

REGISTERED CHARITY NUMBER: SC016206

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
FOR
THE STORNOWAY TRUST

THE STORNOWAY TRUST
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FOR THE YEAR ENDED 31 MARCH 2025

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THE STORNOWAY TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

The trustees present their report with the financial statements of the charity for the year ended 31 March 2025. 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.

ACHIEVEMENTS 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 1.6% over the 12 months to 31 March 2025 (2024 - 6.6% increase).

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 2025

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 2025 is sufficient to meet the ongoing operational needs of the Trust.

During the year, the charity recorded a net operating surplus of £196,679 (2024 - £32,553 deficit) before recording unrealised and realised gains on the charity's investment portfolio of £1,009 (2024 - £88,645 gain) giving a surplus for the year of £164,216 (2024 - £56,092 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 2026.

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.

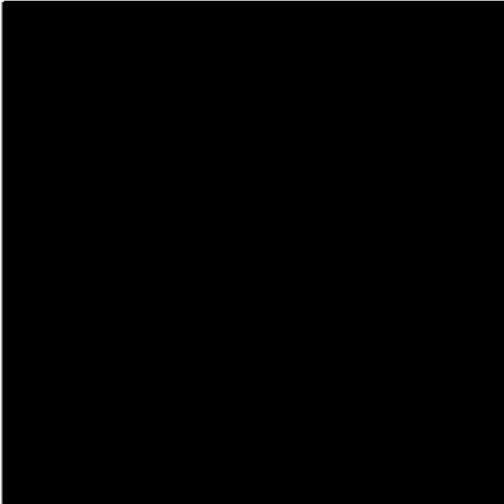
The trustees have assessed the major risks to which the charity is exposed, in particular those relating to the operations and finances of the charity, and are satisfied that systems are in place to mitigate their exposure to these risks.

THE STORNOWAY TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

SC016206



Auditors

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

Bankers

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



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 STORNOWAY TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

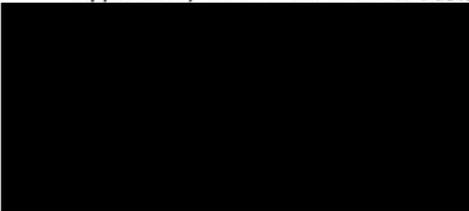
Charity law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under charity law the trustees must not approve the financial statements unless they are satisfied that they 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 Charities 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 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 and The Charities Accounts (Scotland) Regulations 2006 (as amended). 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 2025 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 2025 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 2025 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.



for and on behalf of MacKenzie Kerr Limited
Chartered Accountants and Statutory Auditor
Redwood
19 Culduthel Road
Inverness
IV2 4AA

19 December 2025

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 2025

	Notes	Unrestricted funds £	Restricted funds £	31.3.25 Total funds £	31.3.24 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	300	-	300	4,400
Charitable activities					
Charitable activities	5	1,504,971	-	1,504,971	1,160,133
Investment income	4	43,957	-	43,957	41,578
Total		1,549,228	-	1,549,228	1,206,111
EXPENDITURE ON					
Raising funds	6	-	4,138	4,138	3,897
Charitable activities					
Charitable activities	7	1,352,549	29,334	1,381,883	1,234,767
Total		1,352,549	33,472	1,386,021	1,238,664
Net gains on investments		-	1,009	1,009	88,645
NET INCOME/(EXPENDITURE)		196,679	(32,463)	164,216	56,092
RECONCILIATION OF FUNDS					
Total funds brought forward		1,043,555	2,445,610	3,489,165	3,433,073
TOTAL FUNDS CARRIED FORWARD		1,240,234	2,413,147	3,653,381	3,489,165

CONTINUING OPERATIONS

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

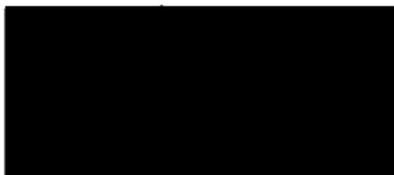
The notes form part of these financial statements

THE STORNOWAY TRUST

BALANCE SHEET
31 MARCH 2025

	Notes	31.3.25 £	31.3.24 £
FIXED ASSETS			
Tangible assets	14	1,551,361	1,620,689
Investments	15	<u>1,365,540</u>	<u>1,368,498</u>
		2,916,901	2,989,187
CURRENT ASSETS			
Stocks	16	2,000	2,000
Debtors	17	388,313	291,087
Cash at bank and in hand		<u>899,557</u>	<u>827,768</u>
		1,289,870	1,120,855
CREDITORS			
Amounts falling due within one year	18	(539,140)	(606,627)
NET CURRENT ASSETS		<u>750,730</u>	<u>514,228</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,667,631	3,503,415
PROVISIONS FOR LIABILITIES	20	(14,250)	(14,250)
NET ASSETS		<u>3,653,381</u>	<u>3,489,165</u>
FUNDS	22		
Unrestricted funds:			
General fund		851,550	1,025,997
Future Commitments Reserve		<u>388,684</u>	<u>17,558</u>
		1,240,234	1,043,555
Restricted funds		<u>2,413,147</u>	<u>2,445,610</u>
TOTAL FUNDS		<u>3,653,381</u>	<u>3,489,165</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 19 December 2025 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 2025

31.3.24 £		Notes	31.3.25 £
	Cash flows from operating activities		
302,688	Cash generated from operations	1	52,978
(21)	Interest paid		-
(10,011)	Interest element of hire purchase payments paid		(8,994)
<u>(6,156)</u>	Finance costs paid		<u>(6,651)</u>
<u>286,500</u>	Net cash provided by operating activities		<u>37,333</u>
	Cash flows from investing activities		
(54,710)	Purchase of tangible fixed assets		(4,804)
3,865	Sale of fixed asset investments		4,254
-	Shares in group undertakings - provision		(100)
1,555	Interest received		2,081
<u>40,023</u>	Dividends received		<u>41,876</u>
<u>(9,267)</u>	Net cash provided by/(used in) investing activities		<u>43,307</u>
	Cash flows from financing activities		
(23,865)	Capital repayments in year		(8,664)
<u>-</u>	Cash from funds at investment manager		<u>(187)</u>
<u>(23,865)</u>	Net cash used in financing activities		<u>(8,851)</u>
	Change in cash and cash equivalents in the reporting period		71,789
253,368	Cash and cash equivalents at the beginning of the reporting period		827,768
574,400			<u>827,768</u>
<u>827,768</u>	Cash and cash equivalents at the end of the reporting period		<u>899,557</u>

The notes form part of these financial statements

THE STORNOWAY TRUST

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	31.3.25	31.3.24
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	164,216	56,092
Adjustments for:		
Depreciation charges	74,132	81,931
Gain on investments	(1,009)	(88,645)
Interest received	(2,081)	(1,555)
Interest paid	-	21
Interest element of hire purchase and finance lease rental payments	8,994	10,011
Finance costs	6,651	6,156
Dividends received	(41,876)	(40,023)
(Increase)/decrease in debtors	(97,226)	108,742
(Decrease)/increase in creditors	(58,823)	169,958
Net cash provided by operations	<u>52,978</u>	<u>302,688</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.24	Cash flow	At 31.3.25
	£	£	£
Net cash			
Cash at bank and in hand	<u>827,768</u>	<u>71,789</u>	<u>899,557</u>
	<u>827,768</u>	<u>71,789</u>	<u>899,557</u>
Debt			
Finance leases	<u>(8,664)</u>	<u>8,664</u>	-
	<u>(8,664)</u>	<u>8,664</u>	-
Total	<u>819,104</u>	<u>80,453</u>	<u>899,557</u>

The notes form part of these financial statements

THE STORNOWAY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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 2025

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 £500 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.

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.

THE STORNOWAY TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES - continued

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 2025

3. DONATIONS AND LEGACIES

	31.3.25	31.3.24
	£	£
Donations	300	900
Sponsorship	<u>-</u>	<u>3,500</u>
	<u>300</u>	<u>4,400</u>

4. INVESTMENT INCOME

	31.3.25	31.3.24
	£	£
Listed investments	41,876	40,023
Bank account interest	<u>2,081</u>	<u>1,555</u>
	<u>43,957</u>	<u>41,578</u>

5. INCOME FROM CHARITABLE ACTIVITIES

		31.3.25	31.3.24
	Activity	£	£
Rents	Charitable activities	537,823	488,061
Royalties	Charitable activities	133,897	125,318
Grants	Charitable activities	18,130	11,446
Capital payments	Charitable activities	86,871	104,917
Forestry	Charitable activities	29,779	31,667
Joinery sales and contracting	Charitable activities	9,743	13,263
Administration fees	Charitable activities	31,093	13,350
Woodland Centre	Charitable activities	211,235	218,411
Workshops	Charitable activities	285	1,175
Employment Allowance	Charitable activities	5,000	5,000
Estate development projects	Charitable activities	371,126	-
Other income	Charitable activities	<u>69,989</u>	<u>147,525</u>
		<u>1,504,971</u>	<u>1,160,133</u>

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

	31.3.25	31.3.24
	£	£
Scottish Government - IACS	4,092	8,731
Scottish Government - Rural Priorities	315	315
Community Land Scotland	-	300
Community Land Outer Hebrides - Nature Restoration Fund	<u>13,723</u>	<u>2,100</u>
	<u>18,130</u>	<u>11,446</u>

THE STORNOWAY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

6. RAISING FUNDS

Investment management costs

	31.3.25	31.3.24
	£	£
Portfolio management fees	<u>4,138</u>	<u>3,897</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8)	Support costs (see note 9)	Totals
	£	£	£
Charitable activities	<u>1,005,280</u>	<u>376,603</u>	<u>1,381,883</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.3.25	31.3.24
	£	£
Staff costs	731,148	712,867
Grounds and property maintenance	43,061	53,147
Shooting and fishing	22,492	23,831
Plant maintenance	3,694	7,019
Capital payments	8,151	18,032
Woodland Centre	74,436	75,464
Other operating costs	14,682	22,635
Training costs	4,744	2,693
Travel expenses	896	62
Publications	-	1,200
Events	2,519	16,455
Election expenses	17,348	-
Staff long service award	-	3,000
Legal and professional fees	6,939	22,218
Bad debts	37	962
Donations	1,000	1,000
Depreciation	<u>74,133</u>	<u>81,931</u>
	<u>1,005,280</u>	<u>1,042,516</u>

9. SUPPORT COSTS

	Property	Administration	Governance costs	Totals
	£	£	£	£
Charitable activities	<u>124,202</u>	<u>234,197</u>	<u>18,204</u>	<u>376,603</u>

THE STORNOWAY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

9. SUPPORT COSTS - continued

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

	31.3.25	31.3.24
	Charitable activities	Total activities
	£	£
Rates and water	13,729	11,568
Insurance	30,451	26,328
Light and heat	44,278	41,029
Telephone	6,165	6,275
Other property expenses	29,579	24,578
Stationery, postages and advertising	3,439	7,976
Motor expenses	23,180	19,535
Computer costs	13,126	14,270
Subscriptions	1,051	1,946
Sundry expenses	462	3,558
P4P project costs	177,294	2,827
Finance costs	15,645	16,188
Auditors' remuneration	9,600	9,000
Accountancy fees	8,604	7,173
	<u>376,603</u>	<u>192,251</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2025 nor for the year ended 31 March 2024.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2025 nor for the year ended 31 March 2024.

11. STAFF COSTS

	31.3.25	31.3.24
	£	£
Wages and salaries	650,224	634,195
Social security costs	56,353	55,086
Other pension costs	24,571	23,586
	<u>731,148</u>	<u>712,867</u>

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

	31.3.25	31.3.24
Land and assets	25	26
Administration and management	5	5
	<u>30</u>	<u>31</u>

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

Key Management Personnel

The total amount of employee benefits received by key management personnel is £161,085 (2024 - £154,063). The Trust considers its key management personnel comprise the Estate Factor, Executive Secretary and Grounds Operation Manager.

THE STORNOWAY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	4,400	-	4,400
Charitable activities			
Charitable activities	1,160,133	-	1,160,133
Investment income	<u>41,578</u>	-	<u>41,578</u>
Total	<u>1,206,111</u>	-	<u>1,206,111</u>
EXPENDITURE ON			
Raising funds	-	3,897	3,897
Charitable activities			
Charitable activities	<u>1,203,845</u>	<u>30,922</u>	<u>1,234,767</u>
Total	<u>1,203,845</u>	<u>34,819</u>	<u>1,238,664</u>
Net gains on investments	-	<u>88,645</u>	<u>88,645</u>
NET INCOME	2,266	53,826	56,092
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>1,041,289</u>	<u>2,391,784</u>	<u>3,433,073</u>
TOTAL FUNDS CARRIED FORWARD	<u>1,043,555</u>	<u>2,445,610</u>	<u>3,489,165</u>

13. DEFERRED INCOME

	31.3.25	31.3.24
	£	£
Balance at 1 April 2024	105,831	84,226
Income deferred in current year	91,754	105,831
Amount released from previous year	<u>(89,280)</u>	<u>(84,226)</u>
Balance at 31 March 2025	<u>108,305</u>	<u>105,831</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 2025**

14. TANGIBLE FIXED ASSETS

	Heritable property £	Heritable property - Trust £	Woodland Resource Centre £	Hatchery £
COST				
At 1 April 2024	569,566	629,264	257,985	3,365
Additions	-	-	974	-
At 31 March 2025	<u>569,566</u>	<u>629,264</u>	<u>258,959</u>	<u>3,365</u>
DEPRECIATION				
At 1 April 2024	6,468	146,608	145,876	3,365
Charge for year	2,064	8,463	4,455	-
At 31 March 2025	<u>8,532</u>	<u>155,071</u>	<u>150,331</u>	<u>3,365</u>
NET BOOK VALUE				
At 31 March 2025	<u>561,034</u>	<u>474,193</u>	<u>108,628</u>	-
At 31 March 2024	<u>563,098</u>	<u>482,656</u>	<u>112,109</u>	-

	Tools, machinery and vehicles £	Furniture, fittings and office £	Nursery £	Estate improvements £	Totals £
COST					
At 1 April 2024	390,203	142,472	38,188	568,826	2,599,869
Additions	3,830	-	-	-	4,804
At 31 March 2025	<u>394,033</u>	<u>142,472</u>	<u>38,188</u>	<u>568,826</u>	<u>2,604,673</u>
DEPRECIATION					
At 1 April 2024	289,692	111,004	30,993	245,174	979,180
Charge for year	26,093	11,002	720	21,335	74,132
At 31 March 2025	<u>315,785</u>	<u>122,006</u>	<u>31,713</u>	<u>266,509</u>	<u>1,053,312</u>
NET BOOK VALUE					
At 31 March 2025	<u>78,248</u>	<u>20,466</u>	<u>6,475</u>	<u>302,317</u>	<u>1,551,361</u>
At 31 March 2024	<u>100,511</u>	<u>31,468</u>	<u>7,195</u>	<u>323,652</u>	<u>1,620,689</u>

Heritage Assets

Five year financial summary of Heritage Assets

	31.3.25 £	31.3.24 £	31.3.23 £	31.3.22 £	31.3.21 £
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 2025**

15. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Listed investments £	Totals £
MARKET VALUE			
At 1 April 2024	102	1,368,496	1,368,598
Disposals	-	(4,034)	(4,034)
Revaluations	-	789	789
Reclassification/transfer	-	187	187
	<u>102</u>	<u>1,365,438</u>	<u>1,365,540</u>
At 31 March 2025	<u>102</u>	<u>1,365,438</u>	<u>1,365,540</u>
PROVISIONS			
At 1 April 2024	100	-	100
Provision written back	(100)	-	(100)
	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2025	<u>-</u>	<u>-</u>	<u>-</u>
NET BOOK VALUE			
At 31 March 2025	<u>102</u>	<u>1,365,438</u>	<u>1,365,540</u>
At 31 March 2024	<u>2</u>	<u>1,368,496</u>	<u>1,368,498</u>

There were no investment assets outside the UK.

Cost or valuation at 31 March 2025 is represented by:

	Shares in group undertakings £	Listed investments £	Totals £
Cost	-	73,566	73,566
	<u>102</u>	<u>1,291,872</u>	<u>1,291,974</u>
	<u>102</u>	<u>1,365,438</u>	<u>1,365,540</u>

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

SYT Trading Limited

Nature of business: non-trading company

Class of share:	%
Ordinary	holding 100

	31.3.25	31.3.24
Aggregate capital and reserves	£	£
Profit/(loss) for the year	100	100
	<u>-</u>	<u>-</u>

SYT Land Limited

Nature of business: non-trading company

Class of share:	%
Ordinary	holding 100

THE STORNOWAY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

15. FIXED ASSET INVESTMENTS - continued	31.3.25	31.3.24
	£	£
Aggregate capital and reserves	2	2
Profit/(loss) for the year	<u>-</u>	<u>-</u>
16. STOCKS	31.3.25	31.3.24
	£	£
Finished goods	<u>2,000</u>	<u>2,000</u>
17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	31.3.25	31.3.24
	£	£
Trade debtors	138,024	74,157
Other debtors	219,847	190,529
Prepayments	<u>30,442</u>	<u>26,401</u>
	<u>388,313</u>	<u>291,087</u>
18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	31.3.25	31.3.24
	£	£
Hire purchase (see note 19)	-	8,664
Trade creditors	16,926	147,561
Taxation and social security	43,029	24,032
Other creditors	<u>479,185</u>	<u>426,370</u>
	<u>539,140</u>	<u>606,627</u>
19. LEASING AGREEMENTS		
Minimum lease payments under hire purchase fall due as follows:		
	31.3.25	31.3.24
	£	£
Net obligations repayable:		
Within one year	<u>-</u>	<u>8,664</u>
20. PROVISIONS FOR LIABILITIES	31.3.25	31.3.24
	£	£
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.

THE STORNOWAY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	31.3.25 Total funds £	31.3.24 Total funds £
Fixed assets	651,430	899,931	1,551,361	1,620,689
Investments	100	1,365,440	1,365,540	1,368,498
Current assets	1,123,720	166,150	1,289,870	1,120,855
Current liabilities	(535,016)	(4,124)	(539,140)	(606,627)
Provision for liabilities	-	(14,250)	(14,250)	(14,250)
	<u>1,240,234</u>	<u>2,413,147</u>	<u>3,653,381</u>	<u>3,489,165</u>

22. MOVEMENT IN FUNDS

	At 1.4.24 £	Net movement in funds £	At 31.3.25 £
Unrestricted funds			
General fund	1,025,997	(174,447)	851,550
Future Commitments Reserve	17,558	371,126	388,684
	<u>1,043,555</u>	<u>196,679</u>	<u>1,240,234</u>
Restricted funds			
Capital of the Trust fund	2,355,488	(24,662)	2,330,826
Restricted Capital fund	90,122	(7,801)	82,321
	<u>2,445,610</u>	<u>(32,463)</u>	<u>2,413,147</u>
TOTAL FUNDS	<u>3,489,165</u>	<u>164,216</u>	<u>3,653,381</u>

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	1,178,102	(1,352,549)	-	(174,447)
Future Commitments Reserve	371,126	-	-	371,126
	<u>1,549,228</u>	<u>(1,352,549)</u>	<u>-</u>	<u>196,679</u>
Restricted funds				
Capital of the Trust fund	-	(25,671)	1,009	(24,662)
Restricted Capital fund	-	(7,801)	-	(7,801)
	<u>-</u>	<u>(33,472)</u>	<u>1,009</u>	<u>(32,463)</u>
TOTAL FUNDS	<u>1,549,228</u>	<u>(1,386,021)</u>	<u>1,009</u>	<u>164,216</u>

THE STORNOWAY TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

22. MOVEMENT IN FUNDS - continued

Comparatives for 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	<u>20,385</u>	<u>(2,827)</u>	<u>17,558</u>
	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	<u>98,790</u>	<u>(8,668)</u>	<u>90,122</u>
	<u>2,391,784</u>	<u>53,826</u>	<u>2,445,610</u>
TOTAL FUNDS	<u><u>3,433,073</u></u>	<u><u>56,092</u></u>	<u><u>3,489,165</u></u>

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

THE STORNOWAY TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

23. 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 2025 was £Nil (2024 - £Nil).