

Registered Company No: SC 172897

Registered Charity No: SC 025995



MULL & IONA

COMMUNITY TRUST

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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LEGAL AND ADMINISTRATIVE INFORMATION

Charity Name:	Mull and Iona Community Trust		
Registered Office:	An Roth Community Enterprise Centre Craignure Isle of Mull Argyll PA65 6AY		
Charity Registration Number:	SC025995		
Company Registration Number:	SC172897		
Trustees:	Sandy Brunton (Chairman) Chris Baker Derek Crook Robert MacManaway Alexa Kershaw Caroline Wood Ian Jones Gemma Paterson Justin Liddle (co-opted 18/06/18) Barry Whenman (co-opted 18/06/18) Steve Ohlsen (resigned 09/04/18) Alexandra Stevens (resigned 10/05/18)		
Secretary:	Chris Baker		
Independent Auditors:	Wylie & Bisset LLP Chartered Accountants 168 Bath Street Glasgow G2 4TP		
Bankers:	Unity Trust Bank	The Co-operative Bank	Santander
	Nine Brindleyplace Birmingham BS1 2HB	1 Balloon Street Manchester M60 4EP	Bridle Road Bootle Merseyside L3 4GB
Solicitors:	Twin Deer Law Lochaber Rural Complex Fort William PH33 6SQ		

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Report of the Trustees for the year ended 31 March 2019

Introduction

The Trustees of Mull and Iona Community Trust (MICT) present their annual report and financial statements of the charity for the year ended 31 March 2019.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Purposes

The following statements of purpose are taken from the Trust's Articles of Association:

- 4.1 To manage community land and associated assets for the benefit of the Community and the public in general.
- 4.2 To provide, or assist in providing, recreational facilities, and/or organising recreational activities, which will be available to members of the Community and public at large with the object of improving the conditions of life of the Community.
- 4.3 To advance community development, including rural regeneration and the promotion of civic responsibility, volunteering, the voluntary sector or the effectiveness or efficiency of charities within the Community.
- 4.4 To advance the education of the Community.
- 4.5 To advance environmental protection or improvement including preservation, sustainable development and conservation of the natural environment, the maintenance, improvement or provision of environmental amenities for the Community and/or the preservation of buildings or sites of architectural, historic or other importance to the Community;
- 4.6 The prevention and relief of poverty.
- 4.7 The relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage.
- 4.8 The provision of housing in the Community for those who are in conditions of need and/or the provision of land within the Community on which housing for those in conditions of need will be constructed, provided that this Purpose shall not extend to relieving any local authorities or other bodies of a statutory duty to provide housing.
- 4.9 Any other purpose that may reasonably be regarded as analogous to any of the preceding purposes.

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ABOUT THE TRUST

Operational context and approach

Mull and Iona are recognised by the Scottish Index of Multiple Deprivation as being in the 5% most deprived postcode districts in Scotland under the measure of geographic isolation. The islands have a growing but ageing population, as young economically active families leave – due in part to a lack of suitable housing and employment – and are replaced by older people seeking a lifestyle change.

MICT works to strengthen the community, economy and environment of the islands, and furthers its charitable purposes through a wide range of projects and through support provided to residents, community groups and local organisations.

The Trust delivers on its remit via two complementary approaches:

- By consulting the community to identify priorities, recording these in Community Development Plans, and using this information to underpin the strategy of the Trust.
- By responding to unplanned situations or opportunities as and when they arise.
-

During the reporting period, the Trust continued to pursue projects delivering beneficial outcomes in line with its purposes, addressing a huge range of issues including recycling, geographic and social isolation, housing, sustainable transport and economic development.

Projects are continually checked against the strategic objectives of the Trust to ensure that these are prioritised and not diluted, for example when funding opportunities arise for non-priority projects.

The Trust also gives out grants with income arising from the MESS (Mull Environmentally Sensitive Solutions) Island Castaways charity shops. The grant-making policy is simple in that applications are restricted to groups or projects which benefit residents on the island. Grants are not given to individuals or businesses. Applicant organisations must have a dedicated bank account.



Structure, governance and management

MICT is registered as a Scottish Charity (Charity Number SC025995) and as a Company Limited by Guarantee (Registration Number SC172897). The Trust also has a trading subsidiary, An Roth Trading Ltd, which is a Company Limited by Shares (Registration Number SC405626). This trading company is currently dormant, with a total share capital of £100 which is wholly owned by the Trust.

The Trust is a member of Development Trust Association Scotland along with over 250 similar development trusts. This provides valuable networking opportunities as well as a support network for funding and lobbying activities.

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Board of Directors

The Trust's Articles of Association allow for up to 14 members to be elected as Directors, for one representative Director from each of Mull Community Council and Iona Community Council, and for up to five individuals to be co-opted between AGMs to ensure a spread of skills within the Board.

The Trust aims to maintain a suitably diverse Board in terms of geographic representation of the island, age, gender, experience and expertise. From time to time, the Trust advertises Board vacancies through newsletters, on social media and in the island magazine.

New Directors are provided with an information pack outlining legal responsibilities, code of conduct, and declarations of interest, and are offered induction training to understand the complexities of the finances of the Trust.

The Board of Directors meet monthly to discuss all issues arising from projects and support work, potential new work for the Trust, and any other matters raised from within the board or staff. Decisions are made after careful consideration and are usually taken as a consensus but if necessary are put to a vote. The Articles of Association do not allow the Chair of the meeting a casting vote.

See the cover sheet of this report for the Board Directors serving during this reporting period.

Key Management Staff

There are five roles identified as key management staff; General Manager, Deputy General Manager, Finance Manager, MESS Manager and Ranger Service Manager.

The General Manager of the Trust is Moray Finch, to whom the Board delegate day to day management responsibility for operational and line management matters.

Towards the end of the financial year, Dot Stewart resigned as **Deputy General Manager** and was replaced by Mairi Greig. The Deputy General Manager of the Trust has the same responsibilities for operational and line management as the General Manager. An exception to this is that Mairi has additional responsibilities for HR matters. Currently the Deputy General Manager post is full time although Mairi is only available to work part time due to lack of wrap around childcare.

The Office and Finance Manager of the Trust during the reporting period was Vanessa MacLean, to whom the Board delegated day to day management responsibility for finance and HR activities. Vanessa left the company on 31 March 2019 and was replaced by Pamela Venters as **Finance Manager**, with responsibility for finance activities only.

The **MESS Manager** is Hazel Cowe with particular responsibility for management of Island Castaways charity shops and all recycling activities and projects.
The **Ranger Service Manager** is Jan Dunlop

The **MESS Manager** is Hazel Cowe with particular responsibility for management of Island Castaways charity shops and all recycling activities and projects.

The **Ranger Service Manager** is Jan Dunlop

Salaries of the key management staff are established in accordance with the Salaries Policy which makes provision for a range of salary within each grade.

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Standing Committees

In January 2019, the Board resolved to establish three standing committees to provide additional focus and governance for three operational areas:

- **HR and policies** – meets three times per year, or more frequently as and when required
- **Finance** – meets four times per year, or more frequently as and when required
- **Strategy** – meets after the Annual General Meeting and in June each year, or more frequently as and when required

These Standing Committees have been established to include different members of the Board and Management Team to share the workload and governance responsibility, and make best use of individual skills. A representative of each Standing Committees provides an update at each Board Meeting.

Project steering groups

Every MICT project has a steering group to help guide and govern the project. To discharge its responsibilities, the Board ensures that each steering group includes at least one MICT Director. Routine decisions are taken by the steering group and only more significant issues or decisions are referred to the Board for discussion and approval. The Director on the steering group makes the judgement of what needs to be referred to the board, if necessary seeking advice from the General/Deputy General Manager.

Resourcing

Staff

We are very proud of our staff who are passionate about our work and continuously demonstrate great commitment to the organisation.

At the reporting period year end, there were around 29 staff on payroll, distributed as follows:

- Six full-time staff
- Nine part-time staff (approximately 4.2 full time equivalent)
- 11 staff on zero hours contracts (mainly “bank” charity shop staff and dial-a-ride drivers)
- Three staff on maternity leave

Volunteers

Volunteers make a very significant contribution to the work of the Trust, in various ways:

MESS Island Castaways – Three charity shops are operated predominantly by approximately 35 volunteers. The volunteers are very committed and help to ensure that the shops provide an outlet for clothing, bric-a-brac and furniture donated by residents.

Steering groups – Every project is supported by a steering group which comprises of one or more MICT Directors and several volunteers. The total number involved is constantly changing as projects start and finish but a conservative estimate would be around 100. The time commitment varies but typically steering groups meet on a monthly basis with some input in between meetings.

Board Directors – The volunteer Board Directors are essential to the work of the Trust and give their time freely. With a wide range of backgrounds and experience, the Directors provide support

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to staff and ensure that the Trust is responding properly to the needs of the community, in line with its strategy. During the year there were 10 Directors on the board at any one time.

Guardians of public access defibrillators – 17 volunteers carry out monthly inspections and online reports to ensure that the Scottish Ambulance Service can rely on the public access defibrillators being available in an emergency.

Finances

Principle funding sources of the Charity

Apart from earned income to support governance and management costs, the Trust's work is principally funded by project specific grants secured by staff. These grants come from a wide range of funders, often specific to the area of challenge the project is seeking to address. The projects are agreed by the board to ensure that they align with the Purposes and the strategic objectives of the Board.

Core costs

The Trust is making progress towards reducing reliance on grant income to cover its core costs by increasing income from enterprise activities. During the reporting period, income was generated via activities including the Island Castaways shops, room rentals at An Roth, self-storage and seeking of donations from individuals. Projects initiated or investigated during the period, such as Tobermory Light Industrial Park and Ardura Community Forest, are intended to further reduce reliant on grant income for core costs in the future.

The Trust's core costs for the financial year 2018-19 were £73,720 and included:

- Contribution to salaries for General and Deputy General Managers and Finance Manager
- Pension fees
- Banking fees
- Postage, telephone, stationary and printing costs
- IT support costs
- Web hosting, domain names and website costs
- Conference fees and travel and subsistence expenses
- Venue hires for meetings
- Accounting and audit fees
- Accountancy software cost
- Regulatory fees and membership subscriptions (e.g. DTAS, SCVO, SIF, CWA)
- Recruitment costs

The total earned income contributing to this was around £50,000 leaving a shortfall of around £23,000.

Reserves policy and reserve funds

It is the policy of the Trust to have access to a minimum of three months', but with a target of six months', staff and support costs available in a Reserves Account. This is based on employment costs for the core staff, refuse costs, accounting costs, insurance, maintenance, mortgage and loan payments, and running costs for the houses and pontoon.

Based on the results for the year ended 31 March 2019, this would indicate an unrestricted reserves figure of between £229,000 and £440,000. Total funds at 31 March 2019 were £2,927,558, of which £1,207,117 are restricted, leaving unrestricted funds of £1,720,441. Of this amount £536,717 is designated for spending on future projects and a further £2,947,827 is tied up in fixed assets, leaving no free reserves at 31 March 2019

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The Board is keen to move towards achieving the Reserves Policy and projects like the Gantry Storage, Tobermory Light Industrial Park and Ardura Forest will all contribute positively to this objective by reducing and eliminating the shortfall in the contribution to core costs outlined above.

Pensions

Government legislation requires that all employers provide a pension scheme and that qualifying employees are automatically enrolled into the scheme. The Trust provides eligible employees with a 6% contribution annually. The pension scheme is not a defined benefit scheme.

Investment policy

Other than a reserves account, the Trust had no investments during the reporting period.

Significant financial events

There were no significant financial events affecting the Trust during the period.

Risks to the charity

The main risk faced by the Trust is that we will fail to cover the costs of managing and governing the business in future years. These costs are not easily recoverable from grant funding. The strategy of the Trust to mitigate this risk is to develop income generation activities to reduce reliance on grant income for core costs.

Factors likely to affect the Charity in future

The availability of grant funding currently dictates our ability to develop and deliver projects. Such funding will be reduced by the UK leaving the European Union, and there is uncertainty as to whether funding coming from the EU will be replaced by funding from other sources after Brexit. Aside from Brexit, it is increasingly difficult to secure new grant income, capital or revenue, as:

- The economic situation has reduced funding programmes from government bodies
- Falling revenues from lottery ticket sales reduce the scale of funding available from the National Lottery Community Fund
- More third sector organisations are set up in response to cuts in public services

In this funding climate, it is all the more important for the Trust to develop its income generation activities, and to prioritise its work to address the issues and challenges that matter most to the community.

WHAT WE DO

Ongoing activities and services

Advisory support to local organisations

The Trust offers support to local organisations, including funding and constitutional advice, and where appropriate can work on a cost recovery basis to search out funding opportunities and prepare funding applications for such bodies.

Groups and projects supported in this way during the year included:

- Glengorm Wildlife Project
- Glengorm Housing Project

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- Salen Show Committee
- The local branches of the Scottish Women's Institute (SWI)
- Tobermory High School Parent Council
- Home-Start
- Craginure Bay Community Group

In addition, we continue to support Mull Musical Minds and Mull Safe and Sound, two organisations we helped to establish which provide valuable support to the wider community.

Community representation

During the year we strengthened already strong relationships with other community representation groups on the island, particularly Mull Community Council, Iona Community Council and Mull and Iona Ferry Committee.

A high profile example of partnership between these organisations working has been the community campaign to persuade the local authority to reconsider its proposed Traffic Regulation Order, which would have imposed parking charges on car parks at the lifeline ferry ports of Craginure and Fionnphort, as well as at Ledaig in Tobermory. We played a full part in the campaign, using our skills to support volunteers from the community councils with preparation of formal documents, and acting as a mouth piece to external stakeholders and the media.

An Roth Community Enterprise Centre – Room and facility hire

As well as an office base for two local businesses (M Dive and West Coast Motors) and an emergency service (the Maritime and Coastguard Agency), An Roth continues to be a popular venue for meetings, interviews, training courses and consultations for local groups and off-island businesses. A range of groups used An Roth this year, with repeat customers including:

- Mull Community Council
- Argyll and Bute Council
- Pearson Vue for driving theory tests
- Scottish Sea Farms
- Business Gateway
- North Argyll Carers
- Home-Start
- Comar
- Mull Safe and Sound
- Mull Musical Minds

In addition, An Roth allows local people and visitors to 'hot-desk' and take advantage of the high class facilities on offer.

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Island Castaways charity shops and MESS

Mull and Iona Environmentally Sensitive Solutions (MESS) is a MICT initiative that provides local solutions to the waste and environmental issues that affect our communities and brings economic as well as environmental benefits to Mull and Iona. The first charity shop under the initiative opened in Bunessan in June 2003, and three charity shops, aptly named Island Castaways, are now successfully run in Bunessan, Craignure, and Tobermory during the summer season. In such a small community it is not unusual to see clothes recently donated to MESS being worn by a friend, which is often a source of great amusement!

Every year, our team of MESS staff, volunteers and customers have a fashion show – a great way to divert waste from landfill, raise funds and have an enjoyable night out! It's an annual event, and something to which everyone looks forward.

Profits from Island Castaways shops are used in part to support the unfunded work of the Trust, with the remainder directly supporting local projects and groups via the MESS Island Castaways Fund. This is a key factor in the commitment of the staff and volunteers involved with the charity shops.

Craignure

Our flagship store in Craignure is popular with locals and visitors and has seen an increase in footfall thanks to RET (Road Equivalent Tariff - cheaper ferry fares) and our proximity to the ferry terminal.

The Craignure shop has a dedicated team of around 10 volunteers on a weekly rota that allow the shop to be open 7 days a week in the busy summer period. The Craignure shop has a team of 8 staff including a manager, resource worker, van driver and bank staff.

Bunessan

Additional volunteers have been recruited, which has allowed recent improvements in the shop to be consolidated. The shop is ever more popular with locals and tourists alike. The Bunessan shop is supported by the Craignure staff team who visit regularly to deliver stock, collect donations and help with visual merchandising.

Tobermory

Tobermory ran its summer charity shop in Aros Hall with support from members of the community, who assisted with the visual merchandising displays in the shop. Our presence in Aros Hall helps keep the hall toilets open for public use, a welcome service in Tobermory.



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Gantry Self-Storage

The self-storage site in Craignure has again proved there is a need on the island and in the local area for this kind of facility. Income generated through the rental of these containers plays an integral part in making the Trust financially self-sustaining. Moving forward, the Trust will seek to take ownership of the site from the current owners Forestry and Land Scotland to save the annual rental cost.

Ulva Ferry Community Transport

A scheduled service operates on Fridays, Saturdays and Sundays between Calgary and Salen via Ulva Ferry, on which Scottish Concession cards can be used, and children travel free. Outside of this scheduled service, our vehicles are available seven days a week (subject to driver availability). Our friendly drivers offer a door-to-door service anywhere on Mull, in our four seater electric car and our 9 seater specially adapted minibus with wheelchair access and lift for those with mobility issues. We provide transport for Ulva School pupils traveling to PE and swimming lessons, and further afield to Mull Theatre and Ulva's sister school, Lochdonhead Primary.

There has been a noticeable increase in visitors using the service to get to and from Ulva Ferry, and visiting both Ulva and Gometra. This will have brought further economic benefit to the two islands, and the Boathouse Restaurant and accommodation businesses which operate on Gometra and Ulva.



In January, the Nissan Leaf was written off after a road traffic collision – fortunately no-one was injured. The insurers agreed a fair settlement, but we were unable to source a replacement of the same specification, age and mileage within the price range. This reflects increased values of second-hand electric vehicles due to more drivers changing to EVs – something we are really pleased about! To cover the shortfall, we launched a fundraising campaign on social media which achieved the £750 target, meaning that after year end we were able to purchase a replacement Nissan Leaf.

With no other public transport options in the Ulva Ferry area, our service is making a real difference to people's lives – reducing isolation, enabling residents to get out more, providing essential patient transport to appointments, and enabling tourists without their own cars to visit the area, thus supporting the local economy. The service is generously funded by Big Lottery Fund Scotland, Scottish Sea Farms' Heart of the Community Fund, Crerar Hotels Trust and individual donations.

The service provides part-time income for our drivers, several of whom are based within the small community of Ulva Ferry, which again helps to support and sustain the community.

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Ulva Ferry Pontoon

The summer of 2018 was productive for the pontoon, with increased numbers of yachts visiting and bringing with them additional custom for local attractions like Lip na Cloiche and the restaurants on Ulva and at Ballygown. In many cases, visitors took advantage of the community transport to get to Ballygown and to the Salen Spar, providing ample evidence of the predicted financial spend resulting from yachts visiting Ulva Ferry.



As with the transport project, the pontoon provides part-time employment for our pontoon manager as well as to local contractors for electrical and underwater inspections.

Ulva Ferry Affordable Housing

After successful completion of the first two houses at Ulva Ferry, MICT is now registered as a landlord with Argyll and Bute Council and our tenants have been in the houses for over two years at the time of writing. The houses are performing well and energy bills are in line with our high expectations based on our determination not to compromise the specification despite pressure to reduce the capital cost!

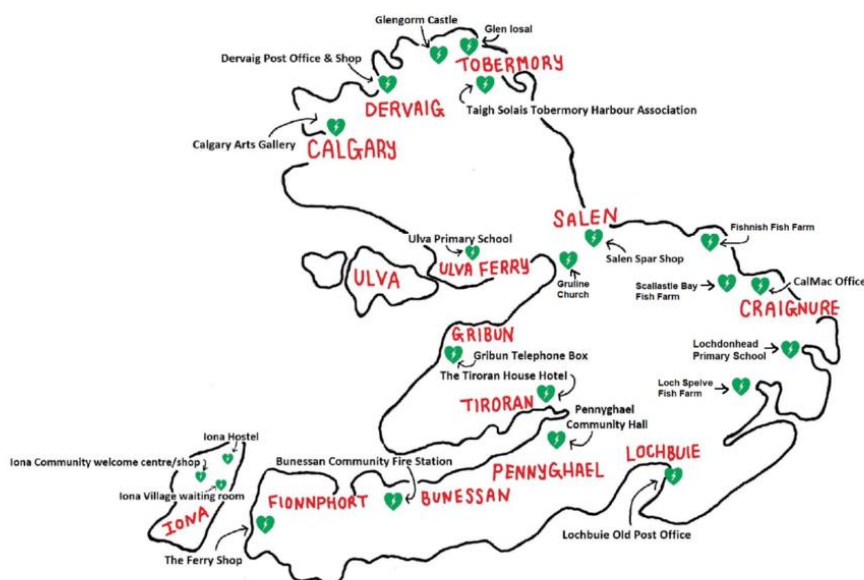
Public Access Defibrillator Network

The network continues to grow (see diagram below) as we register existing defibrillators (e.g. several Scottish Sea Farms shore bases) and install new units. None of this would be possible without the support of the volunteer guardians who diligently carry out monthly inspections and submit online reports to notify the Scottish Ambulance Service that the defibrillators are available for use.



Version 15
July 2019

Mull & Iona Public Access Defibrillator Network



For more information, call Moray Finch on 01680 812905 or email mfinch@mict.co.uk

Programmes and projects

Tobermory Light Industrial Park

This project is remarkable in that it is funded by the largest grant the Trust has ever secured (£1.6m from the Regeneration Capital Grant Fund) and involves the largest contract the Trust has ever awarded. Once construction commenced, we received increased interest from potential tenants and this in part gave us confidence to bring forward phase 2 of the scheme to run concurrently with phase 1 – giving a total contract value of just over £2m. Finance for phase 2 is from a combination of peer to peer loans and a commercial loan from Triodos Bank.



Drone photo of construction work in progress at the site courtesy of Barry Whenman

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Unfortunately, an issue with one of the planning conditions -resulted in a complete suspension of construction for around six months over the summer of 2018. Since this was resolved, work has progressed extremely well thanks to TSL Contractors and our professional team.

Mull and Iona Ranger Service

Mull and Iona Ranger Service promotes the enjoyment and understanding of Mull, Iona and associated islands such as Staffa, Ulva and Gometra through a changing programme of activities, events and focused projects.

The Ranger Service is made up of a team of four – two full-time posts and two seasonal, one being a volunteer post and the other largely involved with Mull Eagle Watch. Funding for the service comes from partnerships with Mull Eagle Watch, Scottish Natural Heritage, Forestry Commission Scotland and NTS, as well as earned income.

Our area covers 90650ha with 365 miles of coastline and 64714ha with various designations such as Sites of Special Scientific Interest (SSSIs) and National Nature Reserves (NNRs).

In 2018-9 we held **11 community/volunteer events** with 327 attendees, including Friends of Calgary Bay events, beach cleans and work with other community groups such as the Ross of Mull Historical Centre and South West Mull and Iona Development. We worked with 30 school groups, some more than once, involving interaction with 509 pupils. Activities included nature clubs on the Ross of Mull and Iona, activities with Bunessan and Iona Primary school pupils at Tioran Community Woodland, and hedgehog house building with all five primary schools in the north if the island. We also provided conservation activities for visiting schools such as Fettes and George Watsons in Edinburgh, and for Tobermory High School.



21 public events were held or attended, with a total of 750 attendees, including the agricultural shows and Lifeboat Day, guided walks and drop-in days at wildlife hides. **16 specialist events** were organised with 183 attending, such as talks for the bird club, a carbon footprint event at Tioran for the Iona Community, the Loch Frisa fishing competition, talks for SRUC countryside management students, and assisting with the archaeology dig at Lephin.

Mull Eagle Watch was based at Craignure Golf Course and then at West Ardhru after the nest failed at Craignure, working in partnership with the Craignure Golf Course and North West Mull Community Woodland Company. Visitor numbers were around 1800.

Work at **Calgary** and support for the Friends of Calgary Bay continues with MICT signing a 20 year lease with the Council for the SSSI, including the machair. The machair was protected with a stock fence, paid for by a crowd-funding campaign.

The Tobermory Lighthouse Path funding was secured from ‘Seedcorn’ money from Forestry Commission Scotland to upgrade access and install steps to connect the degraded path back to the route over the golf course.

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Aros Park Walled Garden – The ranger service helped with community engagement, which culminated in the establishment of a new, independent project group to take the project forward.

Fionnphort to Creich Hall Path – The ranger service supported the local steering group with funding applications, which ultimately allowed MICT to construct the path after the year end.

Lochbuie Path – The ranger service supported the local landowner and secured funds from 'Paths for All' to improve access to the standing stones and the Mausoleum at Lochbuie.

ReThink MESS

Funded by the 'Climate Challenge Fund', ReThink MESS aims to reduce the carbon footprint of Mull and Iona by:

- Reducing food waste
- Diverting food waste that cannot be avoided from landfill to composting by:
 - Establishing a food waste collection trial in Tobermory
 - Installing a community composter in Tobermory to process food waste
 - Installing hot bin composters at several restaurants and cafés
- Establishing 'recycling on the go' stations around the island and at events like the Salen Show
- Setting up a number of beach cleaning stations around the island

An early success was setting up a Community Fridge in partnership with Craignure Village Hall. This has been well supported with donations of food from local accommodation providers and the Co-operative supermarket in Tobermory. In January and February alone this diverted around 200kg of food from landfill!



Project developments supporting Ulva School Community Association

In 2011, Ulva School Community Association (USCA) asked for MICT support to deliver projects which would achieve the primary outcome of sustaining the school roll at Ulva Primary School, thus safeguarding its future. Since then several projects have been taken forward with great success.

Ulva Ferry Housing Project

Following the success of the first two houses finished in June 2017, USCA asked MICT to continue with the next phase to build two more family homes and two smaller homes. In summer 2018, Helen MacDonald (housing project officer) secured a grant from the Scottish Land Fund to purchase another building plot at Oscamull, Ulva Ferry and we took ownership of the plot in September 2018.

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Helen is working to prepare tenders for the new houses, which will then allow the budget to be finalised and funding applications to be prepared and submitted.

Ulva Ferry Pontoon shore facilities

Building on the success of phase 1 of the pontoon, Cally Fleming has been working hard to bring in phase 2. A key milestone for phase 2 was taking ownership of the land by the pontoon. Cally secured a grant from the Scottish Land Fund which allowed MICT to purchase the land during the year.

Cally also applied to the Rural Tourism and Infrastructure Fund (RTIF) to improve the car parking arrangements at Ulva Ferry on the land we now own. The proposed scheme will also alleviate several traffic management issues, helping to separate pedestrians from so many vehicle movements. The scheme will also include provision for three motorhome hard standings, along with electricity and water hook-ups and a chemical toilet disposal point.

We were able to persuade Visit Scotland (who administer RTIF on behalf of the Scottish Government) to allow the value of the land to be included in the overall project costs. This innovative approach meant that the required 30% match funding for the car park work is already in place.

Cally is focussing efforts to secure development funding for the shore facilities building which will include toilets (to replace the existing portacabin), showers, laundrette, office space for the pontoon manager and two small bunkrooms.

Lochdon Housing Project

The Lochdon housing project is a wonderful example of what can be achieved when our community pulls together. Lack of housing was affecting the school roll at Lochdonhead Primary School, raising the prospect of closure once more. When initially approached by the community, West Highland Housing Association and Argyll and Bute Council couldn't justify building new houses at Lochdon. In support of Mull Community Council, we worked with Rural Housing Scotland and the local community to demonstrate a previously unclear demand for housing in Lochdon. As a result, West Highland Housing Association eventually secured funding from the Scottish Government's Affordable Housing Supply Programme for the construction of 14 houses.

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After the year end, the houses were completed and several families with children have since moved in, helping to significantly boost the number of children in Lochdonhead Primary School.



Ardura Community Forest Project

Our investigations into purchasing Ardura Forest progressed during the year. Ardura was put up for disposal by Forestry Commission Scotland in October 2016 and is made up of around 200 hectares of land, of which around 110 hectares is planted with mainly sitka spruce. Our stated intention was to harvest the timber and to restock with 100% native broadleaf species. Central to this objective was a commitment not to make use of neonicotinoid treated seedlings, nor herbicide chemicals.



The proposal included a range of direct community benefits:

- A forest school
- Reinstatement of the 'Old Road' as part of a long distance route between Fionnphort and Craignure
- A wildlife and dark sky viewing hide
- Woodland walks
- Potential camp site for tents along with composting toilets

In addition, retained profits from sale of the standing timber would be invested to provide long-term income to help cover the core running costs and unfunded work of the Trust.

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Our first application to the Scottish Land Fund (SLF) for the money to purchase Ardura was rejected. After initial disappointment, we quickly realised this presented a great challenge for us to resubmit the application addressing the feedback from the SLF panel.

The second application was submitted just prior to the year end and in May 2019, we were notified that the application was successful and we now own Ardura Forest!

Childcare Project

After significant efforts to develop plans for a nursery at Aros, the Childcare Project was put on hold towards the end of the year due to Argyll & Bute Council announcing its own separate plans to deliver the increased pre-school hours necessary from August 2020. Our nursery plans were dependent on Council capital injection to establish the new facility envisaged. At the time of writing, a workshop has been scheduled to revisit the aims of the project and other options for childcare improvement, as the Trust is aware this is still a pressing issue for families on the island.

Funding provided to local causes

During the year, the MESS Fund distributed grants totalling over £4,000 to the groups and projects listed below:

Group	Money used for
Salen SWI	Senior Citizens' Christmas Lunch
Dervaig Toddlers	New equipment and toys
Mull Museum	Archaeological dig at Lephin Chapel at Baliscate
1st Tobermory Guides	Trip to Belfast
Tobermory Beach Association	Beach sand, bins, dog poo bag dispensers, seating
Bunessan Primary School	Transport to local MOD in Tobermory
Friends of Glen Iosal	To install a new defibrillator
Aros Park Walled Garden	Initial funds for working parties, fencing, surveys, drainage etc
Salen Church member	Replacement flower tubs
Camas	Upgrade outdoor equipment
Creich Library	Shelf units and display stands
Glengorm Wildlife Project	Create wildflower meadow
Mull and Iona Ranger Service	Run interpretative and interactive events
Mull Junior Mod	Monthly Gaelic club

Plans for the Future

The Trust intends to continue with the wide range of projects currently being developed and delivered, with a desire to identify new projects that can deliver more sustainable outcomes for the islands.

The Trust hopes to support and, where necessary, lead projects which will help reverse the ageing demographic changes which are evident from analysis of recent census statistics. Such projects will include:

- Improvement of childcare provision
- Provision of further affordable housing around the islands

MULL AND IONA COMMUNITY TRUST
(a company limited by guarantee)

Report of the Trustees for the year ended 31 March 2019

Other projects will likely include:

- Further sections of the long distance route from Fionnphort to Craignure, to build on the first section from Fionnphort to Creich Hall under construction at the year end.
- Acquisition of Ardura Community Forest and its restructuring as a native broadleaf woodland.
- Working with Argyll and Bute Council and the proposed Rural Growth Deal to further improve the socio-economic situation of the islands.
- Extension of the recycling projects to investigate financially viable schemes which also increase recycling rates.

We will continue to consult the community, both informally at events and meetings, and more formally via questionnaires and surveys, to ensure our work is driven by the issues and challenges that matter most to those living on Mull and Iona. Feedback received in this way will aid with regular review and revision of our strategy, which we aim to use as a tool to help funders and the community understand our priorities, and to help with decision making about which projects we choose to pursue.

Acknowledgements

The Directors particularly wish to thank key public funders for their continued support: Highlands and Islands Enterprise, Argyll & Bute Council, The Regeneration Capital Grants Fund, Development Trust Association Scotland, Rural Housing Fund, Scottish Natural Heritage, Scottish Government, Forestry and Land Scotland, The National Trust for Scotland, The National Community Lottery Fund, Sustrans, Keep Scotland Beautiful, Zero Waste Scotland, Climate Challenge Fund, Foundation Scotland (the Coram Trust), Paths for All and the Princes Countryside Fund.

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of Mull and Iona Community Trust) for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing the financial statements, 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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

MULL AND IONA COMMUNITY TRUST
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Report of the Trustees for the year ended 31 March 2019

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Disclosure to the Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime of the Companies Act 2006.

Approved by the trustees and signed on their behalf by:



Name:

Date: 11 November 2019

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF MULL AND IONA COMMUNITY TRUST FOR THE YEAR ENDED 31 MARCH 2019

Opinion

We have audited the financial statements of Mull and Iona Community Trust for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statements and the related notes and 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 charitable company's affairs as at 31 March 2019, and of their incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2016; 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 Charitable Company 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 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 other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon.

The trustees are responsible for the other information. 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 AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF MULL AND IONA COMMUNITY TRUST FOR THE YEAR ENDED 31 MARCH 2019

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 report of the board of trustees, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors report included within the report of the board of trustees has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the report of the board of trustees.

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

- adequate and proper accounting records have not been kept by the Charitable Company; or
- the Charitable Company financial statements are not in agreement with the accounting records; 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' exemptions in preparing the report of the board of trustees and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 18-19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 the Act and relevant regulations made or having effect thereunder. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF MULL AND IONA COMMUNITY TRUST FOR THE YEAR ENDED 31 MARCH 2019

Auditor's responsibilities for the audit of the financial statements (contd)

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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Jenny Simpson (Senior Statutory Auditor)
For and on behalf on Wylie & Bisset LLP, Statutory Auditor

168 Bath Street
Glasgow
G2 4TP

11 November 2019

MULL AND IONA COMMUNITY TRUST
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2019
(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £
Income and endowments from:							
Donations and legacies	4	28,271	33,300	61,571	10,153	38,211	48,364
Charitable activities	5	12,132	1,349,752	1,361,884	-	470,894	470,894
Other trading activities	6	209,096	-	209,096	304,228	5,632	309,860
Investments	7	11,224	-	11,224	11,678	-	11,678
Other incoming resources	8	4,109	-	4,109	-	-	-
Total Income		264,832	1,383,052	1,647,884	326,059	514,737	840,796
Expenditure on:							
Raising funds							
Raising donations & legacies	9	88,116	-	88,116	102,659	-	102,659
Charitable activities	10	224,207	331,086	555,293	129,031	578,318	707,349
Total Expenditure		312,323	331,086	643,409	231,690	578,318	810,008
Net (expenditure) / income for the year		(47,491)	1,051,966	1,004,475	94,369	(63,581)	30,788
Transfers between funds		11,491	(11,491)	-	(24,070)	24,070	-
Net movement in funds		(36,000)	1,040,475	1,004,475	70,299	(39,511)	30,788
Funds reconciliation							
Total Funds brought forward	21, 22	1,756,441	166,642	1,923,083	1,686,142	206,153	1,892,295
Total Funds carried forward	21, 22	1,720,441	1,207,117	2,927,558	1,756,441	166,642	1,923,083

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

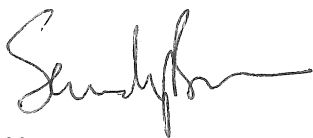
MULL AND IONA COMMUNITY TRUST

BALANCE SHEET AS AT 31 MARCH 2019

		2019	2018
	Note	£	£
Fixed assets:			
Tangible assets	5	2,947,827	1,799,015
Investments	16	100	100
Total Fixed Assets		<u>2,947,927</u>	<u>1,799,115</u>
Current assets:			
Stocks		1,414	3,949
Debtors	17	247,702	200,852
Cash at bank and in hand	24	517,505	241,136
Total Current Assets		<u>766,621</u>	<u>445,937</u>
Liabilities:			
Creditors falling due within one year	18	(646,847)	(182,270)
Net Current assets		<u>119,774</u>	<u>263,667</u>
Total assets less current Liabilities		<u>3,067,701</u>	<u>2,062,782</u>
Creditors: Amounts falling due after more than one year	19	(140,143)	(139,699)
Net assets		<u>2,927,558</u>	<u>1,923,083</u>
The funds of the charity:			
Unrestricted funds	20	1,720,441	1,756,441
Restricted funds	21	1,207,117	166,642
Total charity funds		<u>2,927,558</u>	<u>1,923,083</u>

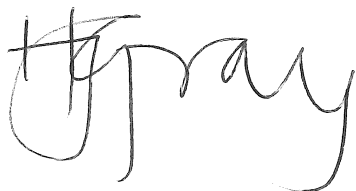
These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

Approved by the trustees on 11 November 2019 and signed on their behalf by:



Name:

Name:



Charity No: SC172897

**MULL AND IONA COMMUNITY TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	2018 £
<i>Cash flows from operating activities:</i>			
Net cash provided by operating activities	23	894,474	145,103
<i>Cash flows from investing activities:</i>			
Interest and rents received		11,224	10,073
Gift aid donation received		-	2,755
Interest paid		(4,994)	(5,012)
Proceeds from the sale of property, plant and equipment		8,600	801
Purchase of property, plant and equipment		(733,247)	(263,190)
Net cash (used in) investing activities		(718,417)	(254,573)
<i>Cash flows from financing activities:</i>			
Repayment of hire purchase		-	(1,326)
Repayment of loans		(2,200)	(2,692)
Loans received		105,000	27,000
Repayment of mortgage		(2,488)	(1,302)
Net cash provided by financing activities		100,312	21,680
Change in cash and cash equivalents in the year		276,369	(87,790)
Cash and cash equivalents brought forward	24	241,136	328,926
Cash and cash equivalents carried forward	24	517,505	241,136

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting Policies

(a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charitable company constitutes a public benefit entity as defined by FRS 102.

The charitable company's functional currency is sterling. Amounts in the financial statements are rounded to the nearest £.

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

(b) Funds structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created funds for specific purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed, or through the terms of an appeal.

Further details of each fund are disclosed in note 20 & 21.

(c) Income recognition

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations, are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting Policies (continued)

(c) Income recognition (continued)

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

(d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (f) below.

- Costs of raising funds comprise the costs of commercial trading including investment management costs and certain legal fees and their associated support costs;
- Expenditure on charitable activities includes direct costs of activities undertaken to further the purposes of the charity and their associated support costs;

Irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred.

(e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised. Refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting Policies (continued)

(f) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on time spent. The allocation of support and governance costs is analysed in note 11.

(g) Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised, including any incidental expenses of acquisition and valued at historical cost. All incidental costs relating to the acquisition of the property are also fully depreciated in the year of acquisition. Depreciation is charged as follows:

Heritable Property	-	0% per annum straight line (see note below)
Plant & Machinery	-	25% per annum reducing balance
Fixtures, Fittings & Equipment	-	15% per annum reducing balance
Motor Vehicles	-	25% per annum reducing balance

Ulva Ferry Houses are considered to be maintained in such a condition that any depreciation charge would be trivial.

The depreciation basis of Heritable Property has been changed during the year from 5% per annum straight line to 0% per annum straight line as the Trustees are of the opinion the property is maintained to a sufficient standard that any further depreciation would be trivial. Had the prior basis been applied in the current year the depreciation charge on Heritable Property would have been £55,861.

(h) Fixed asset investments

Investments are included at cost less provision for any diminution in value.

(i) Stock

Stock is included at the lower of cost or net realisable value.

(j) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(k) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(l) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting Policies (continued)

(m) Operating leases

The charity classifies the lease of the Ulva Ferry Site as an operating lease; the title to the equipment remains with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

(n) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(o) Taxation

The company is a charitable company within the meaning of Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only.

(p) Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2. Legal status of the Trust

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

3. Related party transactions and trustees' expenses and remuneration

There are several related parties identified as the directors also have many other directorships in local companies and organisations. Related party transactions entered into by the charitable company during the year are as follows:

The Brook Partnership is a related party by virtue of Alexander Brunton and Derek Crook, Directors of Mull and Iona Community Trust, being partners in The Brook Partnership. Insurance of £3,276 (2018: £1,921) for Island Castaways Bunnessan is paid to Brook Partnership. Rental of £1,335 (2018: £1,335) was also paid to the Brook Partnership for the rental of four storage containers. At the year end The Brook Partnership was owed £Nil (2018: £nil).

Island Engineering is a related party by virtue of Christopher Baker, Director of Mull and Iona Community Trust, being the sole owner of Island Engineering. Technical services in relation to electrical works of £780 (2018: £Nil) were provided by Island Engineering. At the year end Island Engineering was owed £Nil (2018: £nil)

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

3. Related party transactions and trustees' expenses and remuneration (continued)

Alexander Brunton being a related party and Director of the Mull and Iona Community Trust loaned £27,100 to the Mull and Iona Community Trust under Legal Terms and Agreements.

At the 31st March 2019 loan interest to the amount of £1,079 (2018: £791) has been paid at a rate of 3.5%. At the year end the balance remaining was £32,000 (2018: £27,100). The Loan Balance is secured against the premises in Craignure.

Alexander Brunton being a related party and Director of the Mull and Iona Community Trust was paid £Nil (2018: 427) during the year for Director Expenses related to conference attendance. At the year end Alexander Brunton was owed £ nil (2018: nil).

Trustee donations totalled £Nil for the year (2018: £Nil). No Trustees received any remuneration during the year (2018: £nil).

4. Income from donations and legacies

	2019	2018
	£	£
Sea Eagles Donations	16,878	19,116
Membership Income	44,693	29,248
	<u>61,571</u>	<u>48,364</u>

5. Income from charitable activities

	2019	2018
	£	£
Environmental	194,647	133,328
Community services	37,576	61,299
Infrastructure	1,129,661	276,267
	<u>1,361,884</u>	<u>470,894</u>

6. Income from other trading activities

	2019	2018
	£	£
Consultancy & support services	62,134	170,491
Income from MESS activities	145,496	132,352
Miscellaneous income	1,466	7,017
	<u>209,096</u>	<u>309,860</u>

7. Investment income

	2019	2018
	£	£
Bank interest	444	60
Rent	10,780	10,013
Gift Aid income	-	1,605
	<u>11,224</u>	<u>11,678</u>

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

8. Other income

	2019	2018
	£	£
Gain on disposal of tangible fixed assets	1,309	-
Sale of scrap	2,800	-
	<u>4,109</u>	<u>4,109</u>

9. Raising Funds – expenditure on raising donations and legacies

	Direct Costs	Support Costs	Total 2019	Total 2018
	£	£	£	£
Consultancy	-	88,116	88,116	102,659
	<u>-</u>	<u>88,116</u>	<u>88,116</u>	<u>102,659</u>

10. Analysis of expenditure on charitable activities

	Environ-mental	Economic Development	Community Services	Infrastru-cture	Total 2019	Total 2018
	£	£	£	£	£	£
Project costs	42,866	-	12,193	4,353	59,412	69,597
Subcontractors	-	-	-	15,802	15,802	76,219
Premises costs	-	-	-	570	570	2,629
Professional & consultancy fees	-	-	-	-	-	990
Vehicle costs	-	-	-	5,642	5,642	5,111
Other costs	-	-	-	3,915	3,915	5,649
Governance costs (note 11)	9,825	729	4,801	13,866	29,221	38,098
Support costs (note 11)	148,190	10,994	72,411	209,136	440,731	509,056
	<u>200,881</u>	<u>11,723</u>	<u>89,405</u>	<u>253,284</u>	<u>555,293</u>	<u>707,349</u>

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

11. Allocation of governance and support costs

Cost type	Total £	Raising funds £	Environmental £	Economic Development £	Community Services £	Infrastructure £	Governance £	Basis
Salary of administrative staff	339,352	50,903	101,806	6,787	44,116	118,772	16,968	<i>Time spent</i>
Rent/rates/ins/cleaning	30,164	4,525	6,636	603	3,921	12,971	1,508	<i>Time spent</i>
Printing, postage, stationary and advertising	7,491	1,124	1,648	150	974	3,220	375	<i>Time spent</i>
Motor & travel expenses	56,787	8,518	12,493	1,136	7,382	24,419	2,839	<i>Time spent</i>
Loan interest	1,079	162	237	22	140	464	54	<i>Time spent</i>
Bank charges	1,735	260	382	35	226	745	87	<i>Time spent</i>
Legal & statutory fees	9,334	1,400	2,053	187	1,213	4,013	467	<i>Time spent</i>
Telephone	5,087	763	1,119	102	661	2,188	254	<i>Time spent</i>
Staff training	1,496	224	329	30	194	644	75	<i>Time spent</i>
Subscriptions	2,781	417	612	56	362	1,195	139	<i>Time spent</i>
Depreciation	42,133	6,320	9,269	843	5,477	18,117	2,107	<i>Time spent</i>
Car lease	2,644	397	423	26	1,137	529	132	<i>Time spent</i>
Miscellaneous expenses	44,883	6,732	9,874	898	5,835	19,300	2,244	<i>Time spent</i>
Materials	5,949	892	1,309	119	773	2,559	297	<i>Time spent</i>
Total	550,915	82,637	148,190	10,994	72,411	209,136	27,546	

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

11. Allocation of governance and support costs (continued)

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the tables below:

Governance costs:	2019	2018
	£	£
Meeting expenses	404	3,721
Auditor's remuneration	6,750	9,704
Support costs (see above)	27,546	31,816
	<u>34,700</u>	<u>45,241</u>

Breakdown of governance and support costs by activity:

	Support Costs	Governance	2019	2018
			£	£
Environmental	148,190	9,825	152,848	152,848
Economic Development	10,994	729	11,148	11,148
Community Services	72,411	4,801	92,187	92,187
Infrastructure	209,136	13,866	290,971	290,971
Total for charitable activities	440,731	29,221	469,952	547,154
Raising funds	82,637	5,479	88,116	102,591
	<u>523,368</u>	<u>34,700</u>	<u>558,068</u>	<u>649,745</u>

12. Analysis of staff costs and remuneration of key management personnel

	2019	2018
	£	£
Salaries and wages	303,643	307,477
Social security costs	20,298	21,669
Pension costs	16,947	16,351
Total staff costs	<u>340,888</u>	<u>345,497</u>

No employees had employee benefits in excess of £60,000 (2018: Nil).

	2019	2018
	No.	No.
The average weekly number of persons, by headcount, employed by the charity during the year was:	<u>25</u>	<u>21</u>

	2019	2018
	£	£
Key management personnel remuneration:	<u>137,479</u>	<u>138,442</u>

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

13. Net income for the year

This is stated after

charging / (crediting):

	2019	2018
	£	£
Depreciation	42,134	113,329
Auditor's remuneration:		
Audit fees	6,750	9,704
Other fees	790	-
(Profit) on disposal of fixed assets	<u>(1,309)</u>	<u>(2,333)</u>

14. Government Grants

	2019	2018
	£	£
HIE- Capital	154,054	-
HIE- Revenue	29,894	64,448
Scottish Natural Heritage	24,000	24,000
Forestry Commission Scotland	12,000	12,000
Scottish Gov – Regeneration Capital	<u>634,932</u>	<u>-</u>
Total	<u>854,880</u>	<u>100,448</u>

HIE – Capital – HIE Funding for the development of the Tobermory Light Industrial Park.

HIE revenue – HIE funding spent on employing a local development officer for the Ulva Ferry area of Mull

Scottish Natural Heritage funding is used towards the cost of a seasonal and full time ranger manager.

Forestry Commission Scotland provide revenue funding to contribute to the employment of a ranger manager for Mull.

Scottish Governments Regeneration Capital Grant Fund via Argyll & Bute Council, capital for Tobermory Light Industrial Park

At the year end there were no unfulfilled conditions or contingences related to these grants, (2018: None)

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

15. Tangible Fixed Assets

	Heritable Property £	Land	Plant & Machinery £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Assets under construction £	Ulva Ferry Houses £	Total £
Cost or valuation								
At 1 April 2018	1,117,229	-	200,335	108,318	60,720	205,415	645,195	2,337,212
Additions	-	135,000	-	960	-	1,061,630	647	1,198,237
Disposals	-	-	(30,041)	(5,141)	(8,329)	-	-	(43,511)
Transfers	-	-	-	-	-	-	-	-
At 31 March 2019	1,117,229	135,000	170,294	104,137	52,391	1,267,045	645,842	3,491,938
Depreciation								
At 1 April 2018	356,781	-	73,960	75,766	31,690	-	-	538,197
Charge for the year	-	-	31,164	4,908	6,062	-	-	42,134
On disposals	-	-	(28,322)	(4,352)	(3,546)	-	-	(36,220)
At 31 March 2019	356,781	-	76,802	76,322	34,206	-	-	544,111
Net book value								
At 31 March 2019	760,448	135,000	93,492	27,815	18,185	1,267,045	645,842	2,947,827
At 31 March 2018	760,448	-	126,375	32,551	29,030	205,415	645,195	1,799,015

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

16. Investments

Cost and net book value At 1 April 2018 and 31 March 2019	Shares in group undertakings £ 100

The charity has a wholly owned subsidiary, An Roth Trading Limited a company incorporated in Scotland. For the year ended 31 March 2019 An Roth Trading Limited reported a profit of £159 (2018: £49) and had net assets of £308 (£2018: £149). The company ceased to trade on 1 April 2018.

17. Debtors

	2019 £	2018 £
Trade debtors	143,312	191,378
Other debtors	12,856	4,177
Intercompany debtor	-	2,297
VAT debtor	91,534	3,000
	<u>247,702</u>	<u>200,852</u>

18. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	501,992	141,655
Mortgage	2,767	2,899
Loans	102,100	2,100
Other creditors	39,988	35,616
	<u>646,847</u>	<u>182,270</u>

19. Creditors: amounts falling due after more than one year

	2019 £	2018 £
Mortgage	93,443	95,799
Loans	46,700	43,900
	<u>140,143</u>	<u>139,699</u>

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

19. Creditors: amounts falling due after more than one year (continued)

Mortgage

	2019	2018
	£	£
Due:		
In one year or less	2,767	2,899
Between one and two years	9,224	3,003
Between two and five years	9,168	9,168
Over five years	75,051	83,628
	<u>96,210</u>	<u>98,698</u>

Mortgage Liabilities were secured on the assets concerned.

Loans

	2019	2018
	£	£
Due:		
In one year or less	102,100	2,100
Between one and two years	2,100	2,100
Between two and five years	38,300	33,400
Over five years	6,300	8,400
	<u>148,800</u>	<u>46,000</u>

£32,000 of the Loan balance is secured against the premises in Craignure (2018: £27,100)

20. Unrestricted Funds

Analysis of Fund movements - 2019	Balance b/fwd £	Income £	Expenditure £	Transfers £	Balance c/fwd £
Unrestricted funds					
Designated funds:					
MESS Craignure shop	135,479	92,929	55,087	(3,598)	169,723
MESS Bunessan shop	8,504	13,813	13,313	(640)	8,364
MESS Core	-	15	4,430	4,415	-
MESS Recyclate	22,690	7,365	3,212		26,843
MESS Business Recyclate	13,328	2,660	203	-	15,785
MESS Tobermory	1,594	4,784	4,307	(177)	1,894
Ranger Service	1,476	-	-	(1,476)	-
Ranger Service Activities	-	1,539	107	(27)	1,405
Sustainable Mull & Iona Gantry Storage	396	-	396	-	-
Craignure	68,804	23,066	3,900	-	87,970
An Roth Ent Centre	225,006	30,107	48,113	-	207,000
Mull & Iona Sustainable Transport	867	5,209	4,687	-	1,389
Ulva Pontoon Trading	6,854	47,866	44,662	-	10,058
PCC Vending Machine	1,341	1,216	871	-	1,686
Ulva Houses Trading	8,157	8,859	12,4116	-	4,600
	<u>494,496</u>	<u>239,428</u>	<u>195,704</u>	<u>(1,503)</u>	<u>536,717</u>
General funds	1,261,945	25,404	116,619	12,994	1,183,724
Total unrestricted funds	<u>1,756,441</u>	<u>264,832</u>	<u>312,323</u>	<u>11,491</u>	<u>1,720,441</u>

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

20. Unrestricted Funds (continued)

Analysis of Fund movements - 2018	Balance b/fwd £	Income £	Expenditure £	Transfers £	Balance c/fwd £
Designated funds:					
MESS Craignure shop	116,281	98,366	79,168	-	135,479
MESS Bunessan shop	5,060	14,772	11,328	-	8,504
MESS Core	6	325	331	-	-
MESS Recyclate	20,066	6,918	4,294	-	22,690
MESS Business Recyclate	10,775	2,553	-	-	13,328
MESS Tobermory	2,457	4,325	5,188	-	1,594
Ranger Service	-	4,000	2,524	-	1,476
MESS Reusable Nappy Project	-	1,000	1,000	-	-
Sustainable Mull & Iona	396	-	-	-	396
Gantry Storage Craignure	59,059	24,310	14,565	-	68,804
An Roth Ent Centre	205,258	68,271	48,523	-	225,006
Mull & Iona Sustainable Transport	244	1,456	833	-	867
Ulva Pontoon Trading	5,513	31,209	29,868	-	6,854
PCC Vending Machine	1,240	1,255	1,154	-	1,341
Ulva Houses Trading	-	10,012	1,855	-	8,157
	426,355	268,772	200,631	-	494,496
General funds	1,259,787	57,287	31,059	(24,070)	1,261,945
Total unrestricted funds	1,686,142	326,059	231,690	(24,070)	1,756,441

The nature and purposes of the various designated funds are as follows:

MESS funds - relate to the income generated from the community shops run by the charity.

Ranger Service - Payment of Wages & Ranger Activities

Sustainable Mull & Iona - relate to income generated from the Annual Renewables Fair.

Gantry Storage Craignure - relates to income generated from rental of self storage for site overheads.

An Roth Enterprise Centre - relates to income generated through room rentals & office services to cover running costs of the centre.

Mull & Iona Sustainable Transport – Keep Scotland Beautiful Funds to reduce the carbon footprint of transport on Mull & Iona.

Ulva Ferry Pontoon Trading - Trading Funds generated from Pontoon Berthing Fees and Fuel Sales.

PCC Vending Machine - Earned income from Vending machines designated to cover replacement stock items.

Ulva Ferry Houses Trading – Trading funds generated from house rentals.

Ranger Service Activities – Donations designated for payment of wages and overheads of Ranger Service Staff

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

21. Restricted Funds

Analysis of Fund movements - 2019	Balance b/fwd £	Income £	Expenditure £	Transfers £	Balance c/fwd £
Restricted funds					
Sea Eagles	2,752	16,878	5,567	(9,733)	4,330
Ranger – Mink	367	-	56	-	311
Ranger Calgary Bay	2,638	2,831	504	(1)	4,964
Mess Revolve	145	-	-	-	145
Childcare	1,595	17,553	18,970	(178)	-
CBRC Capital	11,178	-	4,880	(102)	6,196
Ranger Service Activities	-	30,898	32,685	1,787	-
Ranger Forestry & Activities	15,988	6,000	10,817	6,572	17,743
NTS South Mull & Iona					
Ranger	-	27,000	25,368	(875)	757
Forest Geocaching	272	-	46	-	226
An Roth Trading	75	-	75	-	-
Mull Musical Minds	9,860	5,992	1,198	(255)	14,399
Community Defibs	1,897	2,542	2,555	-	1,884
Ulva Ferry Development					
Officer	2,503	14,587	13,115	(1,475)	2,500
Ulva Ferry pontoons					
Revenue	-	9,088	7,511	(489)	1,088
Ulva Ferry Housing Project					
– Revenue	28,034	1,920	10,278	(855)	18,821
Ulva Ferry Housing Project					
– Capital	1,821	139,300	-	-	141,121
Ulva Ferry Housing Project					
- Revenue Phase 2	-	20,966	258	(106)	20,602
Ulva Ferry Housing Project					
- Capital Phase 2	-	210	-	-	210
Ulva Ferry Community					
MiniBus	32,571	27,343	24,074	(359)	35,481
Ulva Ferry Pontoon Capital	-	15,908	2,568	-	13,340
Energy Advisor Mull & Iona	2,886	-	-	-	2,886
Community Broadband	9,041	44	524	(27)	8,534
Intergenerational Project	16,829	-	7,698	(2)	8,859
Tobermory Light Industrial					
Park - Revenue	-	9,500	10,631	1,131	-
Tobermory Light Industrial					
Park - Capital	-	871,611	4,088	(2)	867,521
HIE Capacity Building –					
Richard	-	29,894	26,432	(1,952)	1,510
Path & Viewpoints	14,901	8,000	1,617	(111)	21,173
Tobermory Walled Garden	-	-	58	58	-
Ardura Forest	-	16,975	18,023	1,048	-
Big Bike Review	516	-	257	-	259
CCF- Rethink MESS	-	96,397	89,596	(5,315)	1,486
ACCESS	9,916	-	9,661	(175)	80
Tobermory Lighthouse Path	-	12,222	1,531	-	10,691
More MESS Waste LESS	857	(607)	250	-	-
Total restricted funds	166,642	1,383,052	331,086	(11,491)	1,207,117

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

21. Restricted Funds (continued)

Analysis of Fund movements - 2018	Balance b/fwd £	Income £	Expenditure £	Transfers £	Balance c/fwd £
Restricted funds					
Sea Eagles	3,252	19,818	20,318	-	2,752
Ranger – Mink	445	-	78	-	367
Ranger Calgary Bay	3,483	8,570	9,415	-	2,638
Mess Core – Community Groups	5,816	878	10,288	3,594	-
Mess Revolve	390	-	245	-	145
Childcare	13,725	13,670	25,800	-	1,595
CBRC Capital	11,178	-	-	-	11,178
Ranger Forestry & Activities	14,090	68,809	66,911	-	15,988
Forest Geocaching	297	-	25	-	272
An Roth Trading	295	-	220	-	75
Mull Musical Minds	8,937	2,231	1,308	-	9,860
Community Defibs	4,553	848	3,504	-	1,897
Ulva Ferry Development Officer	1,569	34,166	33,232	-	2,503
Ulva Ferry pontoons Revenue	4,217	-	4,217	-	-
Ulva Ferry Housing Project – Revenue	31,766	782	4,514	-	28,034
Ulva Ferry Housing Project – Capital	-	5,312	3,491	-	1,821
Ulva Ferry Community MiniBus	22,164	38,283	27,876	-	32,571
Ulva Ferry Pontoon Capital	-	7,546	17,474	9,928	-
Energy Advisor Mull & Iona	2,886	-	-	-	2,886
Community Broadband	9,073	6,444	6,476	-	9,041
Intergenerational Project	26,301	1,019	10,491	-	16,829
Tobermory Light Industrial Park - Revenue	-	117,277	121,652	4,375	-
HIE Capacity Building	-	10,669	10,777	108	-
HIE Capacity Building – Richard	-	15,642	16,758	1,116	-
Path & Viewpoints	5,455	37,016	27,570	-	14,901
Ardura Forest	-	7,775	8,111	336	-
Big Bike Review	516	-	-	-	516
Lochbuie Mobile	325	335	660	-	-
ACCESS	35,420	6,458	31,962	-	9,916
Tobermory Lighthouse Path	-	57,090	61,703	4,613	-
More MESS Waste LESS	-	54,099	53,242	-	857
Total restricted funds	206,153	514,737	578,318	24,070	166,642

MULL AND IONA COMMUNITY TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

21. Restricted Funds (continued)

The nature and purposes of the various restricted funds are as follows:

Sea Eagles – BBC Wildlife Fund restricted to cover equipment costs for the viewing hide.

Ranger - mink – Restricted for costs associated with Mink control on Iona 2013/14.

Ranger Calgary Bay – Restricted for Volunteer's expenses and overheads.

Mess Core – Community Groups – Funds restricted to redistribute to Community groups in the form of small grants.

MESS Revolve -Restricted for Revolve Marketing and Communications for the Charity Shops

Childcare – restricted for costs of feasibility study

CBRC Capital – restricted for costs of building.

Ranger Service - Payment of Wages & Ranger Activities

Ranger Forestry & Activities– restricted for payment of wages and overheads.

NTS South Mull & Iona Ranger - Restricted for payment of wages and overheads of Ranger Service Staff

Forestry Geocaching – To cover costs (staff & equipment) of setting up geocaching on Mull

An Roth Trading – BIG Lottery Grant restricted for the development of An Roth Associates.

Mull Music Minds – Donations restricted for the running costs of fortnightly singing group.

Community Defibs – Funds restricted for the purchase of defibrillators for use across the island community.

Ulva Ferry Development Officer – Restricted for overheads and running costs of project.

Ulva Ferry pontoons Revenue – Coastal Communities Funds Restricted for Revenue Salary & Overhead Costs

Ulva Housing Project Revenue - Scottish Land Fund Restricted for Revenue Salary Costs for Ulva Housing Project

Ulva Housing Project Capital – Grant funding received for Capital Building costs.

Ulva Ferry Housing Project - Revenue Phase 2 - Restricted for payment of wages and overheads of Housing Project staff and for associated professional fees

Ulva Ferry Housing Project - Capital Phase 2 - Restricted for land purchase costs and associated legal fees

Ulva Ferry Community Minibus – Scottish Government Community Transport Fund to purchase a hybrid community mini bus

Ulva Ferry Pontoon – Capital - BIG Lottery Capital Funds Restricted for Capital Building Costs

Energy Advisor – Keep Scotland Beautiful funds to support cost of employing a local energy advisor on Mull & Iona

MULL AND IONA COMMUNITY TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

21. Restricted Funds (continued)

Community Broadband – Community Broadband Scotland funds to produce a Business Plan to run high speed broadband to remote locations in Argyll & Bute

Intergenerational Project – Funds to carry out a study of the older and younger generations of Mull through a series of skills exchange and events.

Tobermory Light Industrial Park Revenue - Restricted for payment of wages and overhead of Tobermory Light Industrial Park project staff.

Tobermory Light Industrial Park Capital - For the development of a Light Industrial Park & Storage.

HIE Capacity Building - help build capacity in local communities and inject new life into some of Scotland's most disadvantaged areas.

HIE Capacity Building – Richard - Help build Capacity in the Local Community

Path & Viewpoints – Investing In Ideas restricted for Feasibility study on Paths & Viewpoints

Tobermory Walled Garden - Restricted for costs associated with restoration work for Aros Park Walled Garden

Ardura Forest - Restricted for development costs for the business case to purchase Ardura Forest

Big Bike Review – We Are Cycling UK funds restricted for further cycling events.

CCF Rethink MESS - Restricted for payment of wages and overhead of project officer and for purchase of materials and equipment for the project.

Lochbuie Mobile – Waterfall Fund Donation restricted for further cycling events.

ACCESS - Community Energy Scotland Funds restricted for Stage 2 of ACCESS Project.

Tobermory Lighthouse Path – Restoration of an existing pathway / walkway.

More MESS Waste LESS - To further develop recycling initiatives on the Island.

Transfers to restricted funds relate to slight overspends met by general funds.

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

22. Net assets over funds

	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Fixed assets	1,925,845	1,021,982	2,947,827
Investments	100	-	100
Stock	1,414	-	1,414
Debtors	243,702	4,000	247,702
Cash	336,370	181,135	517,505
Current liabilities	(646,847)	-	(646,847)
Long term liabilities	<u>(140,143)</u>	<u>-</u>	<u>(140,143)</u>
	<u>1,720,441</u>	<u>1,207,117</u>	<u>2,927,558</u>
	Unrestricted Funds £	Restricted Funds £	Total 2018 £
Fixed assets	1,791,194	1,821	1,799,015
Investments	100	-	100
Stock	3,949	-	3,949
Debtors	200,852	-	200,852
Cash	76,315	164,821	241,136
Current liabilities	(182,270)	-	(182,270)
Long term liabilities	<u>(139,699)</u>	<u>-</u>	<u>(139,699)</u>
	<u>1,756,441</u>	<u>166,442</u>	<u>1,923,083</u>

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

23. Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for the year (as per the Statement of Financial Activities)	1,004,475	30,788
Adjustments for:		
(Profit) on disposal of fixed assets	(1,309)	(54)
Non cash proceeds on disposals in fixed assets	-	(14,792)
Cancellation of hire purchase liability	-	14,792
Depreciation charges	42,134	113,329
Dividends, interest and rents from investments	(11,224)	(11,678)
Interest payable	4,994	5,012
Decrease/(increase) in stocks	2,535	(1,903)
(Increase) in debtors	(46,850)	(137,981)
(Decrease)/increase in creditors	(100,281)	147,590
Net cash provided by operating activities	<u>894,474</u>	<u>145,103</u>

24. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	517,505	241,136
Total cash and cash equivalents	<u>517,505</u>	<u>241,136</u>

25. Operating Lease Commitments

At the reporting date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Property		Other	
	2019 £	2018 £	2019 £	2018 £
Under 1 year	1,000	1,000	2,441	2,441
Between 2 and five years	4,000	4,000	1,424	3,865
Over 5 years	12,000	13,000	-	-
	<u>17,000</u>	<u>18,000</u>	<u>3,865</u>	<u>6,306</u>