

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 2021

MULL AND IONA COMMUNITY TRUST
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REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	PAGE
Reference and Administrative information	1
Report of the Trustees	2-24
Independent Auditor's Report	25-28
Statement of Financial Activities	29
Balance Sheet	30
Cashflow Statement	31
Notes to the Financial Statements	32-56

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

Report of the Trustees for the year ended 31 March 2021

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)
Derek Crook
Robert MacManaway
Caroline Wood (resigned 08/06/20)
Ian Jones
Barry Whenman
Susan Elizabeth Hawkes
Heather Elizabeth Waller
Hayley Gray (resigned 14/12/20)
Elizabeth Peel (resigned 08/06/20)
Joseph Reade (co-opted 08/06/20) (resigned 28/04/21)
Elizabeth Ferguson (resigned 20/07/20)
Jane Griffiths (co-opted 16/11/20)
David James Currie (elected 14/12/20)
John Alexander Innes (elected 14/12/20)
Gary John David Wiltshire (elected 14/12/20)
John Ronald Maughan (co-opted 15/01/21)
Robert Gregor Cameron (elected 27/07/21)
Fiona Wade (elected 14/12/20, resigned 14/03/21)

Secretary: Caroline Wood (resigned 08/06/20)

Independent Auditors: Wylie & Bisset (Audit) Limited
Chartered Accountants
168 Bath Street
Glasgow
G2 4TP

Bankers: Unity Trust Bank The Co-operative Bank
 Nine Brindleyplace 1 Balloon Street
 Birmingham Manchester
 BS1 2HB M60 4EP

Solicitors: Twin Deer Law
 Lochaber Rural Complex
 Fort William
 PH33 6SQ

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

Report of the Trustees for the year ended 31 March 2021

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 2021.

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.

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.

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

Report of the Trustees for the year ended 31 March 2021

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 around 300 similar development trusts. This provides valuable networking opportunities as well as a support network for funding and lobbying activities.

Board of Trustees

The Trust's Articles of Association allow for up to 14 members to be elected as Trustees, 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.

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

Report of the Trustees for the year ended 31 March 2021

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.

All Directors are unpaid volunteers and the staff are grateful for the ongoing commitment and support freely donated by the Directors.

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.

The Deputy General Manager of the Trust is 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 **Finance Manager** is Pamela Venters to whom the Board delegate managing the finances in accordance with best practice, charity and company law.

The **MESS Manager** is Hazel Cowe with 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.

Standing Committees

Three standing committees provide additional focus and governance for key operational areas:

- **HR and policies** – meet three times per year, or more frequently as and when required
- **Finance** – meets four times per year, or more frequently as and when required

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

Report of the Trustees for the year ended 31 March 2021

- **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 28 staff on payroll, distributed as follows:

- Five full-time staff
- Ten part-time staff (approximately 4.7 full time equivalent)
- 11 staff on zero hours contracts (mainly “bank” charity shop staff and dial-a-ride drivers)
- Due to COVID-19 restrictions, three staff were on full furlough and four staff were on partial furlough

Volunteers

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

COVID-19 - During the lockdown restrictions, volunteers made a massive contribution supporting residents in the Vulnerable and Shielding categories. Examples included; drivers for community transport delivering groceries, prescriptions and food parcels from Scottish Government and the Council; volunteers making and distributing hot meals and many other examples of a caring and sharing community.

MESS Island Castaways – During the reporting period Island Castaways was only partially open for approx. 6 months and many of its associated activities ceased. Many of the volunteers are in the vulnerable or shielding categories and our first priority was to their health and wellbeing.

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 monthly with some input in between meetings.

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

Report of the Trustees for the year ended 31 March 2021

Board Trustees – The volunteer Board Trustees 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 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 13 Trustees 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.

Land Ownership

The Scottish Land Commission sets out a protocol of good practice for land owned by Charities. Below is a schedule of land owned by Mull and Iona Community Trust, what it is used for and how the public benefit from this ownership.

Description of land	Use of land	Public benefit
Public building in Craignure, Title reference ARG6448	An Roth Community Enterprise Centre, MICT Offices, Charity Shop	Public amenity
201 hectare forest, Title reference ARG27185	Community forest	Public amenity
Plot at Ulva Ferry, Title reference ARG21460	Affordable housing	Addressing depopulation, reducing fuel poverty
2 houses at Oskamull, Ulva Ferry, Title reference ARG25922	Affordable housing	Addressing depopulation, reducing fuel poverty
2 houses at Acharonich, Ulva Ferry, Title reference ARG22893	Affordable housing	Addressing depopulation, reducing fuel poverty
0.8 hectare plot at Tobermory, Title reference ARG22602	Industrial Park	Economic development, job creation
Land at Ulva Ferry, Title reference ARG26670	Car parking, motorhome hard standings, shore base for pontoon	Public amenity, economic development, job creation
House in Pennyghael Title reference ARG28844	Affordable housing	Addressing depopulation, reducing fuel poverty
Plot in Craignure Title Reference ARG28814	Self-storage site	Public amenity

Finances

Principle funding sources of the Charity

Apart from earned income and donations, the Trust's work, governance and management costs are principally funded by project specific grants secured by staff. These grants come from a wide range of sources, 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.

During the year we received a donation from the estate of the owner of a second home in Tobermory. The second-home was sold and the proceeds shared between three local charities, MICT received 20% of the sale proceeds which amounted to £23,813. Prior to the sale being finalised, the estate was approached by someone local from Tobermory with an offer to buy the house to be used as a family home. Accepting this offer meant potentially a lower price than would be obtained on the open market. We responded very positively to accept this offer hoping it would help at least one family to find a home. This decision is in

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

Report of the Trustees for the year ended 31 March 2021

accordance with our Charitable Objects The Board has taken the decision to designate some of these funds to support further work to address the housing needs of Mull and Iona.

Primary support costs

The primary support costs attributed here are the costs associated with the operational, administration and governance of the organisation.

The Trust's primary shared support costs for the financial year 2020-21 were £121,571 and includes:

- Contribution to salaries for General, Deputy General Managers, Finance Manager, Fundraising Officer and Administration Assistant
- Pension fees
- Banking fees
- Postage, telephone, stationary and printing costs
- IT support costs
- Web hosting, domain names and website costs
- Accounting and audit fees
- Accountancy software cost
- Regulatory fees and membership subscriptions (e.g. DTAS, SCVO, SIF, CWA)
- Insurance costs

The total net income from Castaways, Nonhebel Park and the Gantry Self Storage contributing to this was around £79,220 which included Government support grants during the Covid crisis. These grants made up £34,500 of the total.

Reserves policy and reserve funds

Mull and Iona Community Trust is funded by a combination of earned income and grants funding, the makeup of which is complex and varies each year depending on the level of project activity.

The Board has reviewed the reserves policy considering the consequences of the Covid 19 pandemic. Fortunately, support from Government and other funders meant that the Trust came through the pandemic in a good position. However, the Board feel it is prudent to increase the level of funds held in reserve on order to provide increased resilience if earned income streams fail due to external circumstances like a pandemic.

It is the policy of the Trust to have access to a minimum of six months, but with a target of twelve months staff and support costs available in a Reserves Account. The target amount required is based on employment costs of the key management staff, utilities costs, accounting costs, insurance, maintenance, mortgage and loan payments, and running costs for the houses, Nonhebel Park and Ulva Ferry Pontoon.

In addition, the Trust monitors its liability for staff redundancy and includes this in its reserves policy based on the liability at 31 March 2021.

The reserves policy is reviewed annually at the time of producing the annual report.

Based on the budget for the year end 31 March 2022, this would indicate an unrestricted reserves figure of around £236,991.

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

Report of the Trustees for the year ended 31 March 2021

Total funds at 31 March 2021 were £7,158,976, of which £4,087,946 are restricted, leaving unrestricted funds of £3,071,030. Of this amount £1,572,005 is tied up in the value of unrestricted fixed assets net of borrowings thereon, and a further £1,274,983 in the Forestry asset leaving £224,042. £126,946 is designated for spending on future projects at 31st March 2021, leaving free reserves of £97,096.

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

The aim of the Investment Policy is to invest in projects which deliver the dual benefits of a financial return for the Trust and also non-financial returns for the local community. Projects may be selected for investment which do not deliver a financial return for the Trust providing the projects deliver non-financial returns for the community in line with the Trusts' Charitable Purposes.

The Trustees have authority under the Articles of Association to make investments. The Trustees carefully consider their obligations to act in line with the Charitable Purposes detailed in the Articles of Association and to act in the best interest of the Charity. Investments will not be considered for projects which the Trustees feel are contradictory to the social and environmental objectives of the Trust.

Wherever possible, projects for investment will fit within the strategic objectives of the Trust. The Strategic Objectives are based on priorities of the community identified in regular consultations and noted in Community Development Plans.

All investments carry some level of risk. The Trustees balance the need for caution when considering the Reserves Policy and the current policy is for the Reserves to be invested in a low risk, instant access bank account.

Investment of unrestricted funds in projects which carry a degree of risk will depend on the business case for each project. The level of risk will be assessed and balanced against the predicted financial and non-financial returns for each project.

The Trustees expect that investment of the Trusts' own funds in MICT projects will help leverage external grants and loans. The Trustees intend that investments will not be concentrated on a single project but in a diverse range of projects helping address the strategic objectives of the Trust.

Investments will be managed by the Finance Standing Committee, drawn from the Board of Trustees along with senior members of staff and will in turn be authorised by the full Board.

Significant financial events

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

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

Report of the Trustees for the year ended 31 March 2021

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 organisation 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 these costs.

Factors likely to affect the Charity in future

The Board recognises how the Covid 19 pandemic has exacerbated the housing crisis with people increasingly able to work from home and seeking to relocate to the islands. Increased effort to address the housing crisis is part of the strategic focus of the Charity.

The availability of grant funding currently dictates our ability to develop and deliver projects. Now that the UK has left the European Union there remains uncertainty as to if and how previous funding from the EU will be replaced by the UK Government.

The Covid19 crisis has caused an economic crisis which will only make this uncertainty worse. The significant costs for Government in dealing with the economic impact of the Covid19 crisis further increase our concern over future levels of Government funding for activities delivered by the Trust.

The strategy to develop income generating projects seems therefore to be correct although such opportunities are limited in scope and amount that can be generated.

WHAT WE DO

Ongoing activities and services

COVID19

For much of the year normal operations were not possible. MESS Staff were furloughed or partially furloughed with financial support of the Job Retention Scheme for the majority of the year.

In direct response to the impact of the Covid 19 Pandemic and loss of income streams, the staff and volunteer Trustees put in significant additional effort to minimise costs by cancelling subscriptions, renegotiating, or suspending contracts, switching things off and effectively mothballing the main office. Similarly, the Finance Committee met every month and sometimes several times a month rather than the normal quarterly cycle for such meetings. Cashflow management was crucial to our survival and one upside of the efforts put in mean that moving forwards we have a far better understanding of the detail in this respect.

The Senior Management Team are very grateful to the Volunteer Trustees for their significant contribution of time and effort to support the Trust in a very difficult time.

A lot of effort was put into seeking grant support during the pandemic and the success of these efforts prompted the Board to agree to the creation of a new, part-time post of Fund Raising Officer.

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

Report of the Trustees for the year ended 31 March 2021

In the early stages of the pandemic we prepared a new Covid 19 policy to provide for full pay for up to 14 days of self-isolation. This was felt necessary in case a member of staff developed symptoms but could not afford to take time off work. At the time of writing, the country is emerging from lockdown restrictions and this policy will remain in place for when staff return to the office.

Following Government guidance all staff not on furlough worked from home for the whole year. New systems of work were developed, we subscribed to a new Zoom Pro account, provided staff with office chairs, headsets to use at home and held a team meeting three times each week to keep in touch with each other for mental wellbeing support as well as discussing day to day “work” issues.

The Board were closely involved in all activities and had to adapt to remote working practices for all meetings.

Our staff and volunteers were heavily involved in the island wide response to provide support to those in the community who had to be shielded. It is safe to say that the commitment and effort made by many volunteers, businesses and front line services was second to none. We helped coordinate volunteers to manufacture face shields using 3D printers and A4 acetate sheets, scrubs for our NHS and home care workers and face coverings for the wider community.



*Staff at Mull and Iona Community Hospital wearing scrubs
made by volunteers and paid for by the Waterfall Fund*

The Waterfall Fund, a separate Charity established by MICT to distribute funds from Garmony Hydro, supported these voluntary efforts by paying for materials for the scrubs and face coverings.

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

Report of the Trustees for the year ended 31 March 2021



MICT joined forces with North West Mull Community Woodland Company, South West Mull and Iona Development Company, Tobermory Harbour Association and Iona Village Hall Community Trust to help distribute funds from the Scottish Government via Highlands and Island Enterprise. Known as the Supporting Communities Fund, £50,000 was allocated for the five organisations to distribute to our local communities. This allowed us to support a wide range of projects and initiatives aimed at supporting the local community through the Covid 19 pandemic.

Examples included a project to provide a free reading book and craft kit to every child on the island, projects to make and distribute hot lunches to vulnerable and shielding residents and a community food garden.

*Maggie Robson and Jenny des Fountain
preparing parcels with a free reading book
and craft kit for every child on Mull and Iona*

Like many businesses, both in the third sector and the private sector, MICT was hit badly by the effects of Covid 19. Our main source of earned income, Island Castaways, was closed from April 2020, open again part-time from July to December 2020 and only opened 2 days per week from early March 2021.

Rental income from our storage facilities was reduced as some tenants were unable to pay rental due to their own Covid 19 related financial problems. We supported these tenants through the situation until they were able to get back on track.

Like many other organisations, MICT was able to access financial support from a variety of sources and we could not have come through the pandemic without this support for which we are really grateful.

One source of help worthy of note was the Business Support Grants from the Scottish Government. Initially, MICT and all other Scottish charities were excluded under the first version of the criteria. After some lobbying via our constituency MSP, the Scottish Government amended the guidance which meant the MICT and all other Scottish Charities were able to apply for this support.

We secured the following grants which were all in response to Covid 19 and intended to provide support for businesses and third sector organisations;

Argyll and Bute Council - Supporting Communities Fund
The Robertson Trust
The National Community Lottery Fund
Scottish Government -Third Sector Resilience Fund
Scottish Government - Argyll and Bute Council Business Support Grant
The Wellbeing Fund
Zero Waste Scotland - Third Sector Re-use and Revolve Organisations
COVID-19 Adaptation Fund

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

Report of the Trustees for the year ended 31 March 2021

Garfield Weston

Scottish Government Argyll and Bute Council - Islands Equivalent Payment- Strategic Framework Business Fund

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:

- Mull Fishermen's Association
- During Covid 19 we convened a number of remote meetings with other island groups for mutual support, sharing problems and ideas for external support

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.

Argyll Third Sector Interface (TSI)

We are now operating as an agent of Argyll and Bute Third Sector Interface to benefit island groups and organisations seeking advice on funding and constitutions. Under the arrangement, MICT is the first point of contact and when necessary, referrals are made to the staff at Argyll and Bute TSI.

Under this agency agreement, we provided assistance to establish a new Scottish Charitable Incorporated Organisation (SCIO) for Tobermory Fishermen's Pier Association.

An Roth Community Enterprise Centre

An Roth was very quiet during the year as the MICT staff followed Government guidance to work from home. For most of the year, no room bookings were made due to the travel restrictions and lockdown guidance.

Long term lets for West Coast Motors and the Maritime and Coastguard Agency carried on as normal during the period. As a direct result of the Covid 19 travel restrictions Davisons Financial Services took out a long term office lease.

Remote meetings on platforms such as Zoom and Microsoft Teams make it likely that in future income from bookings for meeting rooms is likely to reduce. It was reassuring after the first period of lockdown that several visitors on holiday booked rooms for work related Zoom meetings and to make use of the high-speed internet connection at An Roth.

Island Castaways charity shops and MESS

The year started with all MESS staff furloughed as the shop was unable to open due to Covid 19 restrictions. Some staff took the opportunity to do online learning with The Skills Network. In June, Hazel worked for a period investigate ways to safely re-open the shops in readiness for when restrictions were eased. After risk assessments and feasibility studies we decided not to reopen the Buinessan shop in the summer and to open Craignure with slightly reduced opening hours to fit around staff and volunteer availability and taking into consideration limited visitor numbers. The seasonal Tobermory shop also remained closed.

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

Report of the Trustees for the year ended 31 March 2021

Craignure Island Castaways was partially re-opened in August after preparing to do so in a safe manner reducing risk of covid spread to staff, volunteers and customers. Shop staff were still partially furloughed with salaries of 80%.

Over the winter a massive refurbishment programme of Buinessan Island Castaways was undertaken, mainly by volunteers. Not only was it made more accessible and covid safe it has been completely redecorated with new shop fittings making a complete transformation to the premises.



*Brik Halcrow proudly showing us the
 newly refurbished Buinessan Castaways shop*

The Craignure shop remained on reduced hours throughout the winter but in January we took the decision to close due to reduced sales and lack of storage for incoming donations. Although we could continue our operations, the lockdown in early 2021 presented challenges as we were unable to send our textiles to the mainland for further processing and this caused a backlog within our storage.

Business collections were halted during the first quarter of the year as most businesses we serviced were not functioning. These re-started slowly with limited requests for collections for the remainder of the year.

We continued to work with MABBET to produce a feasibility study on a re-use hub and once their report was complete, we used funding from the Waterfall Fund to commission further more in depth investigations through InspiraAlba.

The new MESS website funded by the Pebble Trust was launched over the winter as well as a new brochure promoting all the environmental work that MESS does showcase recycling facilities on the island.

Thanks to the Community Climate Asset Fund we took ownership of our Citroen E Dispatch in February and sold the old van to cover some of the costs.

Gantry Self-Storage

In February 2021, we completed the purchase of the Gantry site from Forestry and Land Scotland (FLS). The purchase price of £10,000 was paid from our own funds and will in the long run save the Trust annual rental of £1,000 paid to FLS. More importantly it removes any risk regarding security of tenure in case FLS ever decided to terminate the lease. A condition of sale is that FLS retain a right of access to the forest area behind the site.

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

Report of the Trustees for the year ended 31 March 2021

The self-storage activity performed well with high levels of occupancy throughout the year. As mentioned above though, several tenants fell behind with rent due to financial hardship caused by the Covid 19 lockdown and collapse of tourism related business for several months of the year.

The self-storage site in Craignure continues to generate a significant contribution to our support costs as well as providing a valuable service to residents across Mull and Iona.

Ulva Ferry Community Transport

The Ulva Ferry Community Transport service has had a busy year. That is quite a statement considering we did not carry any passengers in April & May 2020! During that time, we worked closely with Argyll & Bute Council and NHS Highland to deliver food parcels and prescriptions around the North of Mull. We adapted quickly to the Covid pandemic arranging with the Spar in Salen & Dervaig Stores to deliver groceries to residents thereby minimising the need for people to leave their homes. Although restrictions are now relaxing, we continue to provide this service to residents at Ulva Ferry.



We were able to access grants from The National Community Lottery Fund, Supporting Communities Fund, Tesco Bags for Help and the Well-Being Fund to help with the Covid 19 support we provided.

Delivering groceries to a shielding family

Using grant income, screens were fitted to protect users in our electric car and our 9-seater minibus with wheelchair access. Passengers started travelling with us June 2020, but in much smaller numbers.

Our scheduled service continues to operate 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 2021-22 we hope to resume transporting community groups and Ulva School pupils to PE and swimming lessons all of which had to stop during the pandemic.

Volunteers made use of our vehicles for delivering hot lunches to vulnerable and shielding residents during the pandemic.

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

Report of the Trustees for the year ended 31 March 2021



*One of our volunteers delivering hot lunches
as part of the “Meals to your Door” project*

Below are some statistics to show the level of work the Community Transport did in 2020-21. It was a completely different service model.

- Home delivery of 513 food parcels to 231 households as part of the Community Food Project operated by Argyll and Bute Council for the Scottish Government
- 350 Home deliveries of groceries purchased by residents from local shops, plus home delivery of 1,621 prescriptions from Salen dispensing surgery
- Home delivery of 402 hot lunches to around 25 shielding households as part of a volunteer led project making use of our all-electric van.
- Passengers carried – 228 (a reduction of three quarters)
- Bus Miles travelled – 13270 (roughly in line with previous 3 years)

The service provides part-time income for our drivers, several of whom are based within the community of Ulva Ferry, which again helps to support and sustain the community. More than ever, we cannot thank our drivers for all they have done in 2020-21. They proved that a community bus is not just a bus service.

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

Report of the Trustees for the year ended 31 March 2021

Ulva Ferry Pontoon

The 2020 summer season was curtailed by the travel restrictions of the Covid 19 pandemic but thanks to a good spell of weather we still managed to accommodate visiting yachts in July, August and September although these numbers were less than in previous years.

The two tour boat operators working from the pontoon (Turus Mara and Mull Charters) also suffered badly with a short season and restrictions on the number of passengers they were able to carry to comply with rules on social distancing.



A busy pontoon in August 2021

Photo credit Colin Morrison

Public Access Defibrillator Network

Through the year, our volunteers continued to monitor and take care of the 24 public access defibrillators across Mull and Iona with several of them requiring routine replacement of batteries and pads.

Mull and Iona Ranger Service

This year due to COVID 19, our ranger activities took a very different focus.

Our team was limited to two full-time staff, although we had planned to recruit staff both for Mull Eagle Watch and a volunteer post in the Ross, we soon found that would not be practical with the restrictions in place.

The Ranger Service was able to continue to work outdoors independently through lockdown. This allowed us time to explore footpaths and routes we had never been over or needed to re-familiarise ourselves with, and to undertake vegetation, infrastructure and signage management on popular routes. We also did roadside litter picks and beach cleans. The Ross Ranger Service worked with Tiroran Forest to help plant native trees as they had a planting scheme which had to be seen through and were unable to employ contractors or volunteers during lockdown.

Through 2020-21 we were also involved in resolving access issues around the island, providing information to prospective visitors and input into green/slow tourism plans (Historic Environment Scotland and South West Mull and Iona Development).

Reduced people engagement allowed more time for wildlife monitoring, up the north end of the island sea eagle monitoring became a regular occurrence, and in the south assisting Butterfly Conservation with finding marsh fritillary caterpillars and taking part in several pollinator and wildflower citizen science schemes and encouraging others to join through posting progress on social media. However, some of the regular seabird monitoring work could not take place due to lockdown travel limitations. Both rangers took part in Buglife's consultations to map B-Lines for pollinators across Mull as part of a national network.

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

Report of the Trustees for the year ended 31 March 2021



*Children enjoying building new compost bins
at Bunessan Community Garden*

With COVID restrictions we decided not to run public events but following appropriate guidance in place at the time, were still able to –

- lead several walks for individual family groups and travel journalists
- arrange community based work parties such as Friends of Calgary Bay
- ran a series of ‘Go Wild Events’ for primary aged children
- created 7 children’s activity sheets for woodlands, beaches and their own gardens
- outdoor nature adventure days on the Ross of Mull, in partnership with Camas
- Bunessan after school nature club from Autumn term onwards
- Supported parents to set up a new out door playgroup, Little Brambles at the Bunessan Community Garden.

During the summer we supported ‘Friends of Calgary Bay’ to take over the management of Calgary Toilets which otherwise faced closure under the Councils cleaning regime for Covid 19. Camping was popular during the summer as many people took advantage of release from lockdown to enjoy what is increasingly known as a “staycation”.

We increasingly made use of social media to engage with the public, publicise family activities and promoted online resources for learning about the environment, shared outdoor access code and our experiences of lockdown on Mull and Iona. We also wrote a number of articles for magazines and guest blog posts on these themes.

Nonhebel Park

Nonhebel Park, named after local businessman Andrew Nonhebel, welcomed it’s first tenants on 1st March 2020 offering self storage, fenced compounds, lock up units and business premises. Despite the challenging year for many businesses, the demand for the facilities on the site exceeded our expectations and projections, and by 31st March 2021, the site was 85% occupied across all facilities, with the 6 business units and 8 lock up units all tenanted. This has helped to demonstrate the demand for such facilities in North Mull and we are now looking at the next stage of developing the site further to provide more much needed small business premises.

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

Report of the Trustees for the year ended 31 March 2021

Ardura Community Forest

In September 2020, local contractor TSL started work to reinstate the Old Road through Ardura Community Forest. This involved repairing and replacing all the culverts, repairing all the ditches and carefully scraping the surface clear of accumulated soil, reeds and grasses. The result has been tremendous with lots of people from all over the island grateful for somewhere new to explore after 7 months of lockdown and travel restrictions.



Nearly two miles in length, the route will eventually form a part of the long distance route from Fionnphort to Craignure and the longer route from Iona to St. Andrews. Running alongside the river Lussa for most of its length it is perfect for a family walk or cycle ride! The walk proved to be really popular with families during the lockdown as a way of exercising in a way that complied with social distancing guidance

The work was funded jointly by Argyll and Bute Council and HiTrans as a pilot scheme for other areas across the Highlands and Islands wishing to reinstate similar old roads elsewhere.

In March 2021, Scottish Forestry approved the Long Term Forest Plan (LTFP) for Ardura. Prepared by TreeStory (formerly Sylvaculture), our forestry consultants, the LTFP describes how we are allowed to harvest the mainly Sitka Spruce and importantly, it clearly specifies how we must restock with Native species of trees. The LTFP also confirms our intention to avoid the use of any seedlings treated with neonicotinoids or the use of herbicides.

*A family enjoying the freedom of a cycle ride
 in Ardura Community Forest*

The LTFP authorises us to harvest of the 110 hectares in two separate phases. The first 70 hectares are due to start in August 2021 and the remainder at least 5 years afterwards. After a formal auction process, the 70 hectares in phase 1 has been purchased by Tilhill. Following the advice of RSPB, Tilhill delayed harvesting until after the bird nesting season to avoid un-necessary loss of fledglings and chicks.

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

Report of the Trustees for the year ended 31 March 2021

Community Tree Nursery

We are working in partnership with Mull Native Woodlands Group to develop and operate a community tree nursery. The group are focussed on growing native trees to be planted on the island helping to address both climate change and loss of biodiversity.

Forestry and Land Scotland has provided a simple management agreement to release a piece of land on a clear fell site at Dervaig.

MICT secured a grant from EB Scotland which allowed us to de-stump the site, form a vehicle access, erect a deer fence and gates, purchase a polytunnel and the necessary equipment and consumables to start operating.



*The polytunnel at Dervaig
Community Tree Nursery*

Volunteers have worked hard to setup the nursery, collect seeds and cultivate them into seedlings ready for planting. To ensure that seedlings can be sold to Government funded replanting schemes, MICT is now registered with the Forestry Commission as a Supplier of Forestry Reproductive Material (supplier number S0348).

In the first instance, all the seedlings produced at the nursery will be planted at Ardura Community Forest.

Friends of Calgary Bay

At the start of the financial year, work to sign up a licence with the council stalled for understandable reasons. In July, as lockdown restrictions were easing and visitors were again allowed to Mull, it became obvious that the Council were planning to close the toilets due to the extra and unbudgeted cost of the enhanced cleaning requirements in the Scottish Governments advice for reducing risk of transmission of the Covid 19 virus. To prevent this, we rapidly completed the process to sign up the licence.

We were able to employ a local person to clean and maintain the toilets 5 days each week, with the council covering the other 2 days. The costs were covered by donations from people using the toilets, visitors and residents alike.

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

Report of the Trustees for the year ended 31 March 2021



Volunteers painting Calgary Toilets

During the winter, the volunteers of Friends of Calgary Bay set about refurbishing the toilets, installing new light fittings, painting the ceilings, floors and woodwork, polishing the copper pipe and brass fittings on the urinal, replacing both sinks, putting up hardwood shelves and redecorating the outside masonry and woodwork. A truly transformational change which was widely welcomed.

PROGRAMMES AND PROJECTS

Housing Projects

Ulva Ferry Housing Project – Phase 2

Following the appointment of The Wee House Company to design and build 4 new affordable houses at Ulva Ferry, construction proceeded, largely unhindered by the Covid-19 pandemic, both in the company's Ayrshire factory, and in tandem on site. The two- and three-bedroom houses were constructed in modules then transported to Mull and craned into position on site early in 2021. The project has been funded by the Scottish Government's Rural & Islands Housing Fund, Argyll & Bute's Strategic Housing Fund and a mortgage from Ecology Building Society.

The houses were advertised for rent in autumn 2020 and 31 applications were received. Using the allocation policy agreed by USCA (Ulva School Community Association) and the wider Ulva Ferry community, 4 tenants were chosen. By spring 2021 the £1.3M project was near completion and we look forward to welcoming our tenants to their new homes.



Two of the phase 2 houses at Oskamull, Ulva Ferry

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

Report of the Trustees for the year ended 31 March 2021

From August 2021 there will be 16 primary aged pupils at Ulva Ferry, the highest number in decades, and creating a 50% increase in the school roll. 11 of these children live in houses owned by MICT. The number of working aged adults will also have increased by 10%. For the tenants themselves, having a secure, warm and permanent home will make a huge difference to them. As one successful applicant commented, *'the positive impact MICT have had on us and other families can genuinely not be underestimated, and securing our home is truly life changing.'*

With 31 applications for these 4 houses it is clear the housing need on Mull is not diminishing, and indeed has been exacerbated by the pandemic.

Pennyghael School House

In March 2021 MICT purchased the former Pennyghael Schoolhouse, with funding from the Scottish Land Fund, Strategic Housing Fund and Ecology Building Society. In doing so, this family sized home will remain in the long-term rental market in perpetuity. The house will undergo full renovation and will be advertised for rent later in 2021. A local steering group has been set up to agree an allocation policy for the house.

Other Housing Plans

MICT have been working with Glengorm Farming Partnership since 2019 to assist with their plans to refurbish an unused farm steading into 5 units for long-term affordable rent. Having secured £500,000 from the Rural & Islands Housing Fund, the project is now in the final development stages and a contractor will soon be appointed.

Delivering and supporting affordable housing is a key priority for MICT. We are at early stage discussions regarding a variety of projects across Mull and Iona, and invite discussions with local individuals, housing associations, businesses and landowners to deliver affordable housing across all sectors.

Ulva Ferry Pontoon Shore Facilities Building

During the year, further development funding was secured from The Waterfall Fund, Rural Tourism Infrastructure Fund, Nature Scot Better Places Green Recovery Fund and the Development Trusts' Association Scotland Green Shoots fund to finalise feasibility and design work of Phase 3, The Ulva Ferry shore facilities building – providing visitor and community facilities. A planning application submitted in September 2020 for a reduced scope building was followed by an engineering survey with trial pits in March 2021 and commenced of the building warrant submission.

With the anticipated reopening of capital funding programmes in summer 2021 it is hoped that the project will be able to secure funding for construction in 2022.

Ulva Ferry Car Park and Motorhome Hard Standings

Construction of the extended car park and motorhome hardstanding was completed by TSL Contractors during the year after disruption due to lockdown travel restrictions. The works included an extension to the Ulva Car Park owned by North West Mull Community Woodland Company, a great example of partnership working between local organisations

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

Report of the Trustees for the year ended 31 March 2021



Provision of the motorhome facility was very timely given the increase in so called “staycation” holidays which arose in the late summer of 2020. The new facilities were completed in time for the start of the 2021 summer season.

The new motorhome hard standings basking in late spring sunshine

To cover running and maintenance costs of the car parks we included a QR code on signage with a link to the donation page of our website and we also commissioned a steel donation box, the latter proved more successful!



*Donation's box made by
Mark Millward of Island Crafts*

During the lockdown, Ulva school pupils planted native trees donated by Rachel Watt and Lucy MacKenzie to form a visual boundary to the north side of the extended car park. Hopefully in years to come, the children will see the fruits of their labour!

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

Report of the Trustees for the year ended 31 March 2021

Plans for the Future

We strive to make sure that our work aligns with the priorities identified by the community and recorded in the community development plans we have prepared over the years. During the year we reviewed the MICT Strategy documents carefully to make sure we are indeed focussing on what the community informed us about.

The Strategy document is a live working document, subject to continuous updates and the current version is available on request.

Extracted from the strategy document are the following key priorities and how we aim to address them:

Strategic Priority	Plans for coming year
Lack of affordable housing	<ul style="list-style-type: none"> • Pennyghael School House refurbishment • Dervaig Housing project • Any other opportunities that arise
Lack of Childcare provision and sustainability of our Primary Schools	<ul style="list-style-type: none"> • Rural Out of School Care Trial for Scottish Government • Provision of affordable housing
Barriers to year round employment	<ul style="list-style-type: none"> • Expansion of Nonhebel Park to support creation and expansion local businesses • Development of Key Worker Accommodation project
Responding to new opportunities	<ul style="list-style-type: none"> • Development of a nursing and care home • Development of an early learning and childcare nursery
Enjoyment, sustainability, and preservation of the natural environment	<ul style="list-style-type: none"> • Rewilding of Ardura Community Forest, including provision of community infrastructure e.g. Forest Shelter, composting toilet and wildlife viewing hides

Acknowledgements

The Covid 19 pandemic presented the Trust with an existential threat, like many other businesses across the land. More so than usual, the Trustees wish to thank key funders for their continued support: Highlands and Islands Enterprise, Argyll & Bute Council, The National Lottery Community Fund, Development Trust Association Scotland, Rural Housing Fund, Nature Scot, Scottish Government, Forestry and Land Scotland, The National Trust for Scotland, Princes Countryside Fund, the Pebble Trust, Nationwide Building Society, The Waterfall Fund, and Hitrans.

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

Report of the Trustees for the year ended 31 March 2021

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.

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:

DocuSigned by:

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Name: Sandy Brunton

Date: 11 October 2021

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF MULL AND IONA COMMUNITY TRUST FOR THE YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of Mull and Iona Community Trust (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021, and of its incoming resources and application of resources, including its income and expenditure, 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

In auditing the financial statements the financial statements, we have concluded that the trustees' use of going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 contained within the Report and Financial Statements. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements or a material misstatement of 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF MULL AND IONA COMMUNITY TRUST FOR THE YEAR ENDED 31 MARCH 2021

We have nothing to report in this regard.

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 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 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 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; or
- the 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 directors were not entitled to prepare financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 24, 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 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 2021

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Extent to which the audit was considered capable of detecting irregularities including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures response to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks or material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we considered the following;

- The nature of the charity, the environment in which it operates and the control procedures implemented by management and the trustees; and
- Our enquiries of management and trustees about their identification and assessment of the risks of irregularities.

Based on our understanding of the charity and the sector we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to;

- Regulations and legislation pertinent to the charity's operations;

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006. We evaluated management and trustees' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks were related to;

- Management bias in accounting estimates.
- Posting inappropriate journal entries.

Audit response to the risks identified;

Our procedures to respond to the risks identified included the following;

- Gaining an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management, trustees and legal advisors concerning actual and potential litigation and claims;
- Reading minutes of meetings of those charged with governance;
- In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments; evaluating rationale of any significant transactions that are unusual or outside the normal course of business;

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF MULL AND IONA COMMUNITY TRUST FOR THE YEAR ENDED 31 MARCH 2021


with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. 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.

DocuSigned by:

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

168 Bath Street
Glasgow
G2 4TP

11 October 2021

MULL AND IONA COMMUNITY TRUST
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2021
(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Income and endowments from:							
Donations and legacies	5	32,400	200	32,600	14,571	43,449	58,020
Charitable activities	6	329,659	1,333,886	1,663,545	50,400	2,891,674	2,942,074
Other trading activities	7	119,411	-	119,411	269,756	-	269,756
Investments	8	46,592	-	46,592	13,210	-	13,210
Other incoming resources	9	2,621	25,653	28,274	-	-	-
Total Income		530,683	1,359,739	1,890,422	347,937	2,935,123	3,283,060
Expenditure on:							
Raising funds							
Raising donations & legacies	10	26,419	-	26,419	30,231	-	30,231
Charitable activities	11	367,047	512,037	879,084	379,785	979,505	1,359,290
Total Expenditure		393,466	512,037	905,503	410,016	979,505	1,389,521
Net income / (expenditure) for the year		137,217	847,702	984,919	(62,079)	1,955,618	1,893,539
Transfers between funds		488	(488)	-	-	-	-
Other recognised gains / (losses)							
Gain on revaluation of forestry asset	17	1,274,963	77,997	1,352,960	-	-	-
Net movement in funds		1,412,668	925,211	2,337,879	(62,079)	1,955,618	1,893,539
Funds reconciliation							
Total Funds brought forward	23, 24	1,658,362	3,162,735	4,821,097	1,720,441	1,207,117	2,927,558
Total Funds carried forward	23, 24	3,071,030	4,087,946	7,158,976	1,658,362	3,162,735	4,821,097

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

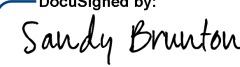
All income and expenditure derive from continuing activities.

MULL AND IONA COMMUNITY TRUST**BALANCE SHEET AS AT 31 MARCH 2021**


		2021	2020
	Note	£	£
Fixed assets:			
Tangible assets	16	5,577,758	4,479,409
Forestry assets	17	1,639,960	287,000
Investments	18	100	100
Total Fixed assets		<u>7,217,818</u>	<u>4,766,509</u>
Current assets:			
Stocks		2,558	3,626
Debtors	19	79,904	225,093
Cash at bank and in hand	27	<u>497,759</u>	<u>368,547</u>
Total Current assets		<u>580,221</u>	<u>597,266</u>
Liabilities:			
Creditors falling due within one year	20	<u>(142,686)</u>	<u>(291,196)</u>
Net Current assets		<u>437,535</u>	<u>306,070</u>
Total assets less current liabilities		<u>7,655,353</u>	<u>5,072,579</u>
Creditors: Amounts falling due after more than one year	21	<u>(496,377)</u>	<u>(251,482)</u>
Net assets		<u>7,158,976</u>	<u>4,821,097</u>
The funds of the charity:			
Unrestricted funds	23	3,071,030	1,658,362
Restricted funds	24	<u>4,087,946</u>	<u>3,162,735</u>
Total charity funds		<u>7,158,976</u>	<u>4,821,097</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 October 2021 and signed on their behalf by:

DocuSigned by:

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Name: Sandy Brunton

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Name: Rob MacManaway

Charity No: SC172897

**MULL AND IONA COMMUNITY TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by operating activities	26	<u>1,133,679</u>	<u>1,667,362</u>
Cash flows from investing activities:			
Interest and rents received		46,592	13,210
Interest paid		(14,390)	(8,462)
Purchase of forestry asset		-	(287,000)
Purchase of property, plant and equipment		(1,243,513)	(1,593,641)
Proceeds from disposal of fixed assets		5,501	-
Net cash (used in) investing activities		<u>(1,205,810)</u>	<u>(1,875,893)</u>
Cash flows from financing activities:			
Repayment of loans		(37,389)	(102,100)
Loans received		-	50,510
Inception of mortgage		239,957	113,564
Repayment of mortgage		(1,225)	(2,401)
Net cash provided by financing activities		<u>201,343</u>	<u>59,573</u>
Change in cash and cash equivalents in the year		<u>129,212</u>	<u>(148,958)</u>
Cash and cash equivalents brought forward	27	368,547	517,505
Cash and cash equivalents carried forward	27	<u><u>497,759</u></u>	<u><u>368,547</u></u>

Analysis of net debt

	Note	1st April 2020 £	Cashflow £	Other non cash changes £	31st March 2021 £
Cash & cash equivalents	27	368,547	129,212	-	497,759
Borrowings					
Loans due within one year	20	(49,010)	37,389	9,520	(2,101)
Loans due after one year	21	(48,200)	-	(9,520)	(57,720)
Mortgage due within one year	20	(4,091)	1,225	(4,583)	(7,449)
Mortgage due after one year	21	(203,282)	-	(235,374)	(438,656)
Total net cash		<u><u>63,964</u></u>	<u><u>167,826</u></u>	<u><u>(239,957)</u></u>	<u><u>(8,167)</u></u>

MULL AND IONA COMMUNITY TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

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 (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom (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 notes 23 & 24.

(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 2021

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. See note 22 for further details.

(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 2021

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 12.

(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, Pennyghael House & Heritable Property are considered to be maintained in such a condition that any depreciation charge would be trivial.

(h) Forestry assets

Forestry assets are held at fair value, being sales value less any costs to sell as at the accounting date.

(i) Fixed asset investments

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

(j) Stock

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

(k) 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.

(l) 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.

(m) 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 2021

1. Accounting Policies (continued)

(n) 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.

(o) 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.

(p) 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.

(q) 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. Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Key estimations are detailed below:

Valuation of the forestry asset - Following the end of the current year, the charity entered into a contract to sell a proportion of the Forestry Asset. As such, the carrying value of the Forestry Asset has been uplifted to represent the increase in fair value, being the sales value less any costs to sell.

Depreciation – Fixed assets are depreciated over the useful life of the asset. The useful lives of fixed assets are based on the knowledge of the directors, with reference to assets expected life cycle.

MULL AND IONA COMMUNITY TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

3. 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.

4. 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 £3,123 (2020: £3,123) for Island Castaways Bunessan is paid to Brook Partnership. Rental of £1,335 (2020: £1,335) was also paid to the Brook Partnership for the rental of four storage containers. During the year The Brook Partnership loaned the charity £5,000 for a 5 year period at an interest rate of 4% per annum, £200 of loan interest was paid during the year (£nil). At the year end The Brook Partnership was owed £4,077 (2020: £5,000). Derek Crook also personally lent the charity £1,000 on identical terms, at the year end the balance was £815 (2020: £1,000). During the year, loan interest of £40 was repaid (2020: £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 £nil (2020: £1,877) were provided by Island Engineering. Chris Baker also provided the charity with a 15 year loan of £2,000 at an interest rate of 4% per annum. During the year, £80 of loan interest was repaid (2020: £nil). At the year end date the balance was £1,900 (2020: £2,000) Chris Baker resigned as a director on 31st March 2020.

Alexander & Jane Brunton, Alexander being a director and Jane his spouse and therefore related parties of the Mull and Iona Community Trust loaned £49,010 to the Mull and Iona Community Trust under Legal Terms and Agreements over the course of 2017 to 2020. During the year, an amount of £32,000 was repaid.

At the 31st March 2021 loan interest to the amount of £1,729 (2020: £1,120) has been paid at a rate of 3.5%. At the year end the balance remaining was £17,010 (2020: £49,010). The Loan Balance is secured against the premises in Craignure.

During the prior year Jane Brunton also loaned a further £5,000 to the charity for 5 years at a rate of 4% per annum. At the year end date the balance was £4,077 (2020: £5,000).

The General manager, Moray Finch, who is a member of key management personnel, also provided a loan of £3,000 for 15 years to the charity at a rate of 4%. During the year, loan interest of £120 was paid (2020: £nil). The balance due at the year end date is £2,850 (2020: £3,000).

During the year, no Trustees received expenses relating to travel (2020: one received £127)

No Trustees received any remuneration during the year (2020: £nil).

One Trustee made a donation totalling £100 during the year (2020: £nil).

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

5. Income from donations and legacies

	2021	2020
	£	£
Sea Eagles Donations	200	26,922
Membership Income	566	5,871
Donations and legacies	<u>31,834</u>	<u>25,227</u>
	<u>32,600</u>	<u>58,020</u>

6. Income from charitable activities

	2021	2020
	£	£
Environmental	254,903	1,461,532
Community services	127,511	18,188
Infrastructure	<u>1,281,131</u>	<u>1,462,354</u>
	<u>1,663,545</u>	<u>2,942,074</u>

7. Income from other trading activities

	2021	2020
	£	£
Consultancy & support services	40,983	106,417
Income from MESS activities	77,978	158,726
Miscellaneous income	<u>450</u>	<u>4,613</u>
	<u>119,411</u>	<u>269,756</u>

8. Investment income

	2021	2020
	£	£
Bank interest	88	392
Rent	<u>46,504</u>	<u>12,818</u>
	<u>46,592</u>	<u>13,210</u>

9. Other income

	2021	2020
	£	£
Gain on disposal of fixed asset	2,621	-
Coronavirus Job Retention Scheme	<u>25,653</u>	<u>-</u>
	<u>28,274</u>	<u>-</u>

10. Raising Funds – expenditure on raising donations and legacies

	Direct Costs	Support Costs	Total 2021
	£	£	£
Consultancy	-	26,419	26,419
	<u>-</u>	<u>26,419</u>	<u>26,419</u>
	Direct Costs	Support Costs	Total 2020
	£	£	£
Consultancy	-	30,231	30,231
	<u>-</u>	<u>30,231</u>	<u>30,231</u>

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

11. Analysis of expenditure on charitable activities

	Environ- mental £	Economic Development £	Community Services £	Infrastru- cture £	Total 2021 £
Project costs	227,446	-	30,117	-	257,563
Subcontractors	-	-	-	7,670	7,670
Premises costs	-	-	-	7,540	7,540
Depreciation	4,989	-	-	107,120	112,109
Vehicle costs	-	-	-	3,828	3,828
Other costs	-	-	-	12,830	12,830
Governance costs (note 12)	9,312	2,715	17,477	9,094	38,598
Support costs (note 12)	105,905	30,866	198,751	103,424	438,946
	347,652	33,581	246,345	251,506	879,084

	Environ- mental £	Economic Development £	Community Services £	Infrastru- cture £	Total 2020 £
Project costs	749,724	-	16,568	-	766,292
Subcontractors	-	-	-	13,213	13,213
Premises costs	-	-	-	16,940	16,940
Vehicle costs	-	-	-	6,915	6,915
Other costs	-	-	-	5,779	5,779
Governance costs (note 12)	8,647	2,355	15,648	9,039	35,689
Support costs (note 12)	124,652	33,950	225,568	130,292	514,462
	883,023	36,305	257,784	182,178	1,359,290

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

12. Allocation of governance and support costs

Cost type	Total 2020 £	Raising funds £	Environmental £	Economic Development £	Community Services £	Infrastructure £	Governance £	Basis
Salary of administrative staff	321,981	16,099	64,396	28,978	160,991	35,418	16,099	<i>Time spent</i>
Rent/rates/ins/cleaning	36,972	1,849	8,134	739	8,504	15,898	1,849	<i>Time spent</i>
Printing, postage, stationary and advertising	7,401	370	1,628	148	1,702	3,182	370	<i>Time spent</i>
Motor & travel expenses	60,963	3,048	20,118	1,219	30,482	3,048	3,048	<i>Time spent</i>
Loan interest	2,683	-	-	-	-	2,683	-	<i>Time spent</i>
Bank charges	1,868	93	411	37	243	990	93	<i>Time spent</i>
Legal & statutory fees	8,792	220	440	220	440	7,034	440	<i>Time spent</i>
Telephone	6,267	313	1,880	125	940	2,695	313	<i>Time spent</i>
Staff training	280	14	106	6	70	70	14	<i>Time spent</i>
Subscriptions	3,137	157	784	63	408	313	1,412	<i>Time spent</i>
Depreciation	47,219	2,361	10,388	944	7,555	23,610	2,361	<i>Time spent</i>
Car lease	2,803	140	448	28	1,345	701	140	<i>Time spent</i>
Miscellaneous expenses	70,279	3,514	15,461	1,406	12,650	33,734	3,514	<i>Time spent</i>
Materials	1,832	92	458	37	238	916	92	<i>Time spent</i>
Total	572,477	28,270	124,652	33,950	225,568	130,292	29,745	

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

12. Allocation of governance and support costs (continued)

Cost type	Total 2021 £	Raising funds £	Environmental £	Economic Development £	Community Services £	Infrastructure £	Governance £	Basis
Salary of administrative staff	302,205	15,106	60,441	27,198	151,103	33,243	15,110	<i>Time spent</i>
Rent/rates/ins/cleaning	33,258	1,663	7,317	665	7,649	14,301	1,663	<i>Time spent</i>
Printing, postage, stationary and advertising	5,810	291	1,278	116	1,336	2,498	291	<i>Time spent</i>
Motor & travel expenses	41,892	2,095	13,824	838	20,946	2,095	2,095	<i>Time spent</i>
Loan interest	2,869	-	-	-	-	2,869	-	<i>Time spent</i>
Bank charges	4,320	216	950	86	562	2,290	216	<i>Time spent</i>
Legal & statutory fees	913	23	46	23	46	730	46	<i>Time spent</i>
Telephone	6,255	313	1,877	125	938	2,690	313	<i>Time spent</i>
Staff training	79	4	30	2	20	20	4	<i>Time spent</i>
Subscriptions	3,794	190	949	76	493	378	1,707	<i>Time spent</i>
Depreciation	30,175	1,509	6,639	604	4,828	15,088	1,509	<i>Time spent</i>
Car lease	1,625	81	260	16	780	406	81	<i>Time spent</i>
Miscellaneous expenses	55,757	2,788	12,267	1,115	10,036	26,763	2,788	<i>Time spent</i>
Materials	106	5	27	2	14	53	5	<i>Time spent</i>
Total	489,058	24,284	105,905	30,866	198,751	103,424	25,828	

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

12. 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:	2021	2020
	£	£
Meeting expenses	787	708
Auditor's remuneration	14,118	7,125
Support costs (see above)	25,828	29,745
	<u>40,733</u>	<u>37,650</u>

Breakdown of governance and support costs by activity:

	Support Costs	Governance	2021 £
Environmental	105,905	9,312	115,217
Economic Development	30,866	2,715	33,581
Community Services	198,751	17,477	216,228
Infrastructure	103,424	9,094	112,518
Total for charitable activities	<u>438,946</u>	<u>38,598</u>	<u>477,544</u>
Raising funds	24,284	2,135	26,419
	<u>463,230</u>	<u>40,733</u>	<u>503,963</u>

	Support Costs	Governance	2020 £
Environmental	124,652	8,647	133,299
Economic Development	33,950	2,355	36,305
Community Services	225,568	15,648	241,216
Infrastructure	130,292	9,039	139,331
Total for charitable activities	<u>514,462</u>	<u>35,689</u>	<u>550,151</u>
Raising funds	28,270	1,961	30,231
	<u>542,732</u>	<u>37,650</u>	<u>580,382</u>

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

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

	2021	2020
	£	£
Salaries and wages	249,866	289,617
Social security costs	11,453	14,699
Pension costs	13,399	13,802
Total staff costs	<u>274,718</u>	<u>318,118</u>

No employees had employee benefits in excess of £60,000 (2020: Nil).

	2021	2020
	No.	No.
The average weekly number of persons, by headcount, employed by the charity during the year was:	<u>22</u>	<u>20</u>

	2021	2020
	£	£
Key management personnel remuneration:	<u>141,082</u>	<u>138,729</u>

14. Net income for the year

This is stated after charging / (crediting):

	2021	2020
	£	£
Depreciation	142,284	47,221
Auditor's remuneration:		
Audit fees	14,118	7,125
Interest payable	14,390	8,462
Loss / (Profit) on disposal of fixed assets	<u>(2,621)</u>	<u>24,838</u>

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

15. Government Grants

	2021 £	2020 £
HIE- Capital	2,680	133,313
HIE- Revenue	-	18,864
Scottish Natural Heritage	24,000	53,765
Forestry Commission Scotland	-	1,473
Scottish Gov – Regeneration Capital	-	751,771
HiTrans – Argyll & Bute Council	-	35,000
National Trust for Scotland	32,443	25,268
Scottish Land Fund	121,254	775,686
Third Sector Resilience Fund	72,617	-
Wellbeing Fund	20,925	-
Argyll & Bute Council Business Support Grants	40,000	-
Keep Scotland Beautiful	29,254	-
Nature Scot, Better Places Fund	19,772	-
Islands Equivalent Payment - Strategic Framework	16,000	-
Business Fund		
Rural and Islands Housing Fund	777,856	-
Coronavirus Job Retention Scheme	25,653	-
Total	<u>1,182,454</u>	<u>1,795,140</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

HiTrans via Argyll and Bute Council relates to funding for Mull Old Roads technical feasibility project.

National Trust for Scotland funding relates to revenue funding to contribute to ranger's post in Mull.

Scottish Land Fund relates funding provided to purchase Pennyghael School House and funding provided to purchase Ardura Forest in the prior year.

Third Sector Resilience Fund relates to funding to help with support costs and ranger service costs during the COVID-19 pandemic.

Wellbeing Fund relates to funding to support the running costs of Ulva Ferry Community Transport service during the COVID-19 crisis.

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

15. Government Grants (continued)

Keep Scotland Beautiful funding relates to funding relating to the purchase of an electric van for MESS.

Nature Scot, Better Places Fund relates to funding to support development costs of Ulva Ferry Shore Facilities Building.

Islands Equivalent Payment – Strategic Framework Business Fund relates to funding to support the operational costs of An Roth, Castaways in Craignure and Bunessan and the support costs of the Trust.

Argyll & Bute Business Support Grants relate to funding to support the operation of Bunessan Castaways, An Roth Community Enterprise Centre and Ulva Ferry Pontoon during the COVID-19 pandemic.

Coronavirus Job Retention Scheme relates to funding for staff that were furloughed during the year.

Rural & Islands Housing Fund relates to funding for Ulva Ferry Housing Phase 2 construction.

At the year end there were no unfulfilled conditions or contingences related to these grants, (2020: None)

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

16. Tangible Fixed Assets

	Heritable Property £	Land	Plant & Machinery £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Assets under construction £	Affordable Housing £	Total £
Cost or valuation								
At 1 April 2020	3,224,879	640,561	204,730	104,137	61,374	189,218	645,842	5,070,741
Additions	-	11,903	-	-	35,632	1,021,898	174,080	1,243,513
Disposals	-	-	-	-	(7,800)	-	-	(7,800)
Transfers	204,374	1,023	-	-	-	(205,400)	-	-
At 31 March 2021	3,429,253	653,490	204,730	104,137	89,206	1,005,716	819,922	6,306,454
Depreciation								
At 1 April 2020	365,563	-	104,277	80,495	40,997	-	-	591,332
Charge for the year	109,640	-	22,518	3,547	6,579	-	-	142,284
Eliminated on disposal	-	-	-	-	(4,920)	-	-	(4,920)
At 31 March 2021	475,203	-	126,795	84,042	42,656	-	-	728,696
Net book value								
At 31 March 2021	2,954,050	653,490	77,935	20,095	46,550	1,005,716	819,922	5,577,758
At 31 March 2020	2,859,316	640,561	100,453	23,642	20,377	189,218	645,842	4,479,409

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

17. Forestry asset

	2021	2020
	£	£
Balance as at 1 st April	287,000	-
Acquired during year	-	287,000
Unrealised gain on fair value	1,352,960	-
Balance as at 31 st March	<u>1,639,960</u>	<u>287,000</u>

During the prior year the charity acquired the land on which Ardura Forest is situated. The total purchase has been split between its constituent land & forestry assets.

As a condition of the funding received towards this purchase, The Scottish Ministers hold a standard security over the land & forest which would be exercised in the event of a clawback should the continuing terms of the funding not be met.

Following the end of the current year, the charity entered into a contract to sell a proportion of the Forestry Asset. As such, the carrying value of the Forestry Asset has been uplifted to represent the increase in fair value, being the sales value less any costs to sell.

18. Investments

	Shares in group undertakings
	£
Cost and net book value	100
At 1 April 2020 and 31 March 2021	<u>100</u>

The charity has a wholly owned subsidiary, An Roth Trading Limited a company incorporated in Scotland. For the year ended 31 March 2021 An Roth Trading Limited reported a profit of £nil (2020: £2) and had net assets of £310 (2020: £310). The company has not traded since 1 April 2018 and only received bank interest in the prior year.

19. Debtors

	2021	2020
	£	£
Trade debtors	60,110	138,562
Other debtors	8,977	26,068
VAT debtor	10,817	60,463
	<u>79,904</u>	<u>225,093</u>

20. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	31,080	123,514
Mortgage	7,449	4,091
Loans	2,100	49,010
Other creditors	102,057	114,581
	<u>142,686</u>	<u>291,196</u>

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

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

	2021	2020
	£	£
Mortgage	438,656	203,282
Loans	57,721	48,200
	<u>496,377</u>	<u>251,482</u>

Mortgage

	2021	2020
	£	£
Due:		
In one year or less	7,449	4,091
Between one and two years	11,547	13,022
Between two and five years	37,955	21,728
Over five years	389,154	168,532
	<u>446,105</u>	<u>207,373</u>

Mortgage Liabilities are secured on the assets concerned.

Loans

	2021	2020
	£	£
Due:		
In one year or less	2,100	49,010
Between one and two years	2,101	2,100
Between two and five years	29,944	18,300
Over five years	25,677	27,800
	<u>59,821</u>	<u>97,210</u>

£17,010 of the Loan balance is secured against the premises in Craignure (2020: £49,010)

22. Deferred Income

	2021	2020
	£	£
Balance as at 1 st April	34,397	-
Released during year	(34,397)	-
Deferred during year	10,629	34,397
Balance as at 31 st March	<u>10,629</u>	<u>34,397</u>

Deferred income is included within other creditors and comprises funding received in advance for projects in the 21/22 year.

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

23. Unrestricted Funds

Analysis of Fund movements - 2021	Balance b/fwd £	Income £	Expenditure £	Gains & Losses £	Transfers £	Balance c/fwd £
Unrestricted funds						
Designated funds:						
MESS Craignure shop	187,234	-	-	-	(179,734)	7,500
MESS Buinessan shop	13,271	-	-	-	(11,271)	2,000
MESS Core	1,764	-	-	-	6,636	8,400
MESS Recyclate	31,300	-	-	-	(31,300)	-
MESS Business Recyclate	17,564	-	-	-	(17,564)	-
MESS Tobermory	3,184	-	-	-	(3,184)	-
Gantry Storage Craignure	112,264	-	-	-	(107,264)	5,000
An Roth Ent Centre	223,294	-	-	-	(213,294)	10,000
Ulva Ferry Pontoon Trading	21,562	-	-	-	(11,562)	10,000
PCC Vending Machine	1,847	-	-	-	(1,400)	447
Ulva Ferry Houses Trading	8,041	-	-	-	26,959	35,000
Ardura Revenue Trading	18,600	-	-	-	-	18,600
Ulva Ferry Community Transport	9,000	-	-	-	-	9,000
Housing Development Manager	-	-	-	-	11,000	11,000
Tobermory Light Industrial Park	-	-	-	-	10,000	10,000
	648,925	-	-	-	(521,978)	126,947
General funds	1,009,437	530,683	393,466	1,274,963	522,466	2,944,083
Total unrestricted funds	1,658,362	530,683	393,466	1,274,963	488	3,071,030

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

23. Unrestricted Funds (continued)

Analysis of Fund movements - 2020	Balance b/fwd £	Income £	Expenditure £	Transfers £	Balance c/fwd £
Unrestricted funds					
Designated funds:					
MESS Craignure shop	169,723	88,984	71,473	-	187,234
MESS Bunessan shop	8,364	17,295	12,388	-	13,271
MESS Core	-	5,060	3,296	-	1,764
MESS Recyclate	26,843	6,218	1,761	-	31,300
MESS Business Recyclate	15,785	1,779	-	-	17,564
MESS Tobermory	1,894	5,101	3,811	-	3,184
Ranger Service	-	29,497	35,125	5,628	-
Ranger Service Activities	1,405	4,768	545	(5,628)	-
Gantry Storage Craignure	87,970	26,136	1,842	-	112,264
An Roth Ent Centre	207,000	45,480	29,186	-	223,294
Mull & Iona Sustainable Transport	1,389	1,430	2,819	-	-
Ulva Ferry Pontoon Trading	10,058	63,424	51,920	-	21,562
PCC Vending Machine	1,686	221	60	-	1,847
Ulva Ferry Houses Trading	4,600	10,804	7,363	-	8,041
Ardura Revenue Trading	-	-	-	18,600	18,600
Ulva Ferry Community Transport	-	-	-	9,000	9,000
Tobermory Light Industrial Park	-	2,014	2,014	-	-
	536,717	308,211	223,601	27,600	648,927
General funds	1,183,724	39,726	186,415	(27,600)	1,009,435
Total unrestricted funds	1,720,441	347,937	410,016	-	1,658,362

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.

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

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.

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

23. Unrestricted Funds (continued)

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

Affordable Housing – Funds designated to cover the provision of Forestry Management Services.

Ardara Revenue Trading – Funds designated to cover the provision of Forestry Management Services.

Ulva Ferry Community Transport – Funds designated for the replacement of the Ulva Ferry Community Bus.

Housing Development Manager – Funds designated to support staff costs to develop community solutions to the lack of affordable housing.

Tobermory Light Industrial Park – Income generated from the light industrial park designated for payment of wages and overheads of project staff.

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

24. Restricted Funds

Analysis of Fund movements - 2021	Balance b/fwd £	Income £	Expenditure £	Gains/ Losses £	Transfers £	Balance c/fwd £
Restricted funds						
Sea Eagles	10,722	200	2,630	-	-	8,292
Ranger – Mink	311	-	-	-	-	311
Friends of Calgary Bay	8,552	3,397	2,597	-	-	9,352
Mess Revolve	145	-	-	-	-	145
Ranger Forestry & Activities	21,737	-	-	-	-	21,737
Ranger Service	-	35,097	34,929	-	-	168
NTS South Mull & Iona Ranger	5,860	30,498	27,653	-	-	8,705
Forest Geocaching	226	-	-	-	-	226
Mull Musical Minds	14,353	1,000	161	-	-	15,192
Community Defibs	2,039	709	621	-	-	2,127
Dervaig First Responders	500	-	-	-	-	500
Ulva Ferry First Responders	125	-	-	-	-	125
Dervaig Community Tree				-		
Nursery	1,473	19,928	19,822		-	1,579
Ulva Ferry Development Officer	2,500	-	2,500	-	-	-
Ulva Ferry Pontoons Revenue	1,088	-	-	-	(1,088)	-
Ulva Ferry Housing Project – Revenue	18,821	-	-	-	(18,821)	-
Ulva Ferry Housing Project – Capital	141,121	-	-	-	-	141,121
Ulva Ferry Housing Project - Revenue Phase 2	14,412	29,496	26,507	-	18,821	36,222
Ulva Ferry Housing Project - Capital Phase 2	14,408	827,317	6,183	-	-	835,542
Ulva Ferry Community MiniBus	33,918	61,845	34,622	-	-	61,141
Ulva Ferry Pontoon Capital	11,024	-	1,737	-	-	9,287
Ulva Ferry Shores Facilities Revenue	-	28,211	19,930	-	-	8,281
UF Shore Facilities/Car Park Capital	442,700	10,355	1,696	-	-	451,359
Tobermory Light Industrial Park - Capital	1,770,489	5,628	109,121	-	-	1,666,996
Path & Viewpoints	18,631	14,665	6,091	-	(566)	26,639
Creich to Pottie Path	-	94,690	95,256	-	566	-
Lochdon Pavement Project	9,690	17,283	25,600	-	-	1,373
Ardura Forest	523,670	-	-	77,997	-	601,667
Big Bike Review	259	-	-	-	-	259
CCF- Rethink MESS	30,335	-	4,989	-	-	25,346
Tobermory Lighthouse Path	13,067	-	187	-	-	12,880
Ardura Forest Path Pilot project	50,559	-	44,970	-	-	5,589
Ardura Community Well Being Project	-	-	200	-	200	-
Out of School Childcare 21-22	-	-	400	-	400	-
Pennyghael House	-	135,554	2,068	-	-	133,486
HIE Communities Recovery Fund	-	18,213	15,914	-	-	2,299
Coronavirus Job Retention Scheme	-	25,653	25,653	-	-	-
Total restricted funds	3,162,735	1,359,739	512,037	77,997	(488)	4,087,946

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

24. Restricted Funds (continued)

Analysis of Fund movements - 2020	Balance b/fwd £	Income £	Expenditure £	Transfers £	Balance c/fwd £
Restricted funds					
Sea Eagles	4,330	23,200	16,808	-	10,722
Ranger – Mink	311	-	-	-	311
Ranger Calgary Bay	4,964	6,048	2,460	-	8,552
Mess Revolve	145	-	-	-	145
CBRC Capital	6,196	-	6,196	-	-
Ranger Forestry & Activities	17,743	14,300	10,306	-	21,737
NTS South Mull & Iona Ranger	757	32,143	27,040	-	5,860
Forest Geocaching	226	-	-	-	226
Mull Musical Minds	14,399	1,296	1,342	-	14,353
Community Defibs	1,884	6,909	6,754	-	2,039
Dervaig First Responders	-	500	-	-	500
Ulva Ferry First Responders	-	125	-	-	125
Dervaig Community Tree Nursery	-	1,473	-	-	1,473
Ulva Ferry Development Officer	2,500	-	-	-	2,500
Ulva Ferry Pontoons Revenue	1,088	-	-	-	1,088
Ulva Ferry Housing Project – Revenue	18,821	-	-	-	18,821
Ulva Ferry Housing Project – Capital	141,121	-	-	-	141,121
Ulva Ferry Housing Project - Revenue Phase 2	20,602	14,612	20,802	-	14,412
Ulva Ferry Housing Project - Capital Phase 2	210	14,198	-	-	14,408
Ulva Ferry Community MiniBus	35,481	27,183	28,746	-	33,918
Ulva Ferry Pontoon Capital	13,340	-	2,316	-	11,024
UF Shore Facilities/Car Park Capital	-	442,700	-	-	442,700
Energy Advisor Mull & Iona	2,886	-	2,886	-	-
Community Broadband	8,534	-	8,534	-	-
Intergenerational Project	8,859	-	8,859	-	-
Tobermory Light Industrial Park - Capital	867,521	911,750	8,782	-	1,770,489
HIE Capacity Building – Richard	1,510	18,864	20,374	-	-
Path & Viewpoints	21,173	590,887	593,429	-	18,631
Creich to Pottie Path	-	142,013	142,013	-	-
Lochdon Pavement Project	-	10,000	310	-	9,690
Ardura Forest	-	523,670	-	-	523,670
Big Bike Review	259	-	-	-	259
CCF- Rethink MESS	1,486	95,067	66,218	-	30,335
ACCESS	80	-	80	-	-
Tobermory Lighthouse Path	10,691	2,876	500	-	13,067
Ardura Forest Path Pilot project	-	50,559	-	-	50,559
Ardura Forest revenue	-	4,750	4,750	-	-
Total restricted funds	1,207,117	2,935,123	979,505	-	3,162,735

MULL AND IONA COMMUNITY TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

24. Restricted Funds (continued)

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

Sea Eagles – Income from visits for distribution to groups and maintenance.

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

Friends of Calgary Bay – Restricted for Volunteer's expenses, overheads and Calgary toilets.

MESS Revolve - Restricted for Revolve marketing and communications for the charity shops

CBRC Capital – Restricted for costs of building.

Ranger Service Activities - Payment of wages and overheads of Ranger Service staff.

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

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

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.

**MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021**

24. Restricted Funds (continued)

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

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.

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

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

Dervaig First Responders – Funds raised for a group of volunteers working for the Scottish Ambulance Service.

Dervaig Community Tree Nursery – Funds received to support Mull Native Woodland Group to develop a community tree nursery.

UF Shore Facilities/Car Park Capital – Funding received from the Rural Tourism Infrastructure Fund for construction of further facilities at Ulva Ferry Pontoon.

Creich to Pottie Path II – Funds received for the second phase of the path noted above, extending the route to the Pottie Road End.

Lochdon Pavement Project – Funding secured to conduct a short section of pavement between a new housing development and the primary school in Lochdon.

Ardura Forest Path Pilot project – Funding received to develop the Ardura Forest path.

Ardura Forest revenue – Funding received towards the management fees for Ardura Forest.

Ardura Community Well Being Project – Funding received towards recruitment costs incurred prior to year end.

Out of School Childcare 21-22 - Funding received towards recruitment costs incurred prior to year end.

Pennyghael House – Funding received towards purchase of restricted asset and funds held for refurbishment of the property for affordable housing.

HIE Communities Recovery Fund – restricted funding for distribution through MICT to local groups.

Coronavirus Job Retention Scheme – Funding received towards furloughing employees during the pandemic.

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

25. Net assets over funds

	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Fixed assets	2,077,931	3,499,827	5,577,758
Forestry asset	1,274,983	364,977	1,639,960
Investments	100	-	100
Stock	2,558	-	2,558
Debtors	77,762	2,142	79,904
Cash	276,759	221,000	497,759
Current liabilities	(142,687)	-	(142,687)
Long term liabilities	<u>(496,376)</u>	<u>-</u>	<u>(496,376)</u>
	<u>3,071,030</u>	<u>4,087,946</u>	<u>7,158,976</u>

	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Fixed assets	1,832,662	2,646,747	4,479,409
Forestry asset	-	287,000	287,000
Investments	100	-	100
Stock	3,626	-	3,626
Debtors	221,093	4,000	225,093
Cash	143,559	224,988	368,547
Current liabilities	(291,196)	-	(291,196)
Long term liabilities	<u>(251,482)</u>	<u>-</u>	<u>(251,482)</u>
	<u>1,658,362</u>	<u>3,162,735</u>	<u>4,821,097</u>

MULL AND IONA COMMUNITY TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

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

	2021 £	2020 £
Net income for the year (as per the Statement of Financial Activities)	2,337,879	1,893,539
Adjustments for:		
(Profit) / loss on disposal of fixed assets	(2,621)	24,838
Depreciation charges	142,284	47,221
Dividends, interest and rents from investments	(46,592)	(13,210)
Interest payable	14,390	8,462
Donation in kind	-	(10,000)
Unrealised (gain) on fixed assets	(1,352,960)	-
Decrease / (increase) in stocks	1,068	(2,212)
Decrease in debtors	145,189	22,609
(Decrease) in creditors	(104,958)	(303,885)
Net cash provided by operating activities	<u>1,133,679</u>	<u>1,667,362</u>

27. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	497,759	368,547
Total cash and cash equivalents	<u>497,759</u>	<u>368,547</u>

28. 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	
	2021 £	2020 £	2021 £	2020 £
Under 1 year	1,000	1,000	-	1,627
Between 2 and five years	4,000	4,000	-	-
Over 5 years	10,000	11,000	-	-
	<u>15,000</u>	<u>16,000</u>	<u>-</u>	<u>1,627</u>

29. Contingent Liability

The charitable company may be required to repay all or part of a grant to a funder. At the date of signing of these financial statements it has not been confirmed that the grant is repayable, nor is possible to reliably estimate the amount repayable. The maximum amount repayable would be £225,000 but the Trustees are confident any repayment would be significantly less than this.