

**REGISTERED COMPANY NUMBER: SC173554 (Scotland)**

**REGISTERED CHARITY NUMBER: SC026202**

**Report of the Trustees and  
Financial Statements for the Year Ended 31 December 2017  
for  
THE HARRIS TWEED AUTHORITY EDUCATIONAL  
TRUST**

Mann Judd Gordon Ltd  
Chartered Accountants  
26 Lewis Street  
Stornoway  
Isle of Lewis  
HS1 2JF

**THE HARRIS TWEED AUTHORITY EDUCATIONAL  
TRUST**

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for the Year Ended 31 December 2017**

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**THE HARRIS TWEED AUTHORITY EDUCATIONAL TRUST**

**Report of the Trustees  
for the Year Ended 31 December 2017**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2017. 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 2015).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The main objects of the charity are to advance the education of the public in the history, production and properties of Harris Tweed.

The charity aims to achieve these objectives by:-

- assisting financially by way of grant or loan in any other appropriate manner any person undertaking a course of study relevant to the above project;
- contributing financially or otherwise to the establishment and maintenance of a Harris Tweed Centre designed to educate the public in the history, production and properties of Harris Tweed.

**ACHIEVEMENT AND PERFORMANCE**

**Charitable activities**

During 2017, increased HTA core staffing enabled progression on a number of projects funded through the Harris Tweed Authority Educational Trust.

Most significantly, the HTA Brand room installation which has been in the planning stages for some considerable time has been built and installed and will be opened to the public in June 2018. This interactive exhibition tells the story of the Harris Tweed industry, its production methods and unique level of statutory and trademark protection. The room, which will be staff by a student during the summer season, and by HTA staff outwith this time, will be open to the public and will offer weaving demonstrations. The largest element of expenditure relates to the physical infrastructure within the room, the technical equipment (audio and visual ) and the design costs. There will be a nominal entry fee to access the brand room, which will be reinvested to refresh its content as required.

The App was completed and launched on both Apple and Android platforms in Oct 2017 . Basic promotional work continues to market the App in primary schools in Scotland. Trustees have ambitions to better promote the App across the rest of the UK and later, in Germany and France. It is recognised that todays school children must learn about Harris Tweed in order both to ensure a next generation of designers and consumers.

**FINANCIAL REVIEW**

**Financial position**

The Trust started the year with unrestricted reserves of £145,646. It received £234 in donations in the year and has spent £12,715 on its charitable objectives, resulting in net unrestricted reserves at the year end of £133,165.

**Reserves policy**

As charitable expenditure will always be restricted by available funds, the charity has not formulated a detailed reserves policy . Formulating the policy will be on the agenda for the trustees over the next 12 months.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The trust is a charitable company limited by guarantee, incorporated on 18 March 1997. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

**THE HARRIS TWEED AUTHORITY EDUCATIONAL  
TRUST**

**Report of the Trustees  
for the Year Ended 31 December 2017**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Recruitment and appointment of new trustees**

The directors of the company are also charity trustees for the purposes of charity law. Under the terms of the articles of association the directors are known as members.

The members are appointed at the Annual General Meeting under the terms of the Memorandum and Articles of Association. One third of the directors retire at each Annual General Meeting.

There must be a minimum of two members of the company at any time. Membership shall consist of only Nominated Members, being individuals, institutions and organisations who support the objects of the Company and whom the Board shall deem appropriate to be represented amongst the membership of the company and shall so nominate for representation.

Subject to their indicating acceptance of membership all members of the Harris Tweed Authority during their period of membership of that Authority shall be Nominated Members of the Company.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

SC173554 (Scotland)

**Registered Charity number**

SC026202

**Registered office**

Town Hall  
Cromwell Street  
Stornoway  
Isle of Lewis  
HS1 2DB

**Trustees**

C Stewart	Director
N L Macdonald	Director
A Macleod	Director

**Company Secretary**

L MacAulay

**Independent examiner**

Mann Judd Gordon Ltd  
Chartered Accountants  
26 Lewis Street  
Stornoway  
Isle of Lewis  
HS1 2JF

Approved by order of the board of trustees on 1 June 2018 and signed on its behalf by:

N L Macdonald - Trustee

**Independent Examiner's Report to the Trustees of  
The Harris Tweed Authority Educational  
Trust**

I report on the accounts for the year ended 31 December 2017 set out on pages four to eight.

**Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's trustees consider that the audit requirement of Regulation 10(1)(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.

John E Moffat BA FCA  
Institute of Chartered Accountants in England and Wales  
Mann Judd Gordon Ltd  
Chartered Accountants  
26 Lewis Street  
Stornoway  
Isle of Lewis  
HS1 2JF

1 June 2018

**THE HARRIS TWEED AUTHORITY EDUCATIONAL  
TRUST**

**Statement of Financial Activities  
for the Year Ended 31 December 2017**

	Notes	31.12.17 Unrestricted fund £	31.12.16 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies		234	100,257
<b>Total</b>		<u>234</u>	<u>100,257</u>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Hattersley rescue & restoration		800	775
Promotion		-	12,145
Education		6,912	5,870
Harris Tweed App development		3,303	14,583
Fabric bank		700	847
Archivist		1,000	-
<b>Total</b>		<u>12,715</u>	<u>34,220</u>
<b>NET INCOME/(EXPENDITURE)</b>		(12,481)	66,037
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>		<u>145,646</u>	<u>79,609</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>133,165</u>	<u>145,646</u>
<b>CONTINUING OPERATIONS</b>			

All income and expenditure has arisen from continuing activities.

**THE HARRIS TWEED AUTHORITY EDUCATIONAL TRUST**

**Balance Sheet  
At 31 December 2017**

	Notes	31.12.17 Unrestricted fund £	31.12.16 Total funds £
<b>CURRENT ASSETS</b>			
Debtors	4	10,000	-
Cash at bank		<u>123,165</u>	<u>145,646</u>
		<u>133,165</u>	<u>145,646</u>
<b>NET CURRENT ASSETS</b>			
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>133,165</u>	<u>145,646</u>
<b>NET ASSETS</b>			
		<u>133,165</u>	<u>145,646</u>
<b>FUNDS</b>			
Unrestricted funds	5	<u>133,165</u>	<u>145,646</u>
<b>TOTAL FUNDS</b>			
		<u>133,165</u>	<u>145,646</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2017 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.
- (b)

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 1 June 2018 and were signed on its behalf by:

N L Macdonald -Trustee

**1. ACCOUNTING POLICIES**

**General information and basis of preparation**

The financial statements of the charitable company, 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 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with applicable charity and company law.

Harris Tweed Authority Educational Trust is a charity, comprised of a company limited by guarantee registered in Scotland. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 5 of these financial statements. The nature of the charity's operations and principal activities are as set out on page 1 of these financial statements.

The financial statements are prepared on a going concern basis. There are no material uncertainties affecting the company's going concern status.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

**Financial reporting standard 102 - reduced disclosure exemptions**

The charity has taken advantage of the following disclosure exemption 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 charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**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.

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 charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

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

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.



**THE HARRIS TWEED AUTHORITY EDUCATIONAL TRUST**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2017**

**2. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 December 2017 nor for the year ended 31 December 2016.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 December 2017 nor for the year ended 31 December 2016.

**3. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £
<b>INCOME AND ENDOWMENTS FROM</b>	
Donations and legacies	<u>100,257</u>
<b>Total</b>	<u>100,257</u>
<b>EXPENDITURE ON</b>	
<b>Charitable activities</b>	
Hattersley rescue & restoration	775
Promotion	12,145
Education	5,870
Harris Tweed App development	14,583
Fabric bank	<u>847</u>
<b>Total</b>	<u>34,220</u>
<b>NET INCOME/(EXPENDITURE)</b>	<u>66,037</u>
<b>RECONCILIATION OF FUNDS</b>	
<b>Total funds brought forward</b>	<u>79,609</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u><u>145,646</u></u>

**4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.17 £	31.12.16 £
Amounts owed by group undertakings	<u>10,000</u>	<u>-</u>

**THE HARRIS TWEED AUTHORITY EDUCATIONAL TRUST**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2017**

**5. MOVEMENT IN FUNDS**

	At 1.1.17 £	Net movement in funds £	At 31.12.17 £
<b>Unrestricted funds</b>			
General fund	145,646	(12,481)	133,165
<b>TOTAL FUNDS</b>	<u>145,646</u>	<u>(12,481)</u>	<u>133,165</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	234	(12,715)	(12,481)
<b>TOTAL FUNDS</b>	<u>234</u>	<u>(12,715)</u>	<u>(12,481)</u>

**Comparatives for movement in funds**

	At 1.1.16 £	Net movement in funds £	At 31.12.16 £
<b>Unrestricted Funds</b>			
General fund	79,609	66,037	<b>145,646</b>
<b>TOTAL FUNDS</b>	<u>79,609</u>	<u>66,037</u>	<u><b>145,646</b></u>

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

	Incoming resources £	Resources expended £	<b>Movement in funds £</b>
<b>Unrestricted funds</b>			
General fund	100,257	(34,220)	<b>66,037</b>
<b>TOTAL FUNDS</b>	<u>100,257</u>	<u>(34,220)</u>	<u><b>66,037</b></u>

**6. RELATED PARTY DISCLOSURES**

During the year Harris Tweed Authority Educational Trust paid £10,000 to Harris Tweed Authority in relation to the archivist project.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.