

Unaudited Financial Statements for the Year Ended 31 March 2022

for

Argyll And The Isles Tourism
Co-Operative Limited

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Contents of the Financial Statements
for the Year Ended 31 March 2022

	Page
Income Statement	1
Balance Sheet	2
Detailed Income and Expenditure Account	4
Detailed Balance Sheet	5

Argyll And The Isles Tourism
Co-Operative Limited

Income Statement
for the Year Ended 31 March 2022

	31.3.22	31.3.21
	£	£
TURNOVER	484,651	199,956
Other income	36	-
Operational and Delivery Costs	(363,690)	(172,232)
Staff costs	(73,247)	-
Other charges	(46,837)	(28,066)
Taxation	-	-
	<hr/>	<hr/>
SURPLUS/(DEFICIT)	<u>913</u>	<u>(342)</u>

Argyll And The Isles Tourism
Co-Operative Limited (Registered number: SC419216)

Balance Sheet
31 March 2022

	31.3.22		31.3.21
	£	£	£
FIXED ASSETS		5,521	730
CURRENT ASSETS	230,496		187,557
CREDITORS			
Amounts falling due within one year	<u>(234,608)</u>		<u>(187,791)</u>
NET CURRENT LIABILITIES		<u>(4,112)</u>	<u>(234)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,409</u>	<u>496</u>
RESERVES		<u>1,409</u>	<u>496</u>

NOTES TO THE FINANCIAL STATEMENTS

1. STATUTORY INFORMATION

Argyll And The Isles Tourism Co-Operative Limited is a private company, limited by guarantee, registered in Scotland. The company's registered number and registered office address are as below:

Registered number: SC419216

Registered office: 21 Argyll Square
c/o Ainsley Smith & Co
Oban
Argyll
PA34 4AT

2. AVERAGE NUMBER OF EMPLOYEES

The average number of employees during the year was 4 (2021 - NIL).

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2022 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

Argyll And The Isles Tourism
Co-Operative Limited (Registered number: SC419216)

Balance Sheet - continued
31 March 2022

The financial statements have been prepared in accordance with the micro-entity provisions.

The financial statements were approved by the Board of Directors and authorised for issue
on and were signed on its behalf by:

.....
C J Ross - Director

Argyll And The Isles Tourism
Co-Operative Limited

Detailed Income and Expenditure Account
for the Year Ended 31 March 2022

	31.3.22		31.3.21	
	£	£	£	£
Turnover				
Events	-		235	
Memberships	90,142		(7,389)	
Grants	<u>394,509</u>		<u>207,110</u>	
		484,651		199,956
 Cost of sales				
Event Costs	2,300		-	
Media Campaigns	99,444		105,003	
Consultancy	195,754		29,770	
Development & Marine Agents	66,192		37,459	
Wages	<u>73,247</u>		<u>-</u>	
		<u>436,937</u>		<u>172,232</u>
 GROSS SURPLUS		47,714		27,724
 Other income				
Deposit account interest		<u>36</u>		<u>-</u>
		47,750		27,724
 Expenditure				
Insurance	2,176		608	
Computer Costs	13,404		-	
Post and stationery	38		29	
Advertising & Website	14,788		17,540	
Travelling & Subsistence	5,716		7	
Implement repairs	-		315	
Subscriptions	2,615		900	
Licences and insurance	-		1,920	
Sundry expenses	1,195		375	
Accountancy	3,650		3,200	
Professional Fees	<u>3,000</u>		<u>3,000</u>	
		<u>46,582</u>		<u>27,894</u>
		1,168		(170)
 Finance costs				
Bank charges		<u>255</u>		<u>172</u>
 NET SURPLUS/(DEFICIT)		<u>913</u>		<u>(342)</u>

This page does not form part of the statutory financial statements

Argyll And The Isles Tourism
Co-Operative Limited

Detailed Balance Sheet
for the Year Ended 31 March 2022

	31.3.22	31.3.21
	£	£
FIXED ASSETS		
Computer equipment	<u>5,521</u>	<u>730</u>
CURRENT ASSETS		
VAT	8,964	658
Trade debtors	77,215	10,560
Prepayments and accrued income	8,995	8,995
Bank account no. 1	76,389	159,366
Bank account no. 2	<u>58,933</u>	<u>7,978</u>
	<u>230,496</u>	<u>187,557</u>
CREDITORS		
Amounts falling due within one year		
Trade creditors	(15,611)	(25,978)
Grant in Advance	(185,000)	(143,188)
Social security and other taxes	(3,914)	-
Accrued expenses	<u>(30,083)</u>	<u>(18,625)</u>
	<u>(234,608)</u>	<u>(187,791)</u>
NET CURRENT LIABILITIES	<u>(4,112)</u>	<u>(234)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>1,409</u>	<u>496</u>
NET ASSETS	<u>1,409</u>	<u>496</u>
RESERVES		
Income and expenditure account	<u>1,409</u>	<u>496</u>

Chief Executive Report 21/22

INTRODUCTION

AITC operates on a not-for-profit basis meaning all incomes are spent on the provision of services for paying members and on behalf of the destination.

For the last ten years, AITC has operated as a micro business achieving brand recognition and campaign delivery on behalf of the Argyll & Isles destination. In 2020 the board of AITC recognized that relying only on public funding would not deliver the financial sustainability AITC were looking for to enable it to deliver its purpose in the future. A decision was taken to expand the then membership of 10 DMOs and two sectoral groups, to enable businesses to take a direct membership with AITC in exchange for marketing services provision. As a result of the pandemic, Highland and Island Enterprises launched a DMO recovery fund to ensure the continuation of DMOs as a vital resource, particularly for rural destinations. AITC put together a funding request and were successful in achieving a grant of £350k, payable in arrears, over a three-year period (April '21-April '25). This enabled AITC to create, for the first time, a number of employee roles to significantly upweight the destination management activity it was able to provide. Like all DMOs across Scotland, AITC continues to drive towards financial sustainability to enable it to deliver on behalf of its members, communities, and the destination as a whole.

OUR INCOME

Our income is derived from several different sources.

- **HIE Covid Recovery Grant (Year 1)** – From the £350k allocated over 3 years, AITC can claim in arrears, for costs against specific criteria. These are evidenced payments. The claimable amounts for year 1 of the grant were:
 - £78,200 towards operational payroll costs – AITC claimed £54,568*
 - £59,800 for product development costs – AITC claimed £35,839*
 - £82,620 for community engagement costs – AITC claimed £19,382*

**Note that amounts claimed were less than available due to timing of recruitment of core staff and contracting of freelance staff*
- **Specific Grants** – monies received from organisations for the delivery of specific projects with defined outcomes. Grants are fully paid out with payments and outcomes evidenced back to the funder. In the FY 2021 to 2022 AITC received the following in grants:
 - **Argyll & Bute Council** (for the provision of marketing the destination in general and contribution to People Powered Adventures & Global Cycling Network campaigns) – £42,000
 - **Visit Scotland** (Covid recovery grants for the provision of specific marketing campaigns) – two grants totaling £82,000
 - **NatureScot** (for the provision of Above & Below campaign focused on a pilot area of Mid-Argyll) - £30,000
- **Direct Membership Income** – in late 2021, AITC launched its new direct membership offer enabling individual businesses to choose to join AITC as well as their local DMO or Sectoral group. Since its launch, AITC has attracted over 200 businesses paying a range of fees based on business type and size. It has also retained membership from a number of Argyll local DMOs, two sectoral groups and two new BIDs.
 - In FY 2021-2022, AITC achieved £90,142 income in membership fees which are directly invested into marketing activity on behalf of the businesses and the destination as a whole
- **Private project income** – on occasion, AITC are commissioned to undertake a specific paid for marketing project. In FY 2021-2022 we were commissioned to deliver £36,000 worth of projects

OUR EXPENDITURE

Aligned to our HIE grant conditions and increased team capacity, our costs have increased also. Some of these costs are wholly or partially offset by the HIE recovery grant. Here is a summary of our cost drivers:

- Core staff; in FY2021 – 2022, AITC employed 4 FTE. Our board are not remunerated but can claim travel expenses
 - CEO (employed Aug '21 – HIE grant paid 100% of cost)
 - Membership Services Executive (employed Oct '21) – Paid for by membership fees
 - Marketing Executive (employed Aug '21) – Paid for by membership fees
 - Campaign & Content Executive (employed on 12-month contract (Nov '21) – 75% paid for via ScotGrad fund
- Community engagement agents & freelance staff; AITC contract with several freelance staff to support the delivery of our objectives and or marketing & destination management projects. In FY 2021 – 2022, we utilised freelance staff as follows:
 - Programme Manager – paid for via campaign funds
 - AITC Freelance support staff – paid for via a mix of membership fees and HIE grant
 - Community Engagement Agents – paid at 100% via HIE grant
- Marketing & PR; AITC utilises its membership fees and Argyll & Bute Council, Visit Scotland, CalMac and Scotrail campaign funds to deliver against its agreed Marketing strategy. In FY2021 – 2022, AITC prepared and / or delivered the following marketing activity
 - Partnership with Global Cycling Network; wholly funded by CalMac & Argyll & Bute Council
 - Launch of Highland Explorer; wholly funded by Sustrans & Scotrail
 - Part one of People Powered Adventures; wholly funded by Visit Scotland
 - Loch Awe Project (funded by local community & businesses)
 - West Coast Waters; led by AITC and funded through a number of west coast DMOs and CalMac
 - Taste of place trails (funded through membership fees and Visit Scotland)
 - Rail & Trail campaign (funded in part by ScotRail)
 - Oban Summer Marketing campaign (funded by Bid4Oban)
 - Collaborait product development workshops (funded through membership fees and HIE Leadership Fund)
 - Various PR activities; influencer trips, new social media content & advertising for Argyll & the Isles in publications and press
 - Upweighting of Wild About Argyll & Love Oban website content and improving SEO & website navigation to increase reach and useability
- Subscriptions & memberships; AITC are members of organisations to enable it to access their resources and to ensure that Argyll & Isles is wholly represented in terms of policy decisions and funding opportunities. AITC also pays fees to market events across Argyll & the Isles as part of its overall destination promotion.
 - Membership of Scottish Tourism Alliance - £1,200 p.a.
 - Membership of UK Inbound - £1,100 p.a.
 - Partnership with Data Thistle for events promotion – circa £3,500 p.a.

- Operational costs: we work to keep our operational costs to a minimum. To provide destination management and membership services we spend around £53k p.a. on our operating costs (excluding salaries). The drivers of this are:
 - Laptops, software licenses & IT support
 - Website hosting fees and software to manage & communicate membership (Hubspot, Zoom, Xero, GoCardless, Dropbox, Survey Monkey)
 - Bank fees and GoCardless payment costs (1% + £0.20p per transaction, plus 0.3% on all payments above £2,000)
 - Costs associated with staff working from home, travel, and expenses
 - Accountancy fees, ICO licenses and mandatory insurance

SUMMARY

The AITC board, staff and contracted staff are committed to providing value for money for members and a good return on investment on behalf of our funders. We work hard to maximize our incomes which are then re-invested in the delivery of positive impact for our businesses, communities, and the destination as a whole. We would like to thank our members, funders, and supporters without whom we would not be able to continue to deliver