

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
FOR
THE ARRAN SOCIETY OF GLASGOW**

THE ARRAN SOCIETY OF GLASGOW

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Page
Report of the Trustees	1 to 3
Independent Examiner's Report	4
Statement of Financial Activities	5
Balance Sheet	6
Notes to the Financial Statements	7 to 14

THE ARRAN SOCIETY OF GLASGOW

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2021

FUTURE PLANS

The trustees of the Society will continue to consider applications in order that the available income can be utilised towards the Society's objectives.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document and constitution

The Society is an unincorporated membership entity registered with OSCR as having charitable status. The Society is governed by its rules and regulations.

The persons eligible for membership are natives of the Island of Arran, persons married to natives, descendants of natives, persons who are permanently resident on the island and any other persons interested in the Island of Arran.

Recruitment and appointment of new trustees

The Office Bearers of the Society are its trustees for the purposes of charity law and throughout this report are collectively referred to as the trustees.

The power to appoint and remove trustees rests with the members as set out in the rules and regulations of the Society.

Induction and training of new trustees

Induction and training as required is given on appointment of new trustees by the serving trustees.

Key management remuneration

The trustees, who meet regularly, are responsible for directing and controlling, running and operating the charity on a day to day basis and are thus deemed to be the key management of the Society. The trustees give their time freely and receive no remuneration.

Risk management

The trustees of the charity are aware of the risks the Society faces and consider that adequate procedures are in place for dealing with risk assessment, particularly in relation to the management and control of the Society funds, including the investment portfolio, and also in relation to the disbursement of grants. All procedures are periodically reviewed to ensure they still meet the needs of the Society.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

SC014603

Principal address

Flat 2/1
7 Thistle Terrace
Glasgow
G5 0SJ

THE ARRAN SOCIETY OF GLASGOW

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2021

The trustees present their report with the financial statements of the charity for the year ended 30 September 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the charity (known as "the Society") as set out in its rules and regulations are:

1. The support and encouragement of benevolent, cultural and educational objects connected to the Island of Arran or the natives thereof.
2. Relieving the needs of the residents or former residents of the Island of Arran, or their descendents, or other persons eligible to be members of the Society.
3. The education of advancement in any trade or profession of deserving persons eligible to be members of the Society by means of grants.
4. The collection, preservation and publication of the history and folklore of the Island of Arran.

Grantmaking

Applications for grants are made directly to the Society. Grants are paid at the discretion of the trustees.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The trustees believe that during the year under review the Society achieved its objects, awarding grants in the sum of £7,050 (2020: £4,370). The trustees will closely monitor income and expenditure in the current year and will continue to consider applications in order that the income available can be utilised towards the objects of the Society.

FINANCIAL REVIEW

Financial position

A detailed Statement of Financial Activities can be found at page 5 to these financial statements. With income from donations, investments and fundraising events more than expended on costs for the year and after taking into account net investment gains the Society showed a net increase in funds of £48,049 (2020: decrease of £12,164).

The main contributing factor to this movement in the results as achieved is the rise in the investments value. The net gains for the year were £52,218 being £8,069 of realised gains and £44,149 unrealised gains (2020: Net loss of £11,795 being £1,996 realised gains and £13,791 unrealised losses).

Investment policy and objectives

The trustees have considered the most appropriate policy for investing funds and have appointed Investec Wealth & Investment Limited as investment managers. The Society has invested mainly in UK equities, although some investment has been made in foreign securities. The requirement of the trustees is that the investments generate both income and capital growth. The trustees are satisfied that the management and performance of the investments in the year conforms to these requirements.

Reserves policy

It is the policy of the Society to maintain the capital fund to generate annual income for distribution. The Society will not distribute funds greater than the revenue account balance. Donations, legacies, or other sums paid, or which may be paid to the Society subject to restrictions or conditions as to the disposal or application thereof, shall be held and applied in accordance with such restrictions and conditions.

Going concern

The Society is in a strong financial position and cash flow is not an immediate problem. The trustees will assess income and reserves and monitor grant and other expenditure. They therefore have a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the financial statements. There are no material uncertainties about the Society's ability to continue as a going concern.

THE ARRAN SOCIETY OF GLASGOW

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

**Trustees
Office Bearers**

President
Sheila Gilmore

Vice President
Mary Margaret Brown

Directors
Gilbert M Anderson
Claire Johnston
Isabel MacMillan
Fraser Davidson
Sarah Weir
Jamie Crawford
Hannah Dobson

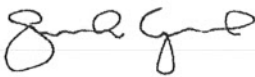
Director / Secretary
Catherine Murchie

Director / Treasurer
Graeme Kerr

Independent Examiner
Pauline McGarry CA
Hardie Caldwell LLP
Chartered Accountants
Citypoint 2
25 Tyndrum Street
Glasgow
G4 0JY

Stockbroker
Investec Wealth & Investment Limited
5 George Square
Glasgow
G2 1DY

Approved by order of the board of trustees on 2 March 2022 and signed on its behalf by:



Ms S Gilmore - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
THE ARRAN SOCIETY OF GLASGOW**

I report on the accounts for the year ended 30 September 2021 set out on pages five to fourteen.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under Section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

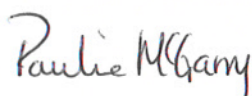
Independent examiner's statement

In connection with my examination, no matter has come to my attention :

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
- to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Pauline McGarry CA
Hardie Caldwell LLP
Chartered Accountants
Citypoint 2
25 Tyndrum Street
Glasgow
G4 0JY

Date: 7 March 2022

THE ARRAN SOCIETY OF GLASGOW

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	Unrestricted fund £	Restricted funds £	Endowment fund £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies		1,397	-	-	1,397	125
Other trading activities	3	-	-	-	-	4,890
Investment income	4	4,300	1,075	-	5,375	6,144
Total		<u>5,697</u>	<u>1,075</u>	<u>-</u>	<u>6,772</u>	<u>11,159</u>
EXPENDITURE ON						
Raising funds	5	-	531	2,122	2,653	6,021
Charitable activities	6					
Island of Arran activities		6,188	2,100	-	8,288	5,507
Total		<u>6,188</u>	<u>2,631</u>	<u>2,122</u>	<u>10,941</u>	<u>11,528</u>
Net gains/(losses) on investments		-	10,444	41,774	52,218	(11,795)
NET INCOME/(EXPENDITURE)		<u>(491)</u>	<u>8,888</u>	<u>39,652</u>	<u>48,049</u>	<u>(12,164)</u>
RECONCILIATION OF FUNDS						
Total funds brought forward		39,624	48,275	166,052	253,951	266,115
TOTAL FUNDS CARRIED FORWARD		<u><u>39,133</u></u>	<u><u>57,163</u></u>	<u><u>205,704</u></u>	<u><u>302,000</u></u>	<u><u>253,951</u></u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

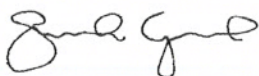
THE ARRAN SOCIETY OF GLASGOW

BALANCE SHEET
30 SEPTEMBER 2021

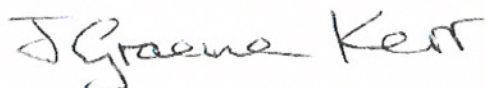
	Notes	Unrestricted fund £	Restricted funds £	Endowment fund £	2021 Total funds £	2020 Total funds £
FIXED ASSETS						
Investments	11	34,172	57,163	205,704	297,039	249,054
CURRENT ASSETS						
Cash at bank		6,030	-	-	6,030	5,929
CREDITORS						
Amounts falling due within one year	12	(1,069)	-	-	(1,069)	(1,032)
NET CURRENT ASSETS		<u>4,961</u>	<u>-</u>	<u>-</u>	<u>4,961</u>	<u>4,897</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>39,133</u>	<u>57,163</u>	<u>205,704</u>	<u>302,000</u>	<u>253,951</u>
NET ASSETS		<u><u>39,133</u></u>	<u><u>57,163</u></u>	<u><u>205,704</u></u>	<u><u>302,000</u></u>	<u><u>253,951</u></u>
FUNDS	13					
Unrestricted funds					39,133	39,624
Restricted funds					57,163	48,275
Endowment funds					205,704	166,052
TOTAL FUNDS					<u><u>302,000</u></u>	<u><u>253,951</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on 2 March 2022 and were signed on its behalf by:

S Gilmore - Trustee



G Kerr - Trustee



The notes form part of these financial statements

1. GENERAL INFORMATION

The Arran Society of Glasgow is a registered Scottish charity (Charity Number SC014603) and constitutes an unincorporated charity.

The principal address of the charity is Flat 2/1, 7 Thistle Terrace, Glasgow, G5 0SJ.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

The financial statements of the Society have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The financial statements have been prepared under the historical cost convention with the exception of investments at market value.

Going concern

In their assessment of going concern the trustees have considered the impact on the Society as a result of the COVID-19 virus.

The Society is in a strong financial position and cash flow is not an immediate problem. The trustees will assess income and reserves and monitor grant and other expenditure. They therefore have a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the financial statements. There are no material uncertainties about the Society's ability to continue as a going concern.

Financial reporting standard 102 - reduced disclosure exemptions

The charity has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income

All income is recognised in the Statement of Financial Activities once the Society has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Costs relating to charitable activities, are charged to the Statement of Financial Activities on an accruals basis. Expenditure is recognised when there is a legal or constructive obligation to pay for expenditure.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Cost of raising funds includes the costs incurred in respect of the investment portfolio management and costs of fundraising events.

Charitable activities costs include costs incurred directly in meeting the objects of the Society, including payment of grants, costs including support costs and governance costs apportioned to charitable activities. Support costs are incurred in support of direct expenditure.

Governance costs, a category within Support costs, are costs attributable to compliance with the Society's constitutional and statutory requirements.

2. ACCOUNTING POLICIES - continued

Expenditure

The charity is not VAT registered and accordingly expenditure is shown gross of irrecoverable VAT.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Taxation

The Society is exempt from tax on its charitable activities.

Fund accounting

Funds held by the Society are either:

Unrestricted funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Endowment funds - these are funds which form the capital of the Society. The income arising from such funds is treated as unrestricted.

Restricted funds - these are funds that can only be used for the particular restricted purpose as specified by the donor.

Further explanation of the nature and purpose of each restricted fund is included in the notes to the financial statements.

Fixed asset investments

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market value. The Statement of Financial Activities includes net gains and losses arising on revaluation and disposals throughout the year.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised gains and losses are combined in the Statement of Financial Activities.

Financial instruments

The Society 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.

Cash and cash equivalents

Cash and cash equivalents includes cash, bank and deposit accounts with a short term of maturity, being twelve months or less, from opening of the deposit or similar account.

Creditors

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

THE ARRAN SOCIETY OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021

3. OTHER TRADING ACTIVITIES		2021	2020
		£	£
Fundraising events		-	4,890
		<u> </u>	<u> </u>
4. INVESTMENT INCOME		2021	2020
		£	£
Dividends		5,375	6,144
		<u> </u>	<u> </u>
5. RAISING FUNDS			
Other trading activities		2021	2020
		£	£
Fundraising costs		-	3,570
		<u> </u>	<u> </u>
Investment management costs		2021	2020
		£	£
Investment management costs		2,653	2,451
		<u> </u>	<u> </u>
Aggregate amounts		<u>2,653</u>	<u>6,021</u>
6. CHARITABLE ACTIVITIES COSTS			
	Grant funding of activities (see note 7)	Support costs (see note 8)	Totals
	£	£	£
Island of Arran activities	7,050	1,238	8,288
	<u> </u>	<u> </u>	<u> </u>
7. GRANTS PAYABLE		2021	2020
		£	£
Island of Arran activities		7,050	4,370
		<u> </u>	<u> </u>
The total grants paid to institutions during the year was as follows:		2021	2020
		£	£
Arran Youth Foundation		1,000	500
		<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021

7. GRANTS PAYABLE - continued

The total grants paid to individuals during the year was as follows:

	2021	2020
	£	£
James S Scott Memorial award	600	300
John D Mackinnon award	1,500	1,750
Other grants	3,950	1,820
	<u>6,050</u>	<u>3,870</u>

8. SUPPORT COSTS

	Management	Governance	Totals
	£	costs	£
	£	£	£
Island of Arran activities	<u>169</u>	<u>1,069</u>	<u>1,238</u>

Support costs, included in the above, are as follows:

Management

	2021	2020
	Island of Arran activities	Total activities
	£	£
Secretarial and general expenses	<u>169</u>	<u>105</u>

Governance costs

	2021	2020
	Island of Arran activities	Total activities
	£	£
Independent Examination	<u>1,069</u>	<u>1,032</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 September 2021 nor for the year ended 30 September 2020.

Trustees' expenses

One trustee was reimbursed a total of £82 (2020: 2 trustees £326) for costs incurred on behalf of the Society.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021

11. FIXED ASSET INVESTMENTS - continued

Cost or valuation at 30 September 2021 is represented by:

Valuation in 2021	Listed investments £ 297,039
	<u>297,039</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other creditors	1,069	1,032
	<u>1,069</u>	<u>1,032</u>

13. MOVEMENT IN FUNDS

	At 1.10.20 £	Net movement in funds £	At 30.9.21 £
Unrestricted funds			
General fund	39,624	(491)	39,133
Restricted funds			
J D MacKinnon Trust fund	40,076	7,621	47,697
James S Scott Memorial Trust fund	8,199	1,267	9,466
	<u>48,275</u>	<u>8,888</u>	<u>57,163</u>
Endowment funds			
Capital funds	166,052	39,652	205,704
	<u>166,052</u>	<u>39,652</u>	<u>205,704</u>
TOTAL FUNDS	<u>253,951</u>	<u>48,049</u>	<u>302,000</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	5,697	(6,188)	-	(491)
Restricted funds				
J D MacKinnon Trust fund	892	(1,941)	8,670	7,621
James S Scott Memorial Trust fund	183	(690)	1,774	1,267
	<u>1,075</u>	<u>(2,631)</u>	<u>10,444</u>	<u>8,888</u>
Endowment funds				
Capital funds	-	(2,122)	41,774	39,652
	<u>-</u>	<u>(2,122)</u>	<u>41,774</u>	<u>39,652</u>
TOTAL FUNDS	<u>6,772</u>	<u>(10,941)</u>	<u>52,218</u>	<u>48,049</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	-	-	125	125
Other trading activities	4,890	-	-	4,890
Investment income	4,915	1,229	-	6,144
Total	9,805	1,229	125	11,159
EXPENDITURE ON				
Raising funds	3,570	490	1,961	6,021
Charitable activities				
Island of Arran activities	3,457	2,050	-	5,507
Total	7,027	2,540	1,961	11,528
Net gains/(losses) on investments	-	(2,359)	(9,436)	(11,795)
NET INCOME/(EXPENDITURE)	2,778	(3,670)	(11,272)	(12,164)
RECONCILIATION OF FUNDS				
Total funds brought forward	36,846	51,945	177,324	266,115
TOTAL FUNDS CARRIED FORWARD	39,624	48,275	166,052	253,951

11. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 October 2020	249,054
Additions	45,667
Disposals	(49,900)
Revaluations	52,218
At 30 September 2021	297,039
NET BOOK VALUE	
At 30 September 2021	297,039
At 30 September 2020	249,054

There were no investment assets outside the UK.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021

13. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.10.19 £	Net movement in funds £	At 30.9.20 £
Unrestricted funds			
General fund	36,846	2,778	39,624
Restricted funds			
J D MacKinnon Trust fund	43,173	(3,097)	40,076
James S Scott Memorial Trust fund	8,772	(573)	8,199
	<u>51,945</u>	<u>(3,670)</u>	<u>48,275</u>
Endowment funds			
Capital funds	177,324	(11,272)	166,052
TOTAL FUNDS	<u><u>266,115</u></u>	<u><u>(12,164)</u></u>	<u><u>253,951</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	9,805	(7,027)	-	2,778
Restricted funds				
J D MacKinnon Trust fund	1,021	(2,157)	(1,961)	(3,097)
James S Scott Memorial Trust fund	208	(383)	(398)	(573)
	<u>1,229</u>	<u>(2,540)</u>	<u>(2,359)</u>	<u>(3,670)</u>
Endowment funds				
Capital funds	125	(1,961)	(9,436)	(11,272)
TOTAL FUNDS	<u><u>11,159</u></u>	<u><u>(11,528)</u></u>	<u><u>(11,795)</u></u>	<u><u>(12,164)</u></u>

Comparatives for analysis of net assets between funds

	Unrestricted fund £	Restricted fund £	Endowment fund £	2020 Total funds £
Investments	34,727	48,275	166,052	249,054
Current assets	5,929	-	-	5,929
Current liabilities	(1,032)	-	-	(1,032)
	<u><u>39,624</u></u>	<u><u>48,275</u></u>	<u><u>166,052</u></u>	<u><u>253,951</u></u>

14. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 30 September 2021.