

# **Comar**

(A Scottish Charitable Incorporated Organisation)

## **Trustees' report and financial statements**

**Charity Number SC042883**

**for the year ended 31 March 2020**

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## Legal and administrative information

<b>Charity number</b>	SC042883
<b>Business address</b>	Druimfin Tobermory Isle of Mull
<b>Trustees</b>	Raymond MacDonald    Co-Chair Amanda Eaglen        Co-Chair Mary McCluskey Gordon MacLean Alex Stevens Jan Sutch Pickard Will Thorne Sally Feldt
<b>Director</b>	Gordon MacLean
<b>General Manager</b>	Karen Ray
<b>Director of Music</b>	Gordon MacLean
<b>Independent Auditors</b>	MHA Henderson Loggie 11-15 Thistle Street Edinburgh EH2 1DF
<b>Solicitors</b>	Maclay, Murray & Spens LLP 1 George Square Glasgow G2 1AL

## **Trustees' report** *for the year ended 31 March 2020*

The trustees are pleased to present their annual Trustees report together with the financial statements of the charity for the year ending 31 March 2020.

After a very successful 2019/2020, we were about to embark on a highly creative season for the forthcoming year. However, at the end of March, just before the end of our financial year, the Covid-19 struck, and so plans have had to be adapted. Before reflecting on the many highlights on the financial year in question, it is important to emphasise how the pandemic has impacted us as an organisation and what plans are being made for our recovery from this.

The effects of COVID-19 have meant that our entire programme for the season 2020 has been postponed and at this time we do not yet know when we will re-open. All three of our buildings have been mothballed and all but three staff furloughed. The closure of the buildings and postponement of events, while reducing our income from box office, sales and holiday lettings, has also meant savings in heating, phone and office costs.

Creative Scotland has confirmed full funding for the year 2020/21 in line with our RFO agreement and we have been told they remain committed to supporting RFOs, including ourselves

We have taken advantage of the HMRC Job Retention Scheme and expect to do so until it closes in November. In addition, we have been successful in applications for Business Support Fund grants to a total of £51,000. All the funding bodies who have given or offered money for restricted projects have been contacted and have agreed to a postponement until we are able to deliver.

Plans are in place to begin work as soon as restrictions are lifted. This includes residencies with artists to create work on the island which will be recorded or filmed and online exhibitions & classes. We have already commissioned music, visual art & writing.

In the short to medium term, there are no financial concerns and we are updating our 5-year plan to ensure we thrive in years to come.

### **Achievement and Performance**

The creative programme for the year 2019/2020 had many highlights and continued the high standard across all artforms that this organisation has become known for.

#### **Theatre**

There were two in house productions - Unspotted Snow in spring directed by Alasdair McCrone and Here I Belong directed by Allie Butler in autumn.

In addition, Mull Theatre presented many excellent touring shows including The Chosen by Company Cordelia, The Drift by NTS, White Saviour Complex by Bill Drummond & Neu Reekie and Phil Jupitus.

**Mull Youth Theatre and Creative Learning** continues to grow successfully and presented 2 productions – Dark Vanilla Jungle involving three Mull Youth Theatre Alumni, took part in a short tour to the mainland and was well received and an excellent “Dinner with Shakespeare”.

Theatre classes successfully continued through 2019/2020 and we introduced, and plan to continue, our “Saturday Sessions” and “Show on the Road” outreach programmes. Plans are in place to begin movement classes for adults with dementia and related conditions and develop a dance performance piece including less able participant.

#### **Music**

An Tobar was proud to win the Venue of the Year award at the Scottish Trad Music Awards in Aberdeen. Highlights of the year were performances by the Seonaid Aitken Quintet, a CD launch event by Sam Hird, jazz from the Fergus McCreadie Trio, Gaelic song from Sian and Whyte, Flook, an incredible concert by The Scottish Ensemble, Broken Chanter and special 2 night appearances by Karen Matheson and her band and later in the year, Mull Historical society. Recording projects included Atomaic Piseag, local young band Flora, Rachel Jack and the legendary Liz Lochhead with Andrew Wasyluk.

## **Trustees' report** *for the year ended 31 March 2020*

### **Achievement and Performance**

#### **Visual Arts**

The gallery programme had an outstanding year, with all artists giving interesting talks. Exhibitions included 'Harvest' by Mella Smith, 'Ultima Thule' by Lucy Woodley, 'First there is a Mountain' by Katie Paterson, 'The Well at the end of the World' by Alexander and Susan Maris, 'Climate Change and Me' and our exhibition of local artists, 'Yellow'. Just as everything closed down, 'Colony' by Julia Kovanova had been set up and individual tours of this are planned as soon as it is safe to do so.

### **Structure, Governance and Management**

Comar was registered as a Scottish Charitable Incorporated Organisation in January 2012. The Board is the principal decision making forum for the organisation, it has overall responsibility for leading the strategic direction and monitoring financial and operational performance. The Board has adopted a formal schedule of Authorities of matters specifically reserved for its direction and of limits of delegated powers.

The constitution of Comar now allows for 4 supporter members to be elected to the board annually from the group of supporter members with another 4 to be appointed by the board. New trustees meet with the Chair and General Manager and are given an induction with further training if required. All board members are encouraged to attend an annual bespoke full training day, run by Arts and Business and the chair (or nominated representative) attends their regular "Chair Matters" networking and information sessions.

The current board, after some changes last year, has now reached a stable composition. While we have a solid core of members from the island, we also have Raymond MacDonald, a representative from the world of music in Edinburgh as Co-Chair and Mary McCluskey, a highly experienced theatre professional from Glasgow, who brings with her a wealth of knowledge.

In February 2020, Jan Sutch-Pickard, who had taken on the role of acting Co-Chair with Raymond MacDonald, stepped down as had always been the plan. We thank her for her calm and thoughtful guidance through a year of transition. Jan will remain on the board while she continues with her own writing and the role of Co-Chair of the island has been taken on by Amanda Eaglen, a teacher and actress. Will Thorne continues to bring business and financial support to the organisation, while relatively new member Alex Stevens, a creative person, brings experience of having worked for Comar and a strong knowledge of technology. Sally Feldt joined to board at the end of 2020 and she brings experience of business, writing and publishing.

Board members continue to serve on sub committees in Finance and HR, which is an effective way of sharing the load and helping to keep the board aware of the day to day running of the business.

Gordon Maclean has now been Acting CE since February 2019 and has done an excellent job of steering the organisation through this past year. As well as continuing to present a high-quality music programme, he has given artistic direction to the whole organisation.

Karen Ray, as General Manager continues to run the administrative side of Comar with great efficiency. She has continued to work with the new finance team to further streamline the effective accounting in the company. Karen has also been successful in gaining additional outside funding for us.

Towards the end of 2019, we advertised for a new Chief Executive/Theatre Producer. With the assistance of a locally based HR company, I-identify, a recruitment drive was carried out for a suitable candidate. After a very rigorous interview process, we offered the post to our preferred candidate. After a visit to the island however and gaining a clearer understanding of the requirements of the job, it was decided by mutual agreement that perhaps it was not quite the right fit for the candidate or for Comar. Just as we were about to restart recruitment plans, the pandemic hit and so the position was put on hold. We have appointed Beth Morton, a highly regarded Edinburgh based Theatre Creator as a temporary Theatre Director. Beth will oversee two productions, taking us into early 2021. The precise plans for these are developing, but we are hoping to have some form of theatre at Mull Theatre by the autumn. We are planning to reopen the recruitment process for the new Chief Executive/Theatre Producer later in the summer, with a view to them starting in January of 2021.

## **Trustees' report** *(continued)* **for the year ended 31 March 2020**

### **Structure, Governance and Management** *(continued)*

With the continued support of Creative Scotland, we are in a good financial position to be at the forefront of bringing theatre, music and visual art back to Scotland in whatever form is best suited the post Covid era. We have a strong management and creative team and look forward to welcoming a new Chief Executive/Theatre Producer to lead us forward.

#### **Our purposes and activities**

The objectives of the SCIO are to establish and develop a sustainable organisation on the Isle of Mull to maintain, promote and advance the provision, appreciation and public understanding of the arts.

#### **Our Vision**

To be an inspirational arts organisation within and beyond our island home.

#### **Our Mission**

To show cultural leadership by drawing art forms, artists and audiences together in meaningful, inventive and stimulating ways.

#### **Our Values**

Comar values artists and artistic experiences and their potential to influence lives and communities

#### **Our Aims**

To enable the creation and development of new, innovative and exciting work and to encourage everyone to experience and participate in the arts.

The strategies employed to achieve the charity's aims and objectives are:

#### **Artists**

- to develop and support a programme of commissioning new work from artists across all art forms, to attract local, national, and international interest and focus;
- to engage with and support a wide range of emerging and established artists to help them develop their potential;
- to use our venues in Tobermory, and the spaces throughout our island and region, as starting points for creative freedom;
- to offer significant levels of support to artists, including fair pay.

#### **Strategy and leadership**

- to establish a programme of partnerships, co-productions and joint creative initiatives with organisations and individuals across all art forms;
- to act as a creative management and producing hub to support independent artists and companies to develop their work;
- to encourage a range of creative residencies involving national and international cultural exchanges across differing art forms;
- to secure longer term and higher level investment from a range of sources.

#### **Audiences and Communities**

- to create and deliver a significant body of work, serving local, regional and national audiences;
- to produce, present and develop cultural experiences for artists and audiences;
- to develop an inclusive programme of involvement for the people of Mull and Iona;
- to promote and market local creative industries;
- to support stronger, safer communities by working with local support groups to contribute to the development of improved physical and mental health;
- to break down barriers and allow people to engage with their creative potential.

## **Trustees' report** *(continued)* **for the year ended 31 March 2020**

### **Quality of Life**

- to help promote Argyll & Bute as place where people want to live, work and visit;
- to offer real, sustainable, job opportunities and training to a diversity of people in a variety of ways;
- to engage people with the arts and create opportunities for creativity;
- to provide a context for confident cultural expression through the arts
- and...
- to leave space for surprise, fun and enjoyment

### **Our Artistic Values**

The islands of Mull and Iona have from ancient times been at the centre of the cultural life of Scotland through music, oral and art tradition – Comar aims to maintain and deepen that creative cultural continuum. We wish, through our programme and how we deliver it, to both create and nourish an appetite for the arts and cultural activities. We seek to create a chain of connectedness with other creative ideas, people and communities.

We want to celebrate what we share and our differences in the context of the complexities of our island lives. We encourage artistic experimentation, supporting and connecting creative artists to use all that Mull has to offer to grow new ideas, to seek meaningful ways to inspire, inform and shape our communities through culture and creativity.

We are the cultural markers for our island community and our area. Through our work and our ideas, we demonstrate other ways of seeing and being to our young people and our community. We offer choices in being, thinking, experiencing and seeing. As a multi-arts organisation we have the ability and resources in staff expertise, spaces and technology to support ideas, projects and people. This exchange expands the creative vocabulary of all participants and audience.

Comar strives to support its community to feel culturally enabled and connected to the zeitgeist. The people of our islands and region need not feel marginalised because of perceived remoteness. Whilst our venues' prime audiences and users are here on these islands, in this digital age we have access to a global audience.

Comar focus on commissioning, producing and touring the highest quality new work in its core art-forms – theatre, music and visual arts, in which it has a powerful track record of accomplishment – whilst expressing clearly the extraordinary creative ambition and vision which lies at the heart of the organisation and which we will realise through its sectoral and regional leadership role, touring residencies, partnerships, support for other companies and a series of creative collaborations.

### **Financial review**

Following a period of restructure and consolidation, Comar is moving forward artistically, and the financial plan is designed to support this by:

- Refining processes, recording, and reporting to support robust management of financial administration
- Implementing a structured approach to fundraising with clear responsibilities and targets and ensuring they are clearly aligned to projects
- Reducing our reliance on one stakeholder by building good relationships with Highlands and Islands Enterprise, trusts and sponsors
- Developing existing earned income streams and identifying and building new streams

Our financial procedures are fully documented, and subject to annual review to ensure they remain fit for purpose. Any recommendations from our auditors are considered and incorporated into the financial procedures as appropriate.

Budgets are prepared on a continuing 3-year cycle, reviewed by the trustees and senior management team. These reflect the strategic direction of the company and identified external factors and are updated annually.

The board is provided with Management Accounts monthly, and in addition has contextual information and forecasting for quarterly board meetings. The General Manager attends and can expand on any points raised.

## **Trustees' report** *(continued)* **for the year ended 31 March 2020**

### **Investment powers and policy**

This policy continues to be developed.

### **Reserves policy and going concern**

This policy continues to be developed.

Comar has had some success with raising funds from trusts and will continue with these endeavours as well as developing new sources. We have been fortunate to receive a substantial legacy recently which will fund some exciting visual art and music projects in future years.

The charity reported net income from the year of £246,743, this was primarily due to a legacy receipt of £168,720 and a reduction in expenditure of £130,000.

Our unrestricted reserves have increased slightly this year from £13,535 to £123,195, and we aim to continue to build these slowly while focusing our efforts on the creation and support of the arts.

Our balance sheet remains strong with net assets of £1,120,073 and we consider that adequate resources continue to be available to fund the activities of Comar for the foreseeable future. The trustees are of the view that the SCIO is a going concern.

### **Plans for future periods**

#### ***Fundraising***

Senior staff, with support from the trustees, have specific fundraising targets identified to ensure the sustainability of Comar. A fund-raising firm has been employed to support these efforts and to access additional skills and contacts. Training and support should enable Comar to access new streams while building upon the existing skills of managers and trustees in this area.

#### ***Trusts and Foundations***

A planned and targeted approach was developed for applications to Trusts and Foundations, using the experience and contacts for those who have supported us in the past, while developing new sources.

#### ***Public funding***

We are renewing and building relationships with: Highlands & Islands Enterprise, Argyll & Bute Council, Bord na Gaidhliag and Visit Scotland in order to access funds or work in partnership.

#### ***Businesses and sponsorship***

Our fundraising plans will identify specific targets for sponsorship, for each of our venues and for specific projects and events. Staff will have responsibility for gaining sponsorship in their own areas, and match funding from Arts & Business should be available. We will further target advertising revenue. Staff training from Arts in Business Scotland has already been undertaken and is ongoing.



## **Trustees' report** *(continued)* **for the year ended 31 March 2020**

### **Plans for future periods** (continued)

#### ***Earned income***

We set realistic targets for increasing our earned income over the period of the plan. Areas of focus for earned income will be:

- The café at An Tobar
- Hire of our venues and equipment
- The shop at An Tobar, commission on art sales
- Website and theatre sales of Mull Theatre and An Tobar branded goods and music
- Druimfin Lodge as accommodation

The first and last of these, reflecting hard work by staff, are proving profitable.

#### **Trustees' responsibilities in relation to the financial statements**

The charity trustees (who are also the directors of Comar for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

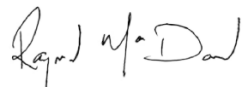
Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the 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 UK 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 that 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 Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Board and signed on its behalf by:



Raymond MacDonald  
**Co-chair of Trustees**

23 October 2020

## Independent auditors' report to the trustees and members of Comar

### Opinion

We have audited the financial statements of Comar (the 'charity') for the year ended 31 March 2020 which comprise the Statement of Financial activities, the balance sheet, the statement of cash flows 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, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 2020 and of its income and expenditure 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 (as amended)

### Basis of 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 Auditor's 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 the provisions available for small entities, in the circumstances set out in note 1 to the financial statements, 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

## Independent auditors' report to the trustees and members of Comar

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- The information given in the financial statements is inconsistent in any material respect with the trustees' report; 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.

### Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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 cease operations or have no realistic alternative but to do so.

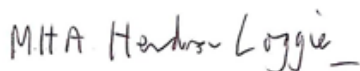
### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor 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 an auditor's report 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the trustees, as a body, in accordance with Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charity Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor'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 charity and its trustees as a body for our audit work, for this report, or for the opinions we have formed.



### MHA Henderson Loggie

Chartered Accountants & Statutory Auditor

Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

11-15 Thistle Street

Edinburgh

EH2 1DF

23 October 2020

MHA Henderson Loggie is a trading name of Henderson Loggie LLP.

## Statement of financial activities (incorporating the income and expenditure account)

for the year ended 31 March 2020

	Notes	Unrestricted funds £	Restricted Funds £	Designated Funds £	2020 Total £	Unrestricted funds £	Restricted Funds £	Designated Funds £	2019 Total £
<b>Income from:</b>									
Donations, grants and legacies	2	447,650	196,779	-	644,329	450,833	23,890	-	474,723
Charitable activities	3	76,350	-	-	76,350	48,075	-	-	48,075
Trading activities	4	59,917	-	-	59,917	61,592	-	-	61,592
<b>Total income</b>		<b>583,917</b>	<b>196,779</b>	<b>-</b>	<b>780,696</b>	<b>560,500</b>	<b>23,890</b>	<b>-</b>	<b>584,390</b>
<b>Expenditure on:</b>									
Raising funds	5	77,814	-	-	77,814	99,993	-	-	99,993
Charitable activities	6	356,934	80,683	18,522	456,139	477,973	67,701	17,750	563,424
<b>Total expenditure</b>		<b>434,748</b>	<b>80,683</b>	<b>18,522</b>	<b>533,953</b>	<b>577,966</b>	<b>67,701</b>	<b>17,750</b>	<b>663,417</b>
<b>Net income/(expenditure)</b>		<b>149,169</b>	<b>116,096</b>	<b>(18,522)</b>	<b>246,743</b>	<b>(17,466)</b>	<b>(43,811)</b>	<b>(17,750)</b>	<b>(79,027)</b>
Transfers between funds		(39,509)	39,509	-	-	20,000	(20,000)	-	-
<b>Net movement in funds</b>		<b>109,660</b>	<b>155,605</b>	<b>(18,522)</b>	<b>246,743</b>	<b>2,534</b>	<b>(63,811)</b>	<b>(17,750)</b>	<b>(79,027)</b>
<b>Reconciliation of funds</b>									
Total funds brought forward		13,535	708,668	151,127	873,330	11,001	772,479	168,877	952,357
<b>Total funds carried forward</b>		<b>123,195</b>	<b>864,273</b>	<b>132,605</b>	<b>1,120,073</b>	<b>13,535</b>	<b>708,668</b>	<b>151,127</b>	<b>873,330</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

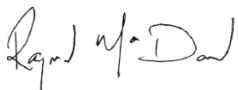
All income and expenditure derive from continuing activities.

The notes on pages 13 to 23 form an integral part of these financial statements.

**Balance sheet**  
*as at 31 March 2020*

	<i>Notes</i>	<b>2020</b> £	<b>2020</b> £	2019 £	2019 £
<b>Fixed assets</b>					
Tangible assets	10		<b>914,480</b>		927,025
<b>Current assets</b>					
Stocks	11	<b>7,115</b>		3,593	
Debtors	12	<b>45,693</b>		20,179	
Cash at bank and in hand		<b>230,441</b>		28,622	
		<b>283,249</b>		52,394	
<b>Creditors: amounts falling due within one year</b>	13	<b>(77,656)</b>		(106,089)	
<b>Net current assets/(liabilities)</b>			<b>205,593</b>		(53,695)
<b>Net assets</b>			<b>1,120,073</b>		873,330
<b>Funds</b>					
Unrestricted general funds	16		<b>123,195</b>		13,535
Unrestricted designated funds	17		<b>132,605</b>		151,127
Restricted funds	18		<b>864,273</b>		708,668
<b>Total funds</b>			<b>1,120,073</b>		873,330

Approved by the Board for issue on 22 October 2020



Raymond MacDonald  
**Co-chair of Trustees**

**Charity No. SC042883**

**Cash flow statement**  
*for the year ended 31 March 2020*

	<i>Notes</i>	<b>2020</b> £	2019 £
<b>Net outgoing resources for the year</b>		<b>246,743</b>	(79,027)
Depreciation	10	<b>42,117</b>	41,290
Increase in stocks		<b>(3,522)</b>	(1,359)
Decrease in debtors		<b>(25,514)</b>	(907)
(Decrease)/increase in creditors		<b>(28,433)</b>	28,642
		<hr/>	<hr/>
<b>Net cash provided by /(used in) operating activities</b>		<b>231,391</b>	(11,361)
 <b>Cash flows from investing activities</b>			
Capital expenditure	10	<b>(29,572)</b>	(13,921)
		<hr/>	<hr/>
<b>Net cash used in investing activities</b>		<b>(29,572)</b>	(13,921)
 <b>Change in cash and cash equivalents in the year</b>		<b>201,819</b>	(25,282)
Cash and cash equivalents brought forward		<b>28,622</b>	53,904
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of the year</b>		<b>230,441</b>	28,622
		<hr/> <hr/>	<hr/> <hr/>

## Notes to the financial statements for the year ended 31 March 2020

### 1 Accounting policies

The charity is constituted as a Scottish Charitable Incorporated Organisation and was set up on 24 January 2012. The charity is governed in accordance with its Constitution.

#### 1.1 **Basis of preparation and assessment of going concern**

The financial statements have been prepared under the historical cost convention and in accordance with the requirements of the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) as well as the Statement of Recommended Practice (SORP FRS102) – Accounting and Reporting by charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and Financial Reporting Standard 102 (FRS102). The charity meets the definition of a public benefit entity as defined by FRS 102.

The financial statements are prepared in Sterling, which is the functional currency of the charity. Monetary assets in these financial statements are rounded to the nearest Pound.

In common with other charities of a similar size our auditors assist with the preparation of the financial statements.

The financial statements have been prepared on a going concern basis. The Directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. The COVID-19 pandemic and the ensuing economic shutdown has had a significant impact on the charity's operations as theatre productions and visual arts events have been halted. In response to the COVID-19 pandemic, the Directors have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact

Based on these assessments and having regard to the resources available to the entity, the Directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

#### 1.2 **Income**

Income is recognised in the statement of financial activities when the charity is entitled to the income, any performance conditions attached have been met, it is probable that the income will be received and the amount can be quantified with reasonable accuracy.

#### 1.3 **Expenditure**

Expenditure is recognised when there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be reliably measured.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs, are allocated on an appropriate basis to the various activities of the charity. Where costs cannot be allocated directly, they are apportioned to categories on the basis of a reasonable estimate of the costs.

Expenditure on raising funds are those incurred in generating income from the café and shop.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

Governance costs include those costs necessary for the board to fulfil its constitutional and statutory obligations.

The charity contributes to a defined contribution pension scheme on behalf of employees. Contributions are recognised in the period to which employees provide service.

**Notes to the financial statements** *(continued)*  
**for the year ended 31 March 2020**

**1 Accounting policies** *(continued)*

**1.4 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life as follows:

Leasehold improvements	Straight line over the life of the lease
Fixtures, fittings and equipment	Various rates between 15% and 33%

**1.5 Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

**1.6 Stock**

Stock is valued at the lower of cost or net realisable value.

**1.7 Financial instruments**

The charity has only financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and are subsequently measured at their settlement value with the exception of bank loans which are measured at amortised cost using the effective interest rate method.

**1.8 Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

**1.9 Cash and cash equivalents**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.10 Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after any trade discounts due.

**1.11 Taxation**

The charity is registered with OSCR and accordingly, the charity's activities fall within the exemptions from taxation in respect of income or capital gains afforded by the provisions of the Corporation Taxes Act 2010 to the extent that such income is applied for charitable purposes.

**1.12 Fund accounting**

- Unrestricted funds are available for use at the discretion of the Board in furtherance of the general activities of the charity.
- Designated funds are unrestricted funds earmarked by the Board for particular purposes.
- Restricted funds are subject to restrictions on their expenditure imposed by the donor.



**Notes to the financial statements** *(continued)*  
**for the year ended 31 March 2020**

**1 Accounting policies** *(continued)*

**1.13 Judgements in applying accounting policies 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 about the carrying amount of assets and liabilities that are not readily apparent from other sources. 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.

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the charity as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Tangible fixed assets are depreciated over a period to reflect their estimated useful lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.
- Fixed assets are also assessed as to whether that are indicators of Impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

**Notes to the financial statements** *(continued)*  
*for the year ended 31 March 2020*

**2 Income from donations, grants and legacies**

	Unrestricted funds £	Restricted funds £	2020 Total £	Unrestricted funds £	Restricted funds £	2019 Total £
Donations	10,863	737	11,600	15,005	840	15,845
Memberships	1,787	-	1,787	828	-	828
Creative Scotland – Core funding	417,000	-	417,000	417,000	-	417,000
Creative Scotland – Argyll Youth Arts Hub	-	-	-	-	20,000	20,000
Gift in Kind – Argyll & Bute Council	18,000	-	18,000	18,000	-	18,000
Grants	-	27,322	27,322	-	3,050	3,050
Legacy for visual arts and music	-	168,720	168,720	-	-	-
	<u>447,650</u>	<u>196,779</u>	<u>644,429</u>	<u>450,883</u>	<u>23,890</u>	<u>474,723</u>

**3 Income from charitable activities**

	Unrestricted funds £	Restricted funds £	2020 Total £	Unrestricted funds £	Restricted funds £	2019 Total £
Box Office and theatre tickets	41,588	-	41,588	46,868	-	46,868
Theatre tax relief	33,746	-	33,746	-	-	-
Other income from charitable activities	1,016	-	1,016	1,207	-	1,207
	<u>76,350</u>	<u>-</u>	<u>76,350</u>	<u>48,075</u>	<u>-</u>	<u>48,075</u>

**4 Income from trading activities**

	Unrestricted Funds £	Restricted funds £	2020 Total £	Unrestricted Funds £	Restricted funds £	2019 Total £
Art sales commission and royalties	2,124	-	2,124	5,377	-	5,377
Recordings, building and equipment hire	753	-	753	1,521	-	1,521
Café and shop	48,822	-	48,822	53,951	-	53,951
Lodge rental	7,360	-	7,360	-	-	-
Other income from trading activities	858	-	858	743	-	743
	<u>59,917</u>	<u>-</u>	<u>59,917</u>	<u>61,592</u>	<u>-</u>	<u>61,592</u>

**Notes to the financial statements** *(continued)*  
*for the year ended 31 March 2020*

**5 Expenditure on raising funds**

	<b>2020</b>	2019
	<b>Total</b>	Total
	£	£
<b>Café and shop</b>		
Purchases	<b>16,182</b>	22,593
Wages and salaries	<b>33,711</b>	28,895
Other costs	<b>27</b>	-
Fundraising expenditure	<b>6,000</b>	9,000
Support costs (note 7)	<b>21,895</b>	39,505
	<b>77,814</b>	99,993
	<b>77,814</b>	99,993

**6 Expenditure on charitable activities**

	Direct	Support	2020	Direct	Support	2019
	£	£	Total	£	£	Total
	£	£	£	£	£	£
Core creative staff costs	<b>67,621</b>	<b>82,326</b>	<b>149,947</b>	137,386	89,729	227,115
Theatre	<b>90,210</b>	<b>76,103</b>	<b>166,313</b>	126,847	82,846	209,693
Programming and visual arts	<b>25,120</b>	<b>21,192</b>	<b>46,312</b>	27,905	18,225	46,130
Music & Musicians	<b>34,332</b>	<b>28,963</b>	<b>63,295</b>	31,308	20,448	51,756
Education and Literature	<b>16,420</b>	<b>13,852</b>	<b>30,272</b>	17,379	11,351	28,730
	<b>233,703</b>	<b>222,436</b>	<b>456,139</b>	340,825	222,599	563,424
	<b>233,703</b>	<b>222,436</b>	<b>456,139</b>	340,825	222,599	563,424

**7 Support costs**

	<b>2020</b>	2019
	<b>Total</b>	Total
	£	£
<i>Support costs comprise the following:</i>		
Staff costs	<b>82,326</b>	96,095
Travel costs	<b>2,742</b>	6,780
Telephone	<b>4,965</b>	6,004
Postage and stationery	<b>7,080</b>	6,632
IT maintenance	<b>1,465</b>	1,479
Bank and credit card charges	<b>1,967</b>	2,142
Insurance	<b>5,462</b>	5,607
Advertising	<b>7,141</b>	15,430
Depreciation	<b>42,117</b>	41,290
Premises costs	<b>63,260</b>	52,313
Other staff costs	<b>1,164</b>	2,255
Other office expenses	<b>880</b>	1,868
Governance costs (note 8)	<b>23,762</b>	24,209
	<hr/> <b>244,331</b> <hr/>	<hr/> 262,104 <hr/>

Support costs are allocated across activities using a mixture of direct and proportionate allocation methods

**8 Governance costs**

	<b>2020</b>	2019
	<b>Total</b>	Total
	£	£
Professional – Audit fee	<b>7,430</b>	8,345
Cost of trustees' meetings	<b>1,311</b>	1,148
Trustee expenses	<b>1,215</b>	1,831
Trustee training	<b>-</b>	106
Legal and professional	<b>13,806</b>	12,779
	<hr/> <b>23,762</b> <hr/>	<hr/> 24,209 <hr/>

**Notes to the financial statements** *(continued)*  
**for the year ended 31 March 2020**

**9 Wages & salaries**

<i>Employment costs</i>	<b>2020</b>	2019
	£	£
Wages and salaries	<b>183,760</b>	220,866
Social security costs	<b>10,385</b>	13,846
Defined benefit pension contributions	<b>4,453</b>	3,335
Termination payments	-	20,000
	<hr/>	<hr/>
	<b>198,598</b>	258,047
	<hr/> <hr/>	<hr/> <hr/>

No employee received emoluments of more than £60,000 (2019: £60,000).

The average monthly number of employees during the year was 13 (2019: 16)

Pension contributions outstanding to be paid over at the year-end totalled £789 (2019: £Nil)

***Pay of key management***

Key management are judged to be to executive director, the general manager and the music director. The total employment costs including employers NI of key management in the year was £77,451 (2019: £117,897)

**10 Tangible fixed assets**

	<b>An Tobar buildings Short Leasehold</b>	<b>Druimfin Lodge Short Leasehold</b>	<b>Druimfin Theatre Short Leasehold</b>	<b>Fixtures, fittings and equipment</b>	<b>Total</b>
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2019	452,122	42,479	937,186	199,220	1,631,007
Additions	-	-	26,407	3,165	29,572
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2020	452,122	42,479	963,593	202,385	1,660,579
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
At 1 April 2019	333,356	18,623	171,771	180,232	703,982
Charge for the year	13,837	657	21,296	6,327	42,117
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2020	347,193	19,280	193,067	186,559	746,099
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>					
At 31 March 2020	104,929	23,199	770,526	15,826	914,480
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2019	118,766	23,856	765,415	18,988	927,025
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**11 Stocks**

	<b>2020</b>	2019
	£	£
Finished goods and goods for resale	<b>7,115</b>	3,593
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the financial statements** *(continued)*  
**for the year ended 31 March 2020**

**12 Debtors**

	2020	2019
	£	£
Trade debtors	373	6,497
Other debtors and prepayments	45,320	13,682
	45,693	20,179
	45,693	20,179

**13 Creditors: amounts falling due within one year**

	2020	2019
	£	£
Trade creditors	27,054	26,492
Other taxes and social security	3,050	1,874
Other creditors	36,772	56,772
Accruals	10,780	20,951
	77,656	106,089
	77,656	106,089

**14 Operating lease commitments**

The charity was committed to paying the following operating lease payments at the year end

	2020	2019
	£	£
Within 1 year	5,005	5,005
Within 2 – 5 years	20,019	20,019
Greater than 5 years	27,523	32,527
	52,547	57,551
	52,547	57,551

Operating lease payments in the year totalled £5,004 (2019: £5,004)

**15 Analysis of net assets between funds**

	Unrestricted funds	Restricted funds	Designated funds	Total funds
	£	£	£	£
<b><i>Fund balances at 31 March 2020, as represented by:</i></b>				
Tangible fixed assets	98,295	683,581	132,605	914,481
Current assets	102,556	180,692	-	283,248
Current liabilities	(77,656)	-	-	(77,656)
	123,195	864,273	132,605	1,120,073
	123,195	864,273	132,605	1,120,073
 <i>Fund balances at 31 March 2019, as represented by:</i>				
Tangible fixed assets	71,021	704,877	151,127	927,025
Current assets	48,603	3,791	-	52,394
Current liabilities	(106,089)	-	-	(106,089)
	13,535	708,668	151,127	873,330
	13,535	708,668	151,127	873,330

**Notes to the financial statements** *(continued)*  
**for the year ended 31 March 2020**

**16 Unrestricted funds**

	At 1 April 2019 £	Incoming resources £	Outgoing Resources £	Transfers £	At 31 March 2020 £
General funds	13,535	583,917	(434,748)	(39,509)	123,195
	11,001	560,500	(577,966)	20,000	13,535

**17 Designated funds**

	At 1 April 2019 £	Incoming resources £	Outgoing Resources £	Expenditure £	At 31 March 2020 £
Druimfin Lodge, equipment, theatre seating, etc			30,748	(4,685)	26,063
An Tobar Arts Centre			120,379	(13,837)	106,542
			151,127	(18,522)	132,605
			33,794	(3,046)	30,748
Druimfin Lodge, equipment, theatre seating, etc			135,083	(14,704)	120,379
An Tobar Arts Centre			168,877	(17,750)	151,127

These funds have been set aside by the trustees towards the future depreciation costs of the assets.

**18 Restricted funds**

	At 1 April 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
<b>Capital funds</b>					
Production Centre	582,693	-	(17,437)	-	565,256
Druimfin Phase 2	122,184	-	(3,859)	-	118,325
<b>Revenue funds</b>					
Dugald McInnes donation	400	-	-	-	400
Theatre new writing	1,891	-	-	-	1,891
Creative learning – Dark Vanilla Jungle	-	737	(5,391)	4,654	-
Creative learning – Show on the Road	1,500	6,322	(4,541)	-	3,281
Creative learning – TEN	-	8,500	(2,100)	-	6,400
Unspotted Snow	-	12,500	(47,355)	34,855	-
Visual art and music	-	168,720	-	-	168,720
	708,668	196,779	(80,683)	39,509	864,273

**Notes to the financial statements** *(continued)*  
**for the year ended 31 March 2020**

**18 Restricted funds** *(continued)*

	At 1 April 2018 £	Income £	Expenditure £	Transfers £	At 31 March 2019 £
<b>Capital funds</b>					
Production Centre	599,856	-	(17,163)	-	582,693
Druimfin Phase 2	125,982	-	(3,798)	-	122,184
<b>Revenue funds</b>					
Argyll Youth Arts Hub	-	20,000	-	(20,000)	-
Unspotted Snow & Aon Teanga	43,500	-	(43,500)	-	-
Processions	1,250	1,250	(2,500)	-	-
Theatre new writing	1,891	-	-	-	1,891
MICT – creative learning Saturday sessions	-	300	(300)	-	-
Creative learning	-	440	(440)	-	-
Waterfall fund – show on the road	-	1,500	-	-	1,500
Dugald Mcinnes donation	-	400	-	-	400
	<u>772,479</u>	<u>23,890</u>	<u>(67,701)</u>	<u>(20,000)</u>	<u>708,668</u>

<b>Production Centre:</b>	This fund represents the costs incurred for Phase 1 of the development of the Production Centre. Depreciation is charged directly to the fund.
<b>Druimfin Phase 2:</b>	This fund represents the costs incurred for Phase 1 of the development of the Production Centre. Depreciation is charged directly to the fund.
<b>Theatre new writing:</b>	Royalties donated for the development of new writing for theatre.
<b>Creative learning – Dark Vanilla Jungle:</b>	A one-woman play directed and designed by alumni and acted by a current member of Mull Youth Theatre.
<b>Creative learning – Show on the Road:</b>	Outreach classes for primary school-aged children taking performing arts classes to schools & providing support for teachers to continue learning beyond the workshops
<b>Creative learning – TEN:</b>	A week long festival of performing arts workshops for young people to celebrate ten years of Mull Youth Theatre.
<b>Unspotted Snow:</b>	Creative Scotland fund (now closed) to develop new theatre. The original award was given in 2014 but the play was only put on in spring 2019.
<b>Visual art and music:</b>	Legacy left by an artist and former trustee of An Tobar to continue the work produced in the building, namely music and visual art.



**Notes to the financial statements** *(continued)*  
**for the year ended 31 March 2020**

**19 Related party transaction**

5 trustees (2019: 7) received reimbursement of expenses totalling £3,723 (2019: £1,216).

Alasdair McCrone, who served as executive director until 29<sup>th</sup> May 2019, was also a member of the Board and was remunerated under a contract of employment, which is permissible by the charity's Constitution. His employment costs whilst a trustee including employers NI totalled £7,650 (2019: £30,204).

Gordon MacLean, Music Director and CEO subsequent to Alasdair McCrone's departure, was also a member of the board and is remunerated under a contract of employment, which is permissible by the charity's constitution. His employment costs including employers NI totalled £32,494.

One trustee in the year is a partner at French Duncan LLP. During the year French Duncan LLP were in receipt of £137 of expenses paid for on the trustee's behalf by the charity during 2019-20.

One trustee is also sole proprietor of the Gallery Café which purchased £54 of café supplies from the charity.

One trustee is also the director of the Federation of Scottish Theatre to whom membership fees totalling £195 were paid.

One trustee is also a freelance musician for whom accommodation expenses totalling £204 were paid in year.

Design services were supplied by the wife of a trustee for a total of £1,832 (2019: £6,850), £Nil (2019: £509) was owing at the year end. These services were contracted for at arm's length and the terms and conditions were approved by independent management.

Performance fees were paid to the son of a trustee for a total of £400 (2019: £150) for musical services provided. Performance fees were also paid to the partner of the son totalling £415 (2019: £880).

Workshop preparations and programming were supplied by the mother of one trustee for a total of £4,189 (2019: £nil) and had employment costs including employers NI totalling £9,023.

**20 Ultimate controlling party**

The charity is controlled by its Board.