

REGISTERED COMPANY NUMBER: SC173554 (Scotland)
REGISTERED CHARITY NUMBER: SC026202

Report of the Trustees and
Financial Statements for the Year Ended 31 December 2019
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 2019**

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**THE HARRIS TWEED AUTHORITY EDUCATIONAL
TRUST (REGISTERED NUMBER: SC173554)**

**Report of the Trustees
for the Year Ended 31 December 2019**

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 2019. 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 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

Much in the same way as it was during 2018, the focus of the work of the Harris Tweed Educational Trust in 2019 was the further development of the Sgeulachd a Chlo Mhor (Story of Harris Tweed) room in Stornoway Town Hall.

Many lessons were learnt from the first summer season the room was open to the public in terms of the enjoyment and effectiveness of the experience we offered to visitors to the room and also the staffing of it. The Trust attempted in 2019 to implement improved interpretive display material, increased weaving demonstrations and introduced group bookings for e.g specialist interest tours etc. This has worked well.

The Trust has on behalf of the wider Harris Tweed industry led on a number of activities and promotions led by the local authority to promote in schools throughout Lewis and Harris, the Harris Tweed industry and the various allied careers options it presents to school leavers. This has included attendance at job fairs, presentations to senior phase pupils in schools and preparation of case study material.

Finally, the Trust was pleased to partner with Acair Publishing to identify an author and progress a project to bring to print an updated version of the book, often described as the definitive documentary of the Harris Tweed industry, 'The Islanders and the Orb'. It is likely however that it will be early in 2021 before this book is published.

FINANCIAL REVIEW

Financial position

The Trust started the year with unrestricted reserves of £37,126. It received £46,032 in donations and exhibition admission fees in the year including £40,000 donation from Harris Tweed Authority. It has spent £18,022 on its charitable objectives, primarily the exhibition room, resulting in net unrestricted reserves at the year end of £65,136.

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
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**Report of the Trustees
for the Year Ended 31 December 2019**

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 5 June 2020 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 2019 set out on pages four to nine.

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

5 June 2020

**THE HARRIS TWEED AUTHORITY EDUCATIONAL
TRUST**

**Statement of Financial Activities
for the Year Ended 31 December 2019**

	Notes	31.12.19 Unrestricted fund £	31.12.18 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies		46,032	12,413
EXPENDITURE ON			
Charitable activities			
Hattersley rescue & restoration		370	1,505
Promotion		7,957	135
Education		9,695	97,373
Fabric bank		-	1,439
Archivist		-	8,000
Total		<u>18,022</u>	<u>108,452</u>
NET INCOME/(EXPENDITURE)		<u>28,010</u>	<u>(96,039)</u>
RECONCILIATION OF FUNDS			
Total funds brought forward		37,126	133,165
TOTAL FUNDS CARRIED FORWARD		<u><u>65,136</u></u>	<u><u>37,126</u></u>

The notes form part of these financial statements

**THE HARRIS TWEED AUTHORITY EDUCATIONAL
TRUST (REGISTERED NUMBER: SC173554)**

**Balance Sheet
31 December 2019**

	Notes	31.12.19 Unrestricted fund £	31.12.18 Total funds £
CURRENT ASSETS			
Cash at bank		65,136	37,126
NET CURRENT ASSETS		<u>65,136</u>	<u>37,126</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		65,136	37,126
NET ASSETS		<u>65,136</u>	<u>37,126</u>
FUNDS	4		
Unrestricted funds		<u>65,136</u>	<u>37,126</u>
TOTAL FUNDS		<u>65,136</u>	<u>37,126</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2019 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
- (b) 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.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 5 June 2020 and were signed on its behalf by:

N L Macdonald - Trustee

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2019**

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 2019)', 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 charity'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 charitable company 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 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.

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 2019**

2. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2019 nor for the year ended 31 December 2018.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2019 nor for the year ended 31 December 2018.

3. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	12,413
 EXPENDITURE ON	
Charitable activities	
Hattersley rescue & restoration	1,505
Promotion	135
Education	97,373
Fabric bank	1,439
Archivist	8,000
Total	<u>108,452</u>
NET INCOME/(EXPENDITURE)	<u>(96,039)</u>
 RECONCILIATION OF FUNDS	
Total funds brought forward	133,165
TOTAL FUNDS CARRIED FORWARD	<u><u>37,126</u></u>

4. MOVEMENT IN FUNDS

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
General fund	37,126	28,010	65,136
TOTAL FUNDS	<u><u>37,126</u></u>	<u><u>28,010</u></u>	<u><u>65,136</u></u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

4. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	46,032	(18,022)	28,010
TOTAL FUNDS	<u>46,032</u>	<u>(18,022)</u>	<u>28,010</u>

Comparatives for movement in funds

	At 1.1.18 £	Net movement in funds £	At 31.12.18 £
Unrestricted funds			
General fund	133,165	(96,039)	37,126
TOTAL FUNDS	<u>133,165</u>	<u>(96,039)</u>	<u>37,126</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	12,413	(108,452)	(96,039)
TOTAL FUNDS	<u>12,413</u>	<u>(108,452)</u>	<u>(96,039)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.18 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
General fund	133,165	(68,029)	65,136
TOTAL FUNDS	<u>133,165</u>	<u>(68,029)</u>	<u>65,136</u>

**THE HARRIS TWEED AUTHORITY EDUCATIONAL
TRUST**

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2019**

4. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	58,445	(126,474)	(68,029)
TOTAL FUNDS	<u>58,445</u>	<u>(126,474)</u>	<u>(68,029)</u>

5. RELATED PARTY DISCLOSURES

During the year Harris Tweed Authority Educational Trust paid £5,156 to Harris Tweed Authority in relation to the the running of the exhibition room. Harris Tweed Authority donated £40,000 to Harris Tweed Authority Educational Trust in the year.

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.