SOCIETY NUMBER RS008837

NORTH ARRAN COMMUNITY BENEFIT SOCIETY LIMITED

FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2025

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NORTH ARRAN COMMUNITY BENEFIT SOCIETY LIMITED

THE REPORT OF THE DIRECTORS

PERIOD ENDED 31 DECEMBER 2025

The directors have the pleasure in presenting their report and the unaudited financial statements of the society for the period ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activity of the society during the year was to carry on business for the benefit of the community at large.

DIRECTORS

The following directors served during the year:-

Robert Finlayson (deceased 29th July 2025)
Duncan Craig
Andrew Rigby
Alison Richards
Neil Greig (elected 15th October 2025)
Kylee Fort (elected 15th October 2025)

Society Secretary: Robert Cumming

Registered office:
Lochranza Centre
Lochranza
Isle of Arran
KA27 8HL

Signed on behalf of the directors on:

Signed by:	Signed by:	Signed by:
BCBE45871E80425...	5798B5073AD1426...	82397359205140A...
Duncan Craig	**Robert Cumming**	**Neil Greig**
Director	**Secretary**	**Treasurer**

NORTH ARRAN COMMUNITY BENEFIT SOCIETY LIMITED

INDEPENDENT ACCOUNTANTS' REPORT TO THE MEMBERS OF NORTH ARRAN COMMUNITY BENEFIT SOCIETY LIMITED

PERIOD ENDED 31 DECEMBER 2025

We report on the financial statements of the society for the year ended 31 December 2025 on pages 3 to 8.

This report is made solely to the members of the society as a body. Our reporting work has been undertaken so that we might conclude to the members on those matters we are required to state to them in an independent accountant's 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 society and its members as a body, for our work, for this report, or for the opinion we have formed as independent accountant.

RESPECTIVE RESPONSIBILITIES OF MANAGEMENT COMMITTEE AND THE INDEPENDENT ACCOUNTANT

The Directors are responsible for the preparation of the financial statements and they consider that an audit is not required for this year and that an independent accountant's report is needed.

It is our responsibility to carry out procedures designed to enable us to conclude on, and report our opinion on, the financial statements.

BASIS OF THE INDEPENDENT ACCOUNTANT'S OPINION

Our procedures consisted of comparing the financial statements with the books of account kept by the society and making such limited enquiries of the officers of the society as we considered necessary for the purpose of this report. These procedures provide the only assurance expressed in our opinion.

INDEPENDENT ACCOUNTANT'S OPINION

In our opinion as independent accountant:

(1) the financial statements are in agreement with those accounting records kept by the society under the Co-

(2) having regard only to, and on the basis of, the information contained in those accounting records, the financial statements have been drawn up in a manner consistent with the accounting requirements of the applicable legislation; and

(3) the society satisfied the financial criteria enabling it to disapply the requirement to have an audit of the financial statements for the year as specified in the Co-operative and Community Benefit Societies Act 2014, s.84(1), as amended by the Co-operative and Community Benefit Societies Act 2014 (Amendments to Audit Requirements) Order 2018.

DocuSigned by:

Amy Hancock

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Amy Claire Hancock FCCA

Suite 2, Ashton Square Business Centre, 22 Ashton Square, Dunstable, Bedfordshire, LU6 3PH

Reporting independent accountants and Chartered Certified Accountant

NORTH ARRAN COMMUNITY BENEFIT SOCIETY LIMITED

INCOME STATEMENT

PERIOD ENDED 31 DECEMBER 2025

	Notes	2025	2024
		£	£
Income		-	-
Expenditure		(115,585)	(67,175)
Other operating income	3	199,085	99,410
Profit/(loss) for the financial period		83,500	32,235

NORTH ARRAN COMMUNITY BENEFIT SOCIETY LIMITED

BALANCE SHEET

PERIOD ENDED 31 DECEMBER 2025

	Notes	2025		2024	
		£	£	£	£
FIXED ASSETS					
Investment in subsidiary company	4		1		1
Investment property	5		440,000		440,000
Hotel Refurbishments Capitalised	6		284,272		189,975
Office Equipment	6		8,882		4,838
			733,155		634,814
CURRENT ASSETS					
Other debtors	7	36,776		5,989	
Cash at bank and in hand		66,664		111,680	
		103,439		117,669	
CREDITORS: Amounts falling due within one year	8	6,897		6,298	
NET CURRENT ASSETS			96,542		111,371
TOTAL ASSETS LESS CURRENT LIABILITIES			829,697		746,185
NET ASSETS			829,697		746,185
CAPITAL AND RESERVES					
Community share subscription	10		98		86
Contributor share subscription	10		92,250		92,250
Restricted funds	11		751,180		680,299
Unrestricted funds			(13,831)		(26,450)
MEMBERS FUNDS			829,697		746,185

The society is satisfied that it is entitled to exemption from the requirement to obtain an audit under section 84 of the Co-operative and Community Benefit Societies Act 2014 (the Act).

The members have not required the society to obtain an audit of its financial statements for the year in question in accordance with the Act.

The directors of the society acknowledge their responsibilities for:

(i) ensuring that the society keeps proper accounting records which comply with sections 75 of the Co-operative and Community Benefit Societies Act 2014 (the Act);
(ii) establishing and maintain a satisfactory system of its books of accounts, its cash holdings and all its receipts and remittances in order to comply with section 75 of the Act, and
(iii) preparing financial statements which gives a true and fair view of the state of affairs of the society as at the end of the financial period and or its profit or loss for the period in accordance with the requirements of sections 79 and 80, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the society.

These financial statements have been prepared in accordance with FRS 102 Section 1 A Small Entities.

These financial statements were approved by the Directors and authorised for issue on the 30th July 2026 and signed on their behalf by:

Signed by:
5798B5073AD1426...
Robert Cumming

Signed by:
BCBE45871E80425...
Duncan Craig

Signed by:
82397359205140A...
Neil Greig

SOCIETY NUMBER RS008837

1. COMPLIANCE WITH ACCOUNTING STANDARDS
The financial statements have been prepared in accordance with the provisions of FRS 102 Section 1A Small Entities. There were no material departures from that standard.

2. ACCOUNTING POLICIES
The principal accounting policies adopted in the preparation of the financial statements are set out below and have been consistently applied within the same accounts.

Basis of preparation
The accounts have been prepared under the historical cost convention and are presented in £ sterling.

Going Concern
The directors have considered the society's financial position and its ability to continue for the foreseeable future. Given the society's cash reserves, together with the financial support available from its subsidiary undertaking, should this be requried, the directors are satisfied that the society has adequate resources. The accounts have therefore been prepared on a going concern basis.

Grant Income
Grant income is recognised where there is reasonable assurance that the society will comply with the conditions attaching to the grant and the grant will be received.

Grants relating to revenue expenditure are recognised in income in the period which the related costs are recognised. Where grant funding is subject to restrictions over its use, any amounts received but not expended for the specific purpose at the reporting date are carried forward within restricted funds.

Capital grants received towards fixed assets are accounted for within restricted funds. The grant is released from restricted funds to income over the expected useful like of the asset on a basis consistent with the depreciation charged on the asset to which the grant relates.

Restricted and Unrestricted Funds
Unrestricted funds comprise income that is available for use at the discretion of the directors.

Restricted funds comprise income received subject to specific conditions imposed by the funder. Such funds are separately identified and applied only for the purpose specified by the funder. Expenditure relating to a specific fund is charged against that fund and any balance not yet spent is carried forward.

Investment property
Investment property is included at market fair value. Gains are recognised in the income statement.

Tangible fixed assets
Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Hotel refurbishment	10% reducing balance
Office equipment	20% reducing balance

3. OTHER OPERATING INCOME

	2025	2024
	£	£
Donations	-	402
Grants	167,693	88,508
Sundry income	31,392	10,500
	199,085	99,410

4. INVESTMENT IN SUBSIDIARY

The society owns 100% of the share capital of Lochranza Community Inn Limited, a company incorporated in Scotland. Lochranza Community Inn Limited is the trading company that runs the Lochranza Country Inn.

5. INVESTMENT PROPERTY

	Hotel	Total
	£	£
Fair value		
At 1st January 2025	440,000	440,000
Additions	-	-
At 31st December 2025	440,000	440,000

The fair value of the investment property has been determined by the directors by reference to recent market prices of similar properties in the area at 31 December 2025.

6. TANGIBLE FIXED ASSETS

	Hotel Refurbish-ments	Office Equipment	Total
	£	£	£
Cost or Valuation			
At 1st January 2025	218,497	7,560	226,057
Additions	125,883	6,264	132,147
At 31st December 2025	344,380	13,824	358,204
Depreciation			
At 1st January 2025	28,522	2,722	31,244
Charge for the year	31,586	2,220	33,806
At 31st December 2025	60,108	4,942	65,050
Net book value			
At 1st January 2025	189,975	4,838	194,813
At 31st December 2025	284,272	8,882	293,154

7. OTHER DEBTORS

	2025	2024
	£	£
North Arran Community Benefit Society Related party transactions	30,108	4,789
Accrued income	6,668	-
Payroll advance	-	1,200
	36,776	5,989

8. CREDITORS: Amounts falling due within one year

	2025	2024
	£	£
Trade creditors	-	1,190
Accruals	1,860	3,060
Payroll liabilities	5,037	2,048
	6,897	6,298

9. RELATED PARTY TRANSACTIONS

Lochranza Community Inn Limited is a wholly owned subsidiary of North Arran Community Benefit Society Limited. During the period expenses were paid on behalf of Lochranza Community Inn Limited. As at 31 December 2025 Lochranza Community Inn Ltd owed North Arran Community Benefit Society Limited £30,108 (2024 - £4,789).

10. SHARE CAPITAL

The society does not have an authorised share capital. Each adult member owns one share in the society which is not transferrable. The share is cancelled if an individual ceases to be a member.

	2025	
	Community Shares	Contributor Shares
	£	£
As at 1 January 2025	86	92,250
Shares issued	12	-
As at 31 December 2025	98	92,250

11. MOVEMENT IN FUNDS

	At 1 Jan 25	Income	Expenditure	Dep to unrestricted	At 31 Dec 25
Scottish Land Fund - Capital	358,236				358,236
Community Ownership Fund	235,158			(15,823)	219,335
Royal Countryside	19,552			(1,955)	17,597
CPF	48,831			(4,883)	43,948
ARIA	15,370	15,484		(3,085)	27,769
Community Asset Maintenance	3,150	3,149		(607)	5,693
ARIA SCF	-	13,552		(1,828)	11,724
Hydro	-	49,111	(8,457)	(3,566)	37,088
CLF	-	86,397	(56,242)	(365)	29,790
Total restricted funds	680,299	167,693	(64,699)	(32,113)	751,180
Unrestricted funds	(26,450)	31,392	(50,886)	32,113	(13,831)
	653,849	199,085	(115,585)	-	737,349

During the year the Society received grant funding of £167,693 (2024: £93,384) from various funding bodies. The grants were used as noted below. All conditions relating to grants recognised in the year have been satisifed at the balance sheet date. No unfulfilled conditions or contingencies existed at the year end.

Scottish Land Fund funded the initial purchase of the hotel
Commuity Ownership Fund funded initial refurbishment of the hotel
Royal Countryside funded the refurbishment of bedrooms
CPF funded the installation of boilers, radiators and pipework, decorative improvements, improvements in community lounge and second floor construction works.
ARIA funded decorative improvements/improvements to dining room, equipment for dining room and second floor construction.
Community Asset Management funded production of planned preventative maintenance plan.
ARIA SCF decorative improvements to community lounge, office equipment, kitchen equipment and flooring installation in common areas.
Hydro funded guest bedroom furniture, kitchen equipment, balcony repair, emergency lighting installation, gas works, second floor construction, guest bathroom renovation and fire door repairs/replacement.
CLF funded salary costs for CEO and DO, furniture for second floor, improvements to laundry and staff/volunteer training costs.

11. MOVEMENT IN FUNDS (CONTINUED)
Restricted Fund comparative

	At 1 Jan 24	Income	Expenditure	Dep to unrestricted	At 31 Dec 24
Scottish Land Fund - Capital	483,643		(54,669)	(25,537)	403,437
Community Ownership Fund	193,515		(3,558)		189,957
Royal Countryside		25,000	(3,275)	(2,172)	19,552
CPF		49,750		(919)	48,831
ARIA		15,484		(114)	15,370
Community Asset Maintenance		3,150			3,150
Total restricted funds	677,158	93,384	(61,502)	(28,742)	680,299
Unrestricted funds	(58,684)	10,902	(7,410)	28,742	(26,450)
	618,474	104,286	(68,911)	-	653,849

11. NET ASSETS OVER FUNDS

	Unrestricted Funds £	Restricted Funds £	Total £
Investment in subsidiary	1	-	1
Investment properties	-	440,000	440,000
Hotel Refurb Capitalised	12,476	271,796	284,272
Office Equipment	1,229	7,653	8,882
Other debtors	36,776	-	36,776
Cash at bank and in hand	34,933	31,731	66,664
Creditors falling due within one year	(6,897)	-	(6,897)
	78,517	751,180	829,697