities issued in March 2005.

1.2 Incoming resources

Donations of assets are recognised in the accounts at their market values.

Rental income is recognised in the accounts for the period to which it relates.

Donations of money are recognised in the accounts for the period to which it relates.

1.3 Resources expended

All expenditure is included on an accruals basis and has been classified under headings that aggregate all costs to that category. Resources expended included attributable VAT which cannot be recovered.

1.4 Tangible fixed assets and depreciation

The charity's property is subject to annual revaluation to market value by the directors and periodically by independent valuers.

Leasehold property Nil

1.5 Trademarks

Trademarks are amortised over their expected useful lives of ten years as assessed by the trustees.

1.6 Governance costs

These represent the costs incurred by finance, human resources, accounting, legal and other costs attributable to the management of the charity's assets, organisational administration and compliance with constitutional and statutory requirements.

2 Donations and legacies

	2016 £	2015 £
Donations and gifts	80,055	-

3 Total resources expended

	2016 £	2015 £
Charitable activities		
<u>Fundraising expenditure</u>		
Activities undertaken directly	96,252	55,247
Governance costs	1,012	1,070
	<u>97,264</u>	<u>56,317</u>

THE CABRACH TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

3 Total resources expended (Continued)

Governance costs includes independent examination fees of £1,002 (2015 - £990).

4 Activities undertaken directly

	2016	2015
	£	£
Other costs relating to Fundraising expenditure comprise:		
Bank charges	614	497
Repairs	-	1,359
Legal	8,730	5,271
Rates	3,100	-
General expenses	13	13
Feasibility study for proposed visitor centre	79,528	43,784
Amortisation of trade mark	1,346	1,346
Insurance	2,384	1,757
Travel	432	592
Telephone	-	356
Heat and light	105	272
	<u>96,252</u>	<u>55,247</u>

5 Governance costs

	2016	2015
	£	£
Other governance costs comprise:		
Accountancy fees	1,012	1,070
	<u>1,012</u>	<u>1,070</u>

6 Trustees

No trustees received any remuneration nor reimbursement of expenses during the year.

7 Employees

There were no employees during the year or previous period and therefore no employees were paid more than £60,000.

8 Taxation

The company has no liability to Corporation Tax for the year ended 31 March 2016 due to its charitable status.

THE CABRACH TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

9 Intangible fixed assets

	Trademarks £
Cost	
At 1 April 2015 and at 31 March 2016	13,460
Amortisation	
At 1 April 2015	2,692
Charge for year	1,346
At 31 March 2016	4,038
Net book value	
At 31 March 2016	9,422
At 31 March 2015	10,768

10 Tangible fixed assets

	Land and buildings £
Cost and valuation	
At 1 April 2015 and at 31 March 2016	530,000
Depreciation	
At 1 April 2015 and at 31 March 2016	-
Net book value	
At 31 March 2016	530,000
At 31 March 2015	530,000

The charity's property is subject to annual revaluation to market value by the directors and periodically by independent valuers. The charity's property was revalued during the year by the directors.

11 Debtors	2016 £	2015 £
Prepayments and accrued income	275	-

THE CABRACH TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

12	Creditors: amounts falling due within one year	2016 £	2015 £
	Trade creditors	15,848	8,039
	Other creditors	1,033	1,033
	Accruals	3,990	1,040
		<u>20,871</u>	<u>10,112</u>
		<u><u>20,871</u></u>	<u><u>10,112</u></u>

13 Members Guarantees

The company is limited by guarantee and does not have a share capital. Members have guaranteed the debts of the company to the extent of £1 per member.