

REGISTERED CHARITY NUMBER: SC016206

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024
FOR
THE STORNOWAY TRUST

THE STORNOWAY TRUST
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FOR THE YEAR ENDED 31 MARCH 2024

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THE STORNOWAY TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

The trustees present their report with the financial statements of the charity for the year ended 31 March 2024. 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 main aims and objectives of the charity are:-

- to maintain the trust estate in good order and repair;
- to carry out developments on or in connection with the trust estate calculated to promote the material and social welfare of the community;
- to encourage and assist the holding of meetings or social gatherings of members of the community for purposes of entertainment, recreation, instruction or education;
- to improve means of communication including building, improving or maintaining harbours, piers, roads and bridges;
- to promote directly or indirectly the development of any industry or industries among the community;
- to promote directly or indirectly the development of agriculture among the community;
- to afforest portions of the trust estate;
- to encourage the higher education of the community by the provision of bursaries;
- to improve the medical service of the community; and
- the upkeep of Lews Castle Policies.

Significant activities

The Trust continues to engage with local agencies and bodies in pursuit of its charitable aims.

Volunteers

The Castle Grounds Volunteer Group assist in the general upkeep and maintenance of the Castle Grounds and its environs.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year, the charity:-

- continued to administer, manage and maintain the Stornoway Trust Estate;
- continued to operate the Sawmill Woodlands Centre cafe and shop;
- continued to work with Agencies and Charitable Bodies at both a local and national level, to preserve the environmental heritage of the conservation area.

Investment performance

The charity's investment portfolio is managed by Barclays Wealth. The value of the charity's portfolio, which includes bonds, equities, alternative assets and cash balances, has increased by 6.6% over the 12 months to 31 March 2024 (2023 - 7.1% decrease).

Internal and external factors

The charity is partially dependent upon the continuing support of public funding agencies to assist in the ongoing delivery of the aims and objectives of the organisation.

FINANCIAL REVIEW

Principal funding sources

The charity is dependent on grants, rents, royalties, capital payments, investment income and wayleaves to fund its operational costs. Full details of the charity's principal funding sources are included in the notes to the financial statements.

Investment policy and objectives

The investment managers have been instructed to maintain a policy of maximising income without risk to the capital value of the investments.

THE STORNOWAY TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

FINANCIAL REVIEW

Reserves policy

The General fund represents the unrestricted funds from past operating results. It also represents the free reserves of the charity. The Capital of the Trust fund represents the bequest from Lord Leverhulme, the appreciation in value and capital grants received in respect of capital projects. The trustees consider that the level of unrestricted reserves held at 31 March 2024 is sufficient to meet the ongoing operational needs of the Trust.

During the year, the charity recorded a net operating deficit of £32,553 (2023 - £116,468 surplus) before recording unrealised and realised gains on the charity's investment portfolio of £88,645 (2023 - £94,228 loss) leaving a surplus for the year of £56,092 (2023 - £22,240 surplus).

Going concern

The Trustees have reviewed the financial plans prepared by management and, based on this review, have a reasonable expectation that the charity has adequate resources to continue in operation for the foreseeable future, that is for the period to 31 March 2025.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The trust is an unincorporated trust constituted under a Deed of Trust dated 12 November 1923 granted by the Right Honourable William Hesketh Viscount Leverhulme, and amended by the Stornoway Trust Order Confirmation Act 1975. In 1923 Lord Leverhulme gifted Lews Castle and 70,000 acres of land to the people of Stornoway parish and The Stornoway Trust was established to manage and administer the estate on behalf of the community.

Recruitment and appointment of new trustees

The trustees of the Trust are also charity trustees for the purpose of charity law.

Under the terms of the Deed of Trust, the trust consists of ten trustees with each trustee serving a term of six years. Trustee elections are held every three years with half of the trustees retiring at each election. Retiring trustees are eligible for re-election. All persons resident within the area of the trust estate who are on the Voters Register are entitled to vote. Candidates for trustees must also be resident within the area of the trust estate.

Organisational structure

The board of trustees manage and administer the estate in accordance with the Deed of Trust through monthly board meetings. The decisions and policies of the board of trustees are implemented by the Estate Factor and his staff who also undertake the day to day management of the estate. The charity has reviewed its internal operational structure to assist in the effective management of the organisation.

Induction and training of new trustees

The charity undertakes training for trustees to ensure awareness and understanding of:-

- the responsibilities and duties of trustees;
- the organisational structure of the charity;
- the financial position of the charity; and
- the future plans and objectives of the charity.

Wider network

The charity has established links with other organisations and agencies to foster the aims and objectives of the organisation.

Related parties

The charity has two wholly owned subsidiary companies, SYT Trading Limited and SYT Land Limited, which are presently non-trading/dormant companies. Full details of the charity's subsidiaries are included in the notes to the financial statements.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees have assessed the major risks to which the charity is exposed, in particular those relating to the operations and finances of the charity, and are satisfied that systems are in place to mitigate their exposure to these risks.

THE STORNOWAY TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

REFERENCE AND ADMINISTRATIVE DETAILS

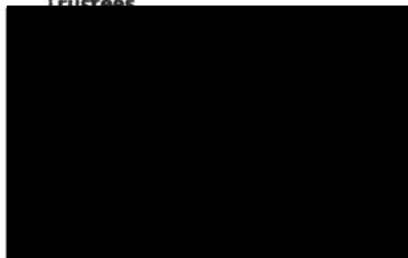
Registered Charity number

SC016206

Principal address

Leverhulme House
Perceval Square
Stornoway
Isle of Lewis
HS1 2DD

Trustees



3 Trustees (appointed 1.12.17)

Auditors

MacKenzie Kerr Limited
Redwood
19 Culduthel Road
Inverness
IV2 4AA

Bankers

Royal Bank of Scotland
17 North Beach Street
Stornoway
Isle of Lewis
HS1 2XH

Estate Factor

Iain M Maciver

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland, the Charities and Trustee Investment (Scotland) Act 2005, Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution, requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

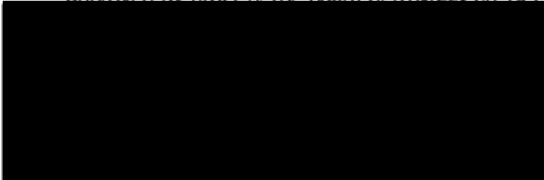
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed 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 STORNOWAY TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The trustees are responsible for keeping proper accounting records which 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 Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 19 December 2024 and signed on its behalf by:



**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE STORNOWAY TRUST**

Opinion

We have audited the financial statements of The Stornoway Trust (the 'charity') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and 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, we have concluded that the trustees' use of the 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 charity'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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE STORNOWAY TRUST

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 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 a Report of the Independent Auditors 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.

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006, and UK Tax legislation.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the Responsible Individual (RI) drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the RI's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.


There are inherent limitations in the audit procedures described above that result in an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with International Standards on Auditing (UK). The further removed non-compliance with laws and regulations is from the events and financial transactions in the financial statements, the less likely the auditor is to become aware of it or recognise non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment through forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE STORNOWAY TRUST**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Chartered Accountants and Statutory Auditor
Redwood
19 Culduthel Road
Inverness
IV2 4AA

Date: 19 December 2024

MacKenzie Kerr Limited is eligible for appointment as auditor of the charity by virtue of appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE STORNOWAY TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds £	Restricted funds £	31.3.24 Total funds £	31.3.23 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	4,400	-	4,400	-
Charitable activities	5				
Charitable activities		1,160,133	-	1,160,133	1,408,301
Investment income	4	41,578	-	41,578	39,291
Other income	6	-	-	-	4,666
Total		<u>1,206,111</u>	<u>-</u>	<u>1,206,111</u>	<u>1,452,258</u>
EXPENDITURE ON					
Raising funds	7	-	3,897	3,897	3,804
Charitable activities	8				
Charitable activities		<u>1,203,845</u>	<u>30,922</u>	<u>1,234,767</u>	<u>1,331,986</u>
Total		<u>1,203,845</u>	<u>34,819</u>	<u>1,238,664</u>	<u>1,335,790</u>
Net gains/(losses) on investments		<u>-</u>	<u>88,645</u>	<u>88,645</u>	<u>(94,228)</u>
NET INCOME		2,266	53,826	56,092	22,240
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>1,041,289</u>	<u>2,391,784</u>	<u>3,433,073</u>	<u>3,410,833</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,043,555</u>	<u>2,445,610</u>	<u>3,489,165</u>	<u>3,433,073</u>

CONTINUING OPERATIONS

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes form part of these financial statements

THE STORNOWAY TRUST

BALANCE SHEET
31 MARCH 2024

	Notes	31.3.24 £	31.3.23 £
FIXED ASSETS			
Tangible assets	15	1,620,689	1,647,910
Investments	16	1,368,498	1,283,718
		2,989,187	2,931,628
CURRENT ASSETS			
Stocks	17	2,000	2,000
Debtors	18	291,087	399,829
Cash at bank and in hand		827,768	574,400
		1,120,855	976,229
CREDITORS			
Amounts falling due within one year	19	(606,627)	(451,870)
NET CURRENT ASSETS		514,228	524,359
TOTAL ASSETS LESS CURRENT LIABILITIES		3,503,415	3,455,987
CREDITORS			
Amounts falling due after more than one year	20	-	(8,664)
PROVISIONS FOR LIABILITIES	22	(14,250)	(14,250)
NET ASSETS		3,489,165	3,433,073
FUNDS	24		
Unrestricted funds:			
General fund		1,025,997	1,020,904
Future Commitments Reserve		17,558	20,385
		1,043,555	1,041,289
Restricted funds		2,445,610	2,391,784
TOTAL FUNDS		3,489,165	3,433,073

The financial statements were approved by the Board of Trustees and authorised for issue on 19 December 2024 and were signed on its behalf by:



The notes form part of these financial statements

THE STORNOWAY TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024

31.3.23 £	Notes	31.3.24 £
	Cash flows from operating activities	
78,124	Cash generated from operations	302,688
(5)	Interest paid	(21)
(9,582)	Interest element of hire purchase payments paid	(10,011)
(5,271)	Finance costs paid	(6,156)
<u>63,266</u>	Net cash provided by operating activities	<u>286,500</u>
	Cash flows from investing activities	
(130,768)	Purchase of tangible fixed assets	(54,710)
4,666	Sale of tangible fixed assets	-
1,297	Sale of fixed asset investments	3,865
339	Interest received	1,555
38,952	Dividends received	40,023
<u>(85,514)</u>	Net cash used in investing activities	<u>(9,267)</u>
	Cash flows from financing activities	
(30,815)	Capital repayments in year	(23,865)
2,580	Cash from funds at investment manager	-
<u>(28,235)</u>	Net cash used in financing activities	<u>(23,865)</u>
<u>(50,483)</u>	Change in cash and cash equivalents in the reporting period	<u>253,368</u>
624,883	Cash and cash equivalents at the beginning of the reporting period	<u>574,400</u>
<u>574,400</u>	Cash and cash equivalents at the end of the reporting period	<u>827,768</u>

The notes form part of these financial statements

THE STORNOWAY TRUST

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.24	31.3.23
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	56,092	22,240
Adjustments for:		
Depreciation charges	81,931	79,544
(Gain)/losses on investments	(88,645)	94,228
Profit on disposal of fixed assets	-	(4,666)
Interest received	(1,555)	(339)
Interest paid	21	5
Interest element of hire purchase and finance lease rental payments	10,011	9,582
Finance costs	6,156	5,271
Dividends received	(40,023)	(38,952)
Decrease/(increase) in debtors	108,742	(252,858)
Increase in creditors	169,958	164,069
Net cash provided by operations	<u>302,688</u>	<u>78,124</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.23	Cash flow	At 31.3.24
	£	£	£
Net cash			
Cash at bank and in hand	<u>574,400</u>	<u>253,368</u>	<u>827,768</u>
	<u>574,400</u>	<u>253,368</u>	<u>827,768</u>
Debt			
Finance leases	<u>(32,529)</u>	<u>23,865</u>	<u>(8,664)</u>
	<u>(32,529)</u>	<u>23,865</u>	<u>(8,664)</u>
Total	<u>541,871</u>	<u>277,233</u>	<u>819,104</u>

The notes form part of these financial statements

THE STORNOWAY TRUST

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2024**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, 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' and the Charities and Trustee Investment (Scotland) Act 2005. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

These accounts are prepared in pound sterling which is the functional currency of the charity and amounts are rounded to the nearest £.

Going concern

The Trustees have a reasonable expectation that the charity has adequate resources to continue in operation for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Preparation of consolidated financial statements

The financial statements contain information about The Stornoway Trust as an individual charity and do not contain consolidated financial information as the parent of a group. The charity has taken the option not to prepare consolidated financial statements as both its subsidiaries, SYT Trading Limited and SYT Land Limited, are non-trading/dormant companies and are considered not material for the purpose of giving a true and fair view of the state of affairs of the charity.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably. Income received in advance is deferred until the criteria for income recognition are met.

The charity receives government grants in respect of estate management. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Grants received in respect of capital expenditure are credited to the Capital of the Trust as a Restricted Fund and are utilised to fund the future depreciation of the related capital expenditure.

The charity has a significant holding of heritable property. The charity routinely sells off small holdings of land to crofters, individuals etc. and recognises the proceeds as a capital receipt in the Statement of Financial Activities. It is considered that the impact of such sales are so small that no adjustment to heritable property is considered necessary.

Expenditure

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 a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Raising funds

Costs of raising funds consists of investment management costs.

THE STORNOWAY TRUST
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES - continued

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its objects and activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. The allocation of direct and support costs are analysed in the notes to the financial statements.

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. estimated usage.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Heritable property	- 2% on reducing balance and no depreciation on land
Heritable property - Trust	- 2% on reducing balance and no depreciation on land
Woodland Resource Centre	- 15% on reducing balance and 2% on reducing balance
Hatchery	- 15% on reducing balance
Tools, machinery and vehicles	- 25% on reducing balance
Furniture, fittings and office	- 33.33% on cost and 15% on reducing balance
Nursery	- 33% on reducing balance and 10% on reducing balance
Estate improvements	- 10% on reducing balance and 5% on reducing balance

Tangible fixed assets are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £100 are not capitalised.

Heritage assets

The Heritage assets relate to the land and buildings which were gifted in 1923 by Lord Leverhulme to the people of Stornoway parish and The Stornoway Trust was established to manage and administer the estate on behalf of the community. The heritage assets are held at depreciated cost, cost representing the value at the date of transfer to the Trust.

Major improvements to the properties are treated as additions to heritage land and buildings in the year in which the expenditure is incurred. Other minor expenditure, which in the trustees' view is required to maintain the special character of the estate, is recognised in the statement of financial activities when it is incurred. Public access to the estate is permitted at all times.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from tax on its charitable activities.

THE STORNOWAY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the Balance Sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the Statement of Financial Activities over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable for the year are charged in the Statement of Financial Activities.

Investments

All investment gains and losses are taken to the Statement of Financial Activities as they arise. Investment income is accounted for in the period the charity is entitled to receipt.

Investments are stated at market value as at the Balance Sheet date and any unrealised gains and losses are taken to the Appreciation Account in the Capital of the Trust fund.

Realised and unrealised gains and losses are combined in the Statement of Financial Activities.

Fixed asset investments in group undertakings are stated at cost less accumulated provision.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions that affect the amounts reported for assets, liabilities, income and expenditure.

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 assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods should it affect future periods.

The estimates and assumptions which carry a higher degree of risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. They are amended when necessary to reflect current estimates, future investment, economic utilisation and the physical condition of the assets. See note 15 for details of the values of tangible fixed assets.

THE STORNOWAY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

3. DONATIONS AND LEGACIES

	31.3.24	31.3.23
	£	£
Donations	900	-
Sponsorship	3,500	-
	<u>4,400</u>	<u>-</u>

4. INVESTMENT INCOME

	31.3.24	31.3.23
	£	£
Listed investments	40,023	38,952
Bank account interest	1,555	339
	<u>41,578</u>	<u>39,291</u>

5. INCOME FROM CHARITABLE ACTIVITIES

		31.3.24	31.3.23
	Activity	£	£
Rents	Charitable activities	488,061	488,156
Royalties	Charitable activities	125,318	303,148
Grants	Charitable activities	11,446	6,873
Capital payments	Charitable activities	104,917	71,469
Forestry	Charitable activities	31,667	22,241
Joinery sales and contracting	Charitable activities	13,263	11,657
Administration fees	Charitable activities	13,350	9,576
Woodland Centre	Charitable activities	218,411	198,640
Workshops	Charitable activities	1,175	1,799
Employment Allowance	Charitable activities	5,000	5,000
Other income	Charitable activities	147,525	289,742
		<u>1,160,133</u>	<u>1,408,301</u>

Grants received, included in the above, are as follows:

	31.3.24	31.3.23
	£	£
Scottish Government - IACS	8,731	-
Scottish Government - Rural Priorities	315	315
Historic Environment Scotland	-	840
Community Land Scotland	300	-
Scottish Business Resilience Centre	-	800
DigitalBoost	-	4,918
Community Land Outer Hebrides - Nature Restoration Fund	2,100	-
	<u>11,446</u>	<u>6,873</u>

THE STORNOWAY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

6. OTHER INCOME

	31.3.24	31.3.23
	£	£
Gain on sale of tangible fixed assets	<u>-</u>	<u>4,666</u>

7. RAISING FUNDS

Investment management costs

	31.3.24	31.3.23
	£	£
Portfolio management fees	<u>3,897</u>	<u>3,804</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9) £	Support costs (see note 10) £	Totals £
Charitable activities	<u>1,042,516</u>	<u>192,251</u>	<u>1,234,767</u>

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.3.24	31.3.23
	£	£
Staff costs	712,867	733,255
Grounds and property maintenance	53,147	63,344
Shooting and fishing	23,831	12,608
Plant maintenance	7,019	6,459
Capital payments	18,032	12,073
Woodland Centre	75,464	61,966
Other operating costs	22,635	37,592
Training costs	2,693	13,763
Joinery	-	7,000
Travel expenses	62	-
Publications	1,200	-
Events	16,455	4,500
Staff long service award	3,000	-
Legal and professional fees	22,218	53,668
Bad debts	962	-
Donations	1,000	-
Depreciation	<u>81,931</u>	<u>79,544</u>
	<u>1,042,516</u>	<u>1,085,772</u>

THE STORNOWAY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

10. SUPPORT COSTS

	Property £	Administration £	Governance costs £	Totals £
Charitable activities	<u>109,778</u>	<u>66,300</u>	<u>16,173</u>	<u>192,251</u>

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

	31.3.24 Charitable activities £	31.3.23 Total activities £
Rates and water	11,568	9,741
Insurance	26,328	28,209
Light and heat	41,029	37,719
Telephone	6,275	5,034
Other property expenses	24,578	34,944
Stationery, postages and advertising	7,976	6,865
Motor expenses	19,535	21,507
Computer costs	14,270	12,778
Subscriptions	1,946	850
Sundry expenses	3,558	197
P4P project costs	2,827	60,000
Finance costs	16,188	14,858
Auditors' remuneration	9,000	8,500
Accountancy fees	7,173	5,012
	<u>192,251</u>	<u>246,214</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2024 nor for the year ended 31 March 2023.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2024 nor for the year ended 31 March 2023.

12. STAFF COSTS

	31.3.24 £	31.3.23 £
Wages and salaries	634,195	659,497
Social security costs	55,086	57,408
Other pension costs	<u>23,586</u>	<u>16,350</u>
	<u>712,867</u>	<u>733,255</u>

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

	31.3.24	31.3.23
Land and assets	26	25
Administration and management	<u>5</u>	<u>5</u>
	<u>31</u>	<u>30</u>

No employees received emoluments in excess of £60,000.

THE STORNOWAY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

12. STAFF COSTS - continued

Key Management Personnel

The total amount of employee benefits received by key management personnel is £154,063 (2023 - £120,884). The Trust considers its key management personnel comprise the Estate Factor, Executive Secretary and Grounds Operation Manager.

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Charitable activities	1,408,301	-	1,408,301
Investment income	39,291	-	39,291
Other income	<u>4,666</u>	<u>-</u>	<u>4,666</u>
Total	<u>1,452,258</u>	<u>-</u>	<u>1,452,258</u>
EXPENDITURE ON			
Raising funds	-	3,804	3,804
Charitable activities			
Charitable activities	<u>1,304,369</u>	<u>27,617</u>	<u>1,331,986</u>
Total	<u>1,304,369</u>	<u>31,421</u>	<u>1,335,790</u>
Net gains/(losses) on investments	<u>-</u>	<u>(94,228)</u>	<u>(94,228)</u>
NET INCOME/(EXPENDITURE)	147,889	(125,649)	22,240
RECONCILIATION OF FUNDS			
Total funds brought forward	893,400	2,517,433	3,410,833
TOTAL FUNDS CARRIED FORWARD	<u>1,041,289</u>	<u>2,391,784</u>	<u>3,433,073</u>

14. DEFERRED INCOME

	31.3.24	31.3.23
	£	£
Balance at 1 April 2023	84,226	76,782
Income deferred in current year	105,831	84,226
Amount released from previous year	(84,226)	(76,782)
Balance at 31 March 2024	<u>105,831</u>	<u>84,226</u>

Deferred income relates to rents received in advance relating to future periods.

THE STORNOWAY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

15. TANGIBLE FIXED ASSETS

	Heritable property £	Heritable property - Trust £	Woodland Resource Centre £	Hatchery £
COST				
At 1 April 2023	547,796	629,264	257,035	3,365
Additions	21,770	-	950	-
At 31 March 2024	569,566	629,264	257,985	3,365
DEPRECIATION				
At 1 April 2023	4,436	137,971	141,108	3,365
Charge for year	2,032	8,637	4,768	-
At 31 March 2024	6,468	146,608	145,876	3,365
NET BOOK VALUE				
At 31 March 2024	563,098	482,656	112,109	-
At 31 March 2023	543,360	491,293	115,927	-

	Tools, machinery and vehicles £	Furniture, fittings and office £	Nursery £	Estate improvements £	Totals £
COST					
At 1 April 2023	360,671	141,560	38,188	567,280	2,545,159
Additions	29,532	912	-	1,546	54,710
At 31 March 2024	390,203	142,472	38,188	568,826	2,599,869
DEPRECIATION					
At 1 April 2023	258,558	99,503	30,194	222,114	897,249
Charge for year	31,134	11,501	799	23,060	81,931
At 31 March 2024	289,692	111,004	30,993	245,174	979,180
NET BOOK VALUE					
At 31 March 2024	100,511	31,468	7,195	323,652	1,620,689
At 31 March 2023	102,113	42,057	7,994	345,166	1,647,910

Heritage Assets

Five year financial summary of Heritage Assets

	31.3.24 £	31.3.23 £	31.3.22 £	31.3.21 £	31.3.20 £
Additions					
Cost	21,770	23,010	16,797	31,552	-
Disposals					
Carrying value	-	-	-	-	-
Sales proceeds	-	-	-	-	-

THE STORNOWAY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

15. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Tools, machinery and vehicles £
COST	
At 1 April 2023 and 31 March 2024	<u>114,356</u>
DEPRECIATION	
At 1 April 2023	<u>50,031</u>
Charge for year	<u>16,081</u>
At 31 March 2024	<u>66,112</u>
NET BOOK VALUE	
At 31 March 2024	<u>48,244</u>
At 31 March 2023	<u>64,325</u>

16. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Listed investments £	Totals £
MARKET VALUE			
At 1 April 2023	102	1,283,716	1,283,818
Disposals	-	(3,904)	(3,904)
Revaluations	-	88,684	88,684
At 31 March 2024	<u>102</u>	<u>1,368,496</u>	<u>1,368,598</u>
PROVISIONS			
At 1 April 2023 and 31 March 2024	<u>100</u>	-	<u>100</u>
NET BOOK VALUE			
At 31 March 2024	<u>2</u>	<u>1,368,496</u>	<u>1,368,498</u>
At 31 March 2023	<u>2</u>	<u>1,283,716</u>	<u>1,283,718</u>

There were no investment assets outside the UK.

Cost or valuation at 31 March 2024 is represented by:

	Shares in group undertakings £	Listed investments £	Totals £
Valuation in 2024	-	1,368,496	1,368,496
Cost	<u>102</u>	-	<u>102</u>
	<u>102</u>	<u>1,368,496</u>	<u>1,368,598</u>

The charity's investments at the balance sheet date in the share capital of companies include the following:

THE STORNOWAY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

16. FIXED ASSET INVESTMENTS - continued

SYT Trading Limited

Nature of business: non-trading company

Class of share:	% holding
Ordinary	100

	31.3.24	31.3.23
	£	£
Aggregate capital and reserves	100	100
Profit/(loss) for the year	<u>-</u>	<u>-</u>

SYT Land Limited

Nature of business: non-trading company

Class of share:	% holding
Ordinary	100

	31.3.24	31.3.23
	£	£
Aggregate capital and reserves	2	2
Profit/(loss) for the year	<u>-</u>	<u>-</u>

17. STOCKS

	31.3.24	31.3.23
	£	£
Finished goods	<u>2,000</u>	<u>2,000</u>

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.24	31.3.23
	£	£
Trade debtors	74,157	159,676
Other debtors	190,529	218,001
Prepayments	<u>26,401</u>	<u>22,152</u>
	<u>291,087</u>	<u>399,829</u>

THE STORNOWAY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.24	31.3.23
	£	£
Hire purchase (see note 21)	8,664	23,865
Trade creditors	147,561	12,522
Taxation and social security	24,032	29,590
Other creditors	426,370	385,893
	<u>606,627</u>	<u>451,870</u>

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.24	31.3.23
	£	£
Hire purchase (see note 21)	<u>-</u>	<u>8,664</u>

21. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	31.3.24	31.3.23
	£	£
Net obligations repayable:		
Within one year	8,664	23,865
Between one and five years	<u>-</u>	<u>8,664</u>
	<u>8,664</u>	<u>32,529</u>

22. PROVISIONS FOR LIABILITIES

	31.3.24	31.3.23
	£	£
Estate Development Reserve	<u>14,250</u>	<u>14,250</u>

The Estate Development Reserve represents a potential restitution liability in respect of land that was built into leases.

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	31.3.24 Total funds	31.3.23 Total funds
	£	£	£	£
Fixed assets	691,424	929,265	1,620,689	1,647,910
Investments	-	1,368,498	1,368,498	1,283,718
Current assets	957,763	163,092	1,120,855	976,229
Current liabilities	(605,632)	(995)	(606,627)	(451,870)
Long term liabilities	-	-	-	(8,664)
Provision for liabilities	<u>-</u>	<u>(14,250)</u>	<u>(14,250)</u>	<u>(14,250)</u>
	<u>1,043,555</u>	<u>2,445,610</u>	<u>3,489,165</u>	<u>3,433,073</u>

THE STORNOWAY TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

24. MOVEMENT IN FUNDS

	At 1.4.23 £	Net movement in funds £	At 31.3.24 £
Unrestricted funds			
General fund	1,020,904	5,093	1,025,997
Future Commitments Reserve	20,385	(2,827)	17,558
	1,041,289	2,266	1,043,555
Restricted funds			
Capital of the Trust fund	2,292,994	62,494	2,355,488
Restricted Capital fund	98,790	(8,668)	90,122
	2,391,784	53,826	2,445,610
TOTAL FUNDS	3,433,073	56,092	3,489,165

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	1,206,111	(1,201,018)	-	5,093
Future Commitments Reserve	-	(2,827)	-	(2,827)
	1,206,111	(1,203,845)	-	2,266
Restricted funds				
Capital of the Trust fund	-	(26,151)	88,645	62,494
Restricted Capital fund	-	(8,668)	-	(8,668)
	-	(34,819)	88,645	53,826
TOTAL FUNDS	1,206,111	(1,238,664)	88,645	56,092

Comparatives for movement in funds

	At 1.4.22 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General fund	813,015	207,889	1,020,904
Future Commitments Reserve	80,385	(60,000)	20,385
	893,400	147,889	1,041,289
Restricted funds			
Capital of the Trust fund	2,413,273	(120,279)	2,292,994
Restricted Capital fund	104,160	(5,370)	98,790
	2,517,433	(125,649)	2,391,784
TOTAL FUNDS	3,410,833	22,240	3,433,073

THE STORNOWAY TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

24. MOVEMENT IN FUNDS - continued

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	1,452,258	(1,244,369)	-	207,889
Future Commitments Reserve	-	(60,000)	-	(60,000)
	1,452,258	(1,304,369)	-	147,889
Restricted funds				
Capital of the Trust fund	-	(26,051)	(94,228)	(120,279)
Restricted Capital fund	-	(5,370)	-	(5,370)
	-	(31,421)	(94,228)	(125,649)
TOTAL FUNDS	<u>1,452,258</u>	<u>(1,335,790)</u>	<u>(94,228)</u>	<u>22,240</u>

FUNDS

General fund

The general fund represents unrestricted funds which the trustees are free to use in accordance with the charitable objects.

Future Commitments fund

This represents unrestricted funds designated by the trustees in respect of funds received from a sale of land which is held for future commitments.

Restricted Capital fund

This represents grants received from public funding agencies in respect of capital projects.

Capital of the Trust fund

The Capital of the Trust represents the bequest from Lord Leverhulme, the appreciation in value and capital grants received in respect of capital projects.

25. RELATED PARTY DISCLOSURES

The charity has two wholly owned subsidiary companies, SYT Trading Limited and SYT Land Limited, which are presently non-trading/dormant companies. The amount owed to the charity by the subsidiaries at 31 March 2024 was £Nil (2023 - £Nil).