

REGISTERED COMPANY NUMBER: SC097207 (Scotland)
REGISTERED CHARITY NUMBER: SCO11160

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019
FOR
FAIR ISLE BIRD OBSERVATORY TRUST (THE)

Momentum Taxation and Accountancy Ltd
Harelands Courtyard Offices
Moor Road
Melsonby
Richmond
North Yorkshire
DL10 5NY

FAIR ISLE BIRD OBSERVATORY TRUST (THE)

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019

	Page
Report of the Trustees	1
Independent Examiner's Report	5
Statement of Financial Activities	7
Balance Sheet	8
Notes to the Financial Statements	10
Detailed Statement of Financial Activities	18

FAIR ISLE BIRD OBSERVATORY TRUST (THE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 OCTOBER 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 October 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 2015).

FAIR ISLE BIRD OBSERVATORY TRUST (THE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 OCTOBER 2019

OBJECTIVES AND ACTIVITIES

Objectives and aims

Operate the Observatory as a profitable business

FIBOT will run the Observatory as a profitable, financially-viable business by accommodating birdwatchers, researchers and other guests to a current target of ca3000 bed-nights per April-October season. This will be achieved in a way that takes into consideration the objectives of FIBOT's other stakeholders and funders, such as the Fair Isle community, the National Trust for Scotland, Shetland Islands Council, Highlands & Islands Enterprise, Scottish Natural Heritage, Office of the Scottish Charity Regulator and the Scottish Government. When possible, FIBOT will seek grants and donations to support its scientific and other work.

Provide enjoyable holidays at an attractive price

The Observatory will provide an enjoyable and comfortable place to stay at an attractive price for serious birdwatchers, non-serious birdwatchers, researchers and also non-birdwatching visitors who, for example, want to enjoy the island scenery and its special way of life.

Encourage an interest in birds, other wildlife and outdoor activities

FIBOT will encourage as many people as possible to take an interest in birds, other wildlife and outdoor activities such as walking and photography.

Maintain close harmonious links with the islanders

FIBOT shall co-exist harmoniously with the island community by ensuring its guests behave appropriately, by FIBOT's participation in community activities, by making the Observatory available for island social events and through co-operation with the Fair Isle Community Association. FIBOT will support the Fair Isle economy wherever possible, helping to justify the operation of flight and ferry services, maintaining a successful shop/post office and promoting island products to visitors.

Scientific research

FIBOT shall help advance scientific knowledge of bird migration, sea-bird populations, cetaceans and other topics by collecting data and providing discounted accommodation and facilities for researchers at the observatory. Where appropriate, FIBOT will directly fund specific ornithological studies, including analyses exploiting the FIBOT database of daily bird sightings. FIBOT will encourage and participate in ornithological studies involving other observatories across the world.

Encourage young ornithologists

FIBOT will provide funding and discounted accommodation to encourage young ornithologists to stay at the observatory in order to develop their knowledge and experience of ornithology.

Environmental and habitat protection

FIBOT will enhance the environment of Fair Isle by appropriate planting of vegetation and crops to provide food and shelter for migrating birds including maintaining wetland areas. FIBOT shall also actively support the work of the Fair Isle Marine Environment & Tourism Initiative (FIMETI).

The Statement of Financial Activities for the year is set out on page 7. The principal activity of the company continues to be the provision and operation of a Bird Observatory on Fair Isle to undertake ornithological research and provide leisure opportunities with particular reference to the study of breeding and migrating birds at the Fair Isle.

FAIR ISLE BIRD OBSERVATORY TRUST (THE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 OCTOBER 2019

ACHIEVEMENT AND PERFORMANCE

Internal and external factors

On the 10th of March 2019 the property held in the financial statements was completely destroyed in a fire.

The Trustees have made a claim on their comprehensive insurance and are making progress with funding a rebuild.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC097207 (Scotland)

Registered Charity number

SCO11160

Registered office

Anderson Strathern

1 Rutland Court

Edinburgh

EH3 8EY

Trustees

P M Ellis

F Mitchell

J D Okill (Vice-Chair)

Dr J M Reid

R M Wood (Finance Director)

A Bennett

D Barr (Chair)

M R Bolton

I Cowgill

I J Andrews

K Whiteside

K Hall

P V Harvey

Company Secretary

AS Company Services Limited

FAIR ISLE BIRD OBSERVATORY TRUST (THE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 OCTOBER 2019

REFERENCE AND ADMINISTRATIVE DETAILS

Independent examiner

Peter Cartwright

Association of Certified Chartered Accountants

Momentum Taxation and Accountancy Ltd

Harelands Courtyard Offices

Moor Road

Melsonby

Richmond

North Yorkshire

DL10 5NY

Bankers

Bank Of Scotland

38 St Andrew Square

Edinburgh

EH2 2YS

Approved by order of the board of trustees on 6 June 2020 and signed on its behalf by:

R M Wood (Finance Director) - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
FAIR ISLE BIRD OBSERVATORY TRUST (THE)

I report on the accounts for the year ended 31 October 2019 set out on pages seven to seventeen.

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 (as amended). 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 the course of 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.

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
FAIR ISLE BIRD OBSERVATORY TRUST (THE)

Peter Cartwright
Association of Certified Chartered Accountants
Momentum Taxation and Accountancy Ltd
Harelands Courtyard Offices
Moor Road
Melsonby
Richmond
North Yorkshire
DL10 5NY

Date:

FAIR ISLE BIRD OBSERVATORY TRUST (THE)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 OCTOBER 2019

	Notes	Unrestricted fund £	Restricted fund £	2019 Total funds £	2018 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		62,132	-	62,132	23,875
Other trading activities	2	7,702	-	7,702	222,214
Other income		150,000	-	150,000	-
Total		<u>219,834</u>	<u>-</u>	<u>219,834</u>	<u>246,089</u>
EXPENDITURE ON					
Raising funds		67,368	-	67,368	171,245
Other		424,192	-	424,192	181,843
Total		<u>491,560</u>	<u>-</u>	<u>491,560</u>	<u>353,088</u>
NET INCOME/(EXPENDITURE)		<u>(271,726)</u>	<u>-</u>	<u>(271,726)</u>	<u>(106,999)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		241,940	-	241,940	348,939
TOTAL FUNDS CARRIED FORWARD		<u><u>(29,786)</u></u>	<u><u>-</u></u>	<u><u>(29,786)</u></u>	<u><u>241,940</u></u>

The notes form part of these financial statements

FAIR ISLE BIRD OBSERVATORY TRUST (THE)

BALANCE SHEET
AT 31 OCTOBER 2019

	Notes	Unrestricted fund £	Restricted fund £	2019 Total funds £	2018 Total funds £
FIXED ASSETS					
Tangible assets	7	62,290	-	62,290	315,870
CURRENT ASSETS					
Stocks	8	1,867	-	1,867	27,846
Debtors	9	10,037	-	10,037	19,873
Prepayments and accrued income		11,164	-	11,164	9,925
Cash at bank and in hand		73,004	-	73,004	68,869
		96,072	-	96,072	126,513
CREDITORS					
Amounts falling due within one year	10	(188,148)	-	(188,148)	(200,443)
		(92,076)	-	(92,076)	(73,930)
NET CURRENT ASSETS/(LIABILITIES)		(92,076)	-	(92,076)	(73,930)
TOTAL ASSETS LESS CURRENT LIABILITIES		(29,786)	-	(29,786)	241,940
NET ASSETS/(LIABILITIES)		(29,786)	-	(29,786)	241,940
FUNDS					
Unrestricted funds	11			(29,786)	241,940
TOTAL FUNDS				(29,786)	241,940

The notes form part of these financial statements

FAIR ISLE BIRD OBSERVATORY TRUST (THE)

BALANCE SHEET - CONTINUED

AT 31 OCTOBER 2019

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

The members have not required the company to obtain an audit of its financial statements for the year ended 31 October 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 on 6 June 2020 and were signed on its behalf by:

R M Wood (Finance Director)-Trustee

The notes form part of these financial statements

FAIR ISLE BIRD OBSERVATORY TRUST (THE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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.

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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 10% on reducing balance
Motor vehicles	- 25% on reducing balance

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 corporation tax on its charitable activities.

FAIR ISLE BIRD OBSERVATORY TRUST (THE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 OCTOBER 2019

1. ACCOUNTING POLICIES - continued

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.

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

2. OTHER TRADING ACTIVITIES

	2019	2018
	£	£
Shop income	304	12,264
Hostel income	7,398	187,029
Bar income	-	22,921
	<u>7,702</u>	<u>222,214</u>

3. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation - owned assets	2,104	14,112
Deficit on disposal of fixed asset	<u>310,166</u>	<u>-</u>

FAIR ISLE BIRD OBSERVATORY TRUST (THE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 OCTOBER 2019

4. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustees' expenses

	2019	2018
	£	£
Trustees' expenses	-	5,323
	<u> </u>	<u> </u>

There were no trustees' expenses paid for the year ended 31 October 2019.

During the year under review £5,323 was paid to the trustees for expenses.

5. STAFF COSTS

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

	2019	2018
Observatory staff	9	9
	<u> </u>	<u> </u>

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

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	23,875	-	23,875
Other trading activities	222,214	-	222,214
Total	<u>246,089</u>	<u> </u>	<u>246,089</u>
EXPENDITURE ON			
Raising funds	171,245	-	171,245
Other	181,843	-	181,843
Total	<u>353,088</u>	<u> </u>	<u>353,088</u>
NET INCOME/(EXPENDITURE)	<u>(106,999)</u>	<u> </u>	<u>(106,999)</u>

FAIR ISLE BIRD OBSERVATORY TRUST (THE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 OCTOBER 2019

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted fund £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	348,939	-	348,939
TOTAL FUNDS CARRIED FORWARD	<u>241,940</u>	<u>-</u>	<u>241,940</u>

FAIR ISLE BIRD OBSERVATORY TRUST (THE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 OCTOBER 2019

7. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 November 2018	275,000	45,878	86,469
Additions	54,167	4,522	-
Disposals	(275,000)	(45,878)	(86,469)
At 31 October 2019	<u>54,167</u>	<u>4,522</u>	<u>-</u>
DEPRECIATION			
At 1 November 2018	16,500	31,047	49,635
Charge for year	-	678	-
Eliminated on disposal	(16,500)	(31,047)	(49,635)
At 31 October 2019	<u>-</u>	<u>678</u>	<u>-</u>
NET BOOK VALUE			
At 31 October 2019	<u><u>54,167</u></u>	<u><u>3,844</u></u>	<u><u>-</u></u>
At 31 October 2018	<u><u>258,500</u></u>	<u><u>14,831</u></u>	<u><u>36,834</u></u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 November 2018	16,526	3,613	427,486
Additions	-	-	58,689
Disposals	-	(3,613)	(410,960)
At 31 October 2019	<u>16,526</u>	<u>-</u>	<u>75,215</u>
DEPRECIATION			
At 1 November 2018	10,821	3,613	111,616
Charge for year	1,426	-	2,104
Eliminated on disposal	-	(3,613)	(100,795)
At 31 October 2019	<u>12,247</u>	<u>-</u>	<u>12,925</u>
NET BOOK VALUE			
At 31 October 2019	<u><u>4,279</u></u>	<u><u>-</u></u>	<u><u>62,290</u></u>

FAIR ISLE BIRD OBSERVATORY TRUST (THE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 OCTOBER 2019

7. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
At 31 October 2018	5,705	-	315,870
	<u> </u>	<u> </u>	<u> </u>

8. STOCKS

	2019 £	2018 £
Stocks	1,867	27,846
	<u> </u>	<u> </u>

9. DEBTORS

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	850	3,811
Prepayments	2,464	9,339
	<u> </u>	<u> </u>
	3,314	13,150
	<u> </u>	<u> </u>
Amounts falling due after more than one year:		
Other debtors	6,723	6,723
	<u> </u>	<u> </u>
Aggregate amounts	10,037	19,873
	<u> </u>	<u> </u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	22,776	33,384
VAT	3,703	32,205
Other creditors	159,169	129,169
Accruals and deferred income	-	2,835
Accrued expenses	2,500	2,850
	<u> </u>	<u> </u>
	188,148	200,443
	<u> </u>	<u> </u>

FAIR ISLE BIRD OBSERVATORY TRUST (THE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 OCTOBER 2019

11. MOVEMENT IN FUNDS

	At 1/11/18 £	Net movement in funds £	At 31/10/19 £
Unrestricted funds			
General fund	241,940	(271,726)	(29,786)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>241,940</u>	<u>(271,726)</u>	<u>(29,786)</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	219,834	(491,560)	(271,726)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>219,834</u>	<u>(491,560)</u>	<u>(271,726)</u>

Comparatives for movement in funds

	At 1/11/17 £	Net movement in funds £	At 31/10/18 £
Unrestricted Funds			
General fund	348,939	(106,999)	241,940
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>348,939</u>	<u>(106,999)</u>	<u>241,940</u>

FAIR ISLE BIRD OBSERVATORY TRUST (THE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 OCTOBER 2019

11. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	246,089	(353,088)	(106,999)
TOTAL FUNDS	<u>246,089</u>	<u>(353,088)</u>	<u>(106,999)</u>

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

	At 1/11/17 £	Net movement in funds £	At 31/10/19 £
Unrestricted funds			
General fund	348,939	(378,725)	(29,786)
TOTAL FUNDS	<u>348,939</u>	<u>(378,725)</u>	<u>(29,786)</u>

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	465,923	(844,648)	(378,725)
TOTAL FUNDS	<u>465,923</u>	<u>(844,648)</u>	<u>(378,725)</u>

12. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 October 2019.

13. ULTIMATE CONTROLLING PARTY

The company is under the control of the Trustees.

FAIR ISLE BIRD OBSERVATORY TRUST (THE)

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 OCTOBER 2019

	2019	2018
	£	£
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	37,138	3,880
Grants	18,681	18,569
Subscriptions	6,313	1,426
	<hr/>	<hr/>
	62,132	23,875
Other trading activities		
Shop income	304	12,264
Hostel income	7,398	187,029
Bar income	-	22,921
	<hr/>	<hr/>
	7,702	222,214
Other income		
Insurance advance	150,000	-
	<hr/>	<hr/>
Total incoming resources	219,834	246,089
 EXPENDITURE		
Other trading activities		
Purchases	32,715	82,331
Wages	34,653	88,914
	<hr/>	<hr/>
	67,368	171,245
Support costs		
Management		
Trustees' expenses	-	5,323
Establishment expenses	83,564	146,911
Marketing and sales	-	1,397
Administration expenses	16,997	7,506
Freehold property	-	5,500
Plant and machinery	678	2,617
Carried forward	101,239	169,254

This page does not form part of the statutory financial statements

FAIR ISLE BIRD OBSERVATORY TRUST (THE)

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 OCTOBER 2019

	2019	2018
	£	£
Management		
Brought forward	101,239	169,254
Fixtures and fittings	-	4,093
Motor vehicles	1,426	1,902
Loss on sale of tangible fixed assets	310,166	-
	<u>412,831</u>	<u>175,249</u>
Governance costs		
Accountancy and legal fees	11,361	6,594
	<u>491,560</u>	<u>353,088</u>
Total resources expended		
	<u><u>(271,726)</u></u>	<u><u>(106,999)</u></u>
Net expenditure		

This page does not form part of the statutory financial statements