

The National Trust of Guernsey

Annual report and Financial statements

31 December 2017

The National Trust of Guernsey

Year ended 31 December 2017

Officers of the Trust:

A Spruce (President)

B Bowen (Vice-President – Resigned 14 March 2017)

C I McCathie (Honorary Treasurer)

S Lampitt-Mahy (Hon. Public Relations Officer)

C Macintyre (Hon. Life Vice President – Deceased 21 July 2018)

P E Hughes (Hon. Secretary)

Auditor:

KPMG Channel Islands Limited
Chartered Accountants
Glategny Court
Glategny Esplanade
St Peter Port
Guernsey
GY1 1WR

Registered office:

26 Cornet Street
St Peter Port
Guernsey
GY1 1LF

The National Trust of Guernsey

Year ended 31 December 2017

Honorary Treasurer's report

The Honorary Treasurer submits his report and audited financial statements for the year ended 31 December 2017.

Activities

The principal activities of the Trust are to promote for the benefit of the people of the Island and visitors:

- (a) the preservation and enhancement of natural beauty and the protection, propagation and control of wild life and animal and plant life;
- (b) the preservation, restoration, upkeep and use of places and buildings of historic or other interest to the people of this Island or of horticultural or architectural merit and the protection and augmentation of the amenities of such places and buildings and their surroundings;
- (c) the preservation, care, repair, use and exhibition of furniture, pictures and chattels of any description being of interest to the people of this Island or having historic or artistic interest;
- (d) the provision, upkeep, improvement and use of open spaces, parks, gardens and other places of recreation, enjoyment or exercise;
- (e) the clearance of derelict land and buildings in keeping with the best principles of town and country planning;
- (f) the consideration of island planning and the planning of the towns, villages, hamlets, roads, streets and public ways in this island and of matters related thereto;
- (g) co-operation with other non-profit making societies and associations, whether or not incorporate with general purposes compatible with the purposes of the Trust; and
- (h) public interest in the purposes and activities of the Trust.

Officers

The Officers of the Trust during the year are stated on page 1.

Honorary Treasurer's Statement of responsibilities

The Honorary Treasurer is responsible for the preparation of the financial statements for each financial year in accordance with the Trust's Constitution Rules and the accounting policies set out in note 1 to the financial statements.

In preparing these financial statements, the Honorary Treasurer has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that are reasonable and prudent;
- assessed the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- used the going concern basis of accounting unless he either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The Honorary Treasurer is responsible for such internal control as he determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities.

The National Trust of Guernsey

Year ended 31 December 2017

Honorary Treasurer's report - continued

Auditor

A resolution for the re-appointment of KPMG Channel Islands Limited as auditor of the Trust is to be proposed at the forthcoming Annual General Meeting.



C I McCathie

Hon Treasurer

17 August 2018

Independent auditor's report to the Trustees of The National Trust of Guernsey

Qualified opinion

We have audited the financial statements of The National Trust of Guernsey (the "Trust"), which comprise the Balance sheet as at 31 December 2017, the Income and expenditure account and the Statement of movement in reserves for the year then ended and notes, comprising significant accounting policies and other explanatory information. The financial statements have been prepared under the accounting policies set out therein.

In our opinion, except for the possible effect of the matter described in the basis for qualified opinion section of our report, the accompanying financial statements for the year ended 31 December 2017 have been prepared, in all material respects, in accordance with the basis of accounting and accounting policies described in note 1 and the Trust Constitution Rules.

Basis for qualified opinion

In common with other charities of similar size and organisation, the evidence available to us was limited because some of the Trust's recorded income comprises of cash sales and donations of £205,115 which cannot be fully controlled until it is entered into the accounting system and there was no system of control over which we could rely for the purpose of our audit. There were no other satisfactory audit procedures that we could adopt to confirm that cash sales and donations were properly recorded.

We qualified our audit opinion on the financial statements for the year ended 31 December 2016 with regard to this same limitation.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), including ISA (UK) 800, applicable law and the terms of our engagement letter. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Trust in accordance with, UK ethical requirements including FRC Ethical Standards. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of Matter – Special Purpose Basis of Accounting

We draw attention to note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Trust to comply with the provisions of the Trust Constitution Rules. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Independent auditor's report to the Trustees of The National Trust of Guernsey (continued)

Respective responsibilities

Honorary Treasurer's responsibilities

As explained more fully in his statement set out on page 2, the Honorary Treasurer is responsible for: the preparation of the financial statements including being satisfied that they are prepared in accordance with the accounting policies set out in note 1 and the Trust Constitution Rules; such internal control as he determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust'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 he either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of this report and restrictions on its use by persons other than the Trustees as a body

This report is made solely to the trustees, as a body, in accordance with the terms of our engagement letter dated 13 August 2018. Our audit work has been undertaken so that we might state to the Trustees those matters we have been engaged 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 Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

KPMG Channel Islands, Limited
KPMG Channel Islands Limited
Chartered Accountants, Guernsey

Date: 17 August 2018

The National Trust of Guernsey

Income and expenditure account

Year ended 31 December 2017

	Note	2017 £	£	2016 £	£
Incoming resources	<i>1</i>				
Donations - General		1,679		8,431	
Donations - Fermain Tower Appeal		64,096		-	
			65,775		8,431
<i>Activities in furtherance of Trust's objective :</i>					
Annual subscriptions		29,220		27,561	
Rental income - Land		72		72	
- Properties		<u>251,496</u>		<u>239,569</u>	
			280,788		267,202
<i>Activities for generating funds:</i>					
Income from events (inc Quiz)		1,643		2,424	
Viaer Marchi (net)		16,120		11,774	
Cornet Street shop (net)		(9,043)		(8,536)	
Folk Museum and Shop (net)		(38,229)		(31,611)	
Costume collection (net)		(13,116)		(13,336)	
			<u>(42,625)</u>		<u>(39,285)</u>
Total incoming resources			303,938		236,348
Resources expended	<i>1</i>				
<i>Cost of activities in furtherance of Trust's objective :</i>					
Land activities		(21,720)		(22,091)	
Property activities		(182,582)		(177,652)	
Public relations – interpretation/promotion (net)		<u>(9,034)</u>		<u>(7,351)</u>	
			(213,336)		(207,094)
Bank and investment charges		(10,417)		(2,745)	
Administration expenses	<i>2</i>	<u>(43,766)</u>		<u>(44,461)</u>	
Total resources expended			<u>(267,519)</u>		<u>(254,300)</u>
Net income/(expense)			<u>36,419</u>		<u>(17,952)</u>

The trust has no recognised gains and losses other than the net income for the year.

The notes on pages 9 to 11 form an integral part of these financial statements.

The National Trust of Guernsey

Statement of movement in reserves

at 31 December 2017

	<i>Notes</i>	2017 £	2016 £
Net income/(expense) for the year		36,419	(17,952)
Opening revenue reserve		2,512,102	2,530,054
Closing revenue reserve		<u>2,548,521</u>	<u>2,512,102</u>
Other reserves		109,233	109,233
Closing reserves		<u>2,657,754</u>	<u>2,621,335</u>

The National Trust of Guernsey

Balance sheet

at 31 December 2017

	Notes	2017		2016	
		£	£	£	£
Non-Current Assets					
Properties held for preservation	1 & 3		2,879,338		2,838,931
Current assets					
Debtors		250		-	
Trust shops stock at cost	1 & 4	16,701		16,628	
Total		<u>16,951</u>		<u>16,628</u>	
Current liabilities					
Bank overdraft		180,964		182,982	
Trade creditors		30,371		22,042	
Tenants' deposits		27,200		29,200	
Total		<u>238,535</u>		<u>234,224</u>	
Net current (liabilities)/assets			<u>(221,584)</u>		<u>(217,596)</u>
Net assets			<u>2,657,754</u>		<u>2,621,335</u>
Reserves			<u>2,657,754</u>		<u>2,621,335</u>

The financial statements on pages 6 to 11 were approved on 13 August 2018 and are signed by

A J Spruce
President

C I McCathie
Hon Treasurer

The notes on pages 9 to 11 form an integral part of these financial statements.

The National Trust of Guernsey

Year ended 31 December 2017

Notes to the financial statements

1. Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Trust's financial statements:

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Trust Constitution Rules.

The constitution of The National Trust of Guernsey ("Trust") is as set out in The National Trust of Guernsey (Incorporation) Law, 1967, registered on the 19th September 1967 ("Law"). Pursuant to Section 3(1) of the Law, the Trust may from time to time make rules governing the administration of the Trust.

At 31 December 2017, the Trust is in a net current liability position of £221,584 (PY: £217,596) and recorded a surplus of £36,419 (PY: loss of £17,952). The Trust had in place an overdraft facility of £250,000 (PY: £250,000) of which £180,964 (PY: £182,982) of this facility had been drawn down, at 31 December 2017. This facility was repaid in full on 30th April 2018 from the new, secured, 5-year loan facility referred to in Note 5.

In assessing the suitability of the going concern basis of accounting the Trustees have also considered detailed budgeted profitability and cash flow forecasts for the Trust and have prepared the financial statements on a going concern basis as the Trustees believe that the Trust will continue in existence for the foreseeable future. A stable rental income stream is considered sufficient to cover the recurring property expenses of the Trust's property portfolio.

Income

Donations, bequests, legacies, subscriptions and retail income received are recognised on a receipts basis and all other income is included in the income and expenditure account on an accruals basis.

Expenses

Expenses are included in the financial statements on an accruals basis.

Properties

Properties held for preservation are stated at cost. If any additional expenditure is seen to enhance or improve the property then it is capitalised and recognised within the carrying amount of the asset. Additional expenditure classified as repairs and maintenance is expensed in the Income and expenditure account.

Stock

Stocks of goods for resale are included in the balance sheet at the lower of cost and net realisable value.

Overdraft facility

The overdraft limit as at 31 December 2017 had been agreed at £250,000 and carried an interest rate of 2.75% over Bank of England Base Rate from time to time.

The National Trust of Guernsey

Year ended 31 December 2017

Notes to the financial statements - continued

2. Administration expenses

	2017	2016
	£	£
Salaries and social insurance	34,516	31,798
Stationery and printing	4,888	4,097
Secretarial, post and telephone, sundries	2,847	7,176
Training	150	25
Trustee indemnity insurance	<u>1,365</u>	<u>1,365</u>
	<u>43,766</u>	<u>44,461</u>

3. Properties held for preservation

	2017	2016
	£	£
At cost (including renovation expenditure)		
No 26 Cornet Street	304,285	304,285
Le Moulin	242,354	242,354
Esperanza	404,534	404,534
Les Caches	82,124	82,124
Les Caches Barn	307,305	307,305
Les Caches Cider Barn	334,104	334,104
Brockhurst	963,352	958,252
Quanteraine Barn	61,325	61,325
Quanteraine Ford	50,527	48,594
Fermain and Ozanne Towers	42,318	8,944
Magazine at La Jaonneuse	9,617	9,617
Land	<u>77,493</u>	<u>77,493</u>
Total	<u>2,879,338</u>	<u>2,838,931</u>

The National Trust of Guernsey

Year ended 31 December 2017

Notes to the financial statements - continued

4. Shop stocks

	2017	2016
	£	£
Saumarez Park	10,638	10,067
Cornet Street	<u>6,063</u>	<u>6,561</u>
	<u>16,701</u>	<u>16,628</u>

Stocks are valued at the lower of cost and net realisable value.

5. Post balance sheet event

On 24th April 2018 a 5-year loan facility of £520,000 was agreed with Santander UK Plc, secured through a Bond, registered by the Royal Court of Guernsey on 26th April 2018, over two Trust properties (Brockhurst and Esparanza 1 & 2). Interest on the loan is charged at a rate of 2.75% over LIBOR.