

REGISTERED COMPANY NUMBER: SC261145 (Scotland)
REGISTERED CHARITY NUMBER: SC035193

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016
FOR
THE PAIRC TRUST

WEDNESDAY



S5MAVCDT

SCT 21/12/2016 #207
COMPANIES HOUSE

CIB Services
Chartered Accountants
63 Kenneth Street
Stornoway
Isle of Lewis
Western Isles
HS1 2DS

THE PAIRC TRUST

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FOR THE YEAR ENDED 31 MARCH 2016

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THE PAIRC TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2016. 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 for Smaller Entities (the FRSE) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The main objectives of the charity are:-

- to conserve and regenerate the Pairc area of the Isle of Lewis through social and environmental works for the benefit of the Pairc crofting community;
- to relieve poverty and provide help for the aged, handicapped and infirm and to act otherwise for the benefit of persons of all ages and to advance education and other charitable purposes beneficial to the community;
- to provide or promote the provision of housing for people in necessitous circumstances and also specially designed or adapted housing as may be required for handicapped or disabled or infirm persons of any age;
- to develop or promote the development of infrastructure for the benefit of the general public and the community to improve communications and related facilities throughout the Pairc area including piers, harbours, roads and bridges.

Significant activities

The Pairc Trust took ownership of Pairc Estate on behalf of the community on 4th December 2015. The land cost the community the agreed sum of £500K, VAT of £100K, and slightly less than £100K in both sides legal expenses, the interim auditors costs and various other associated costs. Funding towards the capital costs came from the Scottish Land Fund, Comhairle nan Eilean Siar, and the Muaitheabhal Community Wind Farm Trust, as well as the contribution of our supporters. In addition, HIE are providing all revenue funding for the first two years after purchase. This funding allowed the Trust to employ a full time Administrative Assistant in February 2016 and appoint a Development Manager in March 2016.

Volunteers

The contribution of volunteers (including directors, members and individuals from the community) has been, and continues to be, of immense benefit to the charity in working towards the acquisition of Pairc Estate.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year, the charity:-

- took community ownership of Pairc Estate;
- started the process of improving the quality of life for all residents and crofters in the Estate.

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 trust.

FINANCIAL REVIEW

Principal funding sources

The charity is dependent on grants, donations and fundraising to fund its operational costs. The principal funding sources for the charity during the year were donations and grants from the Comhairle nan Eilean Siar (Western Isles Council) and Highlands and Islands Enterprise. There was also BIG Lottery funding and a MCWFT loan (which may be changed to grant on submission of a robust business plan). Full details of the charity's principal funding sources are included in notes 2 and 3 to the financial statements.

Investment policy and objectives

The charity's reserves are maintained in interest bearing bank accounts as the current level of reserves are required to meet the trust's short term operational requirements.

Reserves policy

During the year the charity's incoming resources exceeded resources expended resulting in a surplus of £204,578 for the period (2015 - surplus of £8,471). Restricted funds total £511,122 as a result.

The sole activity of the charity during the year was the purchase of Pairc Estate. The funds raised were held with the Buyout Fund within Restricted Funds.

THE PAIRC TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016

FUTURE PLANS

The charity's main objectives for the forthcoming year will be to begin the process of improving the quality of life for all residents and crofters in the Estate and to make the Estate financially sustainable.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The trust is a charitable company limited by guarantee, incorporated on 19 December 2003 and registered as a charity with effect from 19 December 2003. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and appointment of new trustees

The directors of the company are also charity trustees for the purposes of charity law.

Under the terms of the Memorandum and Articles of Association the Elected Directors are appointed by the whole body of members at the Annual General Meeting. One third of the Elected Directors must retire by rotation at each Annual General Meeting.

The Board may also invite any Nominated Member of the company to nominate representatives to be appointed as Nominated Directors. Nominated Directors do not require to retire by rotation.

Organisational structure

The board consists of voluntary directors who manage the affairs of the charity through regular board meetings. The charity has reviewed its internal operational structure to assist in the effective management of the organisation. The board members are heavily involved in the day to day operations of the charity. The charity employs a full-time Development Manager and Administrative Assistant who assists in the implementation of decisions from the board.

Induction and training of new trustees

The charity undertakes training for trustees to ensure awareness and understanding of:-

- the responsibilities of directors;
- 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.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC261145 (Scotland)

Registered Charity number

SC035193

Registered office

The Resource Centre
Kershader
Lochs
Isle of Lewis
HS2 9QA

THE PAIRC TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

D J M Macdonald	
A D McDowall	
K Kennedy	- appointed 19.5.16
S J Mortimore	
J N Randall	- resigned 19.5.16
J M Matheson	- appointed 19.5.16
J McLaughlin	
Mrs M Campbell	- resigned 10.8.16
A Wilson	
T I Hollis	- appointed 18.5.15
E Drew	- appointed 24.2.16
	- resigned 19.5.16

Company Secretary

J Ellis

Independent examiner

Calum Macdonald
Chartered Accountant/ICAS
CIB Services
Chartered Accountants
63 Kenneth Street
Stornoway
Isle of Lewis
Western Isles
HS1 2DS

Bankers

Cooperative Bank
PO Box 250
Delf House
Southway
Skelmsdale

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 19.12.16 and signed on its behalf by:


.....
Trustee

K. KENNEDY

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
THE PAIRC TRUST**

I report on the accounts for the year ended 31 March 2016 set out on pages five to thirteen.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under Section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
- to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Calum Macdonald
Chartered Accountant/ICAS
CIB Services
Chartered Accountants
63 Kenneth Street
Stornoway
Isle of Lewis
Western Isles
HS1 2DS

Date: 19/12/16

THE PAIRC TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2016

		Unrestricted fund £	Restricted funds £	31.3.16 Total funds £	31.3.15 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	-	289,348	289,348	41,685
Investment income	3	-	<u>428</u>	<u>428</u>	<u>747</u>
Total		-	289,776	289,776	42,432
EXPENDITURE ON					
Raising funds	4	-	42	42	-
Charitable activities	5				
Charitable expenditure		-	<u>85,156</u>	<u>85,156</u>	<u>33,961</u>
Total		-	85,198	85,198	33,961
NET INCOME		-	204,578	204,578	8,471
RECONCILIATION OF FUNDS					
Total funds brought forward		-	306,544	306,544	298,073
TOTAL FUNDS CARRIED FORWARD		-	<u>511,122</u>	<u>511,122</u>	<u>306,544</u>

The notes form part of these financial statements

THE PAIRC TRUST

BALANCE SHEET
AT 31 MARCH 2016

	Notes	31.3.16 £	31.3.15 £
FIXED ASSETS			
Tangible assets	10	500,000	-
Investments	11	<u>100</u>	-
		500,100	-
CURRENT ASSETS			
Debtors	12	116,381	198
Cash at bank		<u>54,035</u>	<u>307,384</u>
		170,416	307,582
CREDITORS			
Amounts falling due within one year	13	(159,394)	(1,038)
		<u></u>	<u></u>
NET CURRENT ASSETS/(LIABILITIES)		<u>11,022</u>	<u>306,544</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>511,122</u>	<u>306,544</u>
NET ASSETS		<u>511,122</u>	<u>306,544</u>
FUNDS	15		
Restricted funds		<u>511,122</u>	<u>306,544</u>
TOTAL FUNDS		<u>511,122</u>	<u>306,544</u>

The notes form part of these financial statements

THE PAIRC TRUST

BALANCE SHEET - CONTINUED
AT 31 MARCH 2016

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2016.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2016 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that 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 charitable 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 charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Trustees on 19.12.16 and were signed on its behalf by:


.....
Trustee

K. KENNEDY

THE PAIRC TRUST

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2016**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company have been prepared in accordance with the Charities SORP (FRSSE) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015)', the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

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.

Raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

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 accountancy 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.

Land and buildings	- 4% on cost
Plant and machinery etc	- 25% on cost and 20% on cost

Tangible fixed assets are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £100 are not capitalised.

Taxation

The charity is exempt from corporation tax on its charitable activities.

THE PAIRC TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES - continued

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.

2. DONATIONS AND LEGACIES

	31.3.16	31.3.15
	£	£
Donations	300	633
Grants	289,048	40,852
Other income	-	200
	<u>289,348</u>	<u>41,685</u>

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

	31.3.16	31.3.15
	£	£
Highlands & Islands Enterprise	-	40,852
Comhairle nan Eilean Siar	79,000	-
Community Land Scotland	205	-
Scottish Land Fund	209,843	-
	<u>289,048</u>	<u>40,852</u>

3. INVESTMENT INCOME

	31.3.16	31.3.15
	£	£
Bank account interest	428	747

All investment income arises from assets held within the UK.

4. RAISING FUNDS

Raising donations and legacies

	31.3.16	31.3.15
	£	£
Fundraising expenses	42	-

5. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support	Totals
	(See note 6)	costs	
	£	(See note)	£
	£	£	£
Charitable expenditure	<u>84,406</u>	<u>750</u>	<u>85,156</u>

THE PAIRC TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016**

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.3.16	31.3.15
	£	£
Staff costs	6,109	5,184
Insurance	337	336
Telephone	287	240
Postage and stationery	172	454
Advertising	584	-
Community ballot	-	15
Meeting expenses	435	171
Website expenses	25	25
Legal and professional fees	76,407	26,907
General charges	-	5
Bank charges	50	-
	<u>84,406</u>	<u>33,337</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2016 nor for the year ended 31 March 2015.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2016 nor for the year ended 31 March 2015.

8. STAFF COSTS

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

	31.3.16	31.3.15
Charitable activities	<u>1</u>	<u>1</u>

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

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	-	41,685	41,685
Investment income	-	<u>747</u>	<u>747</u>
Total	-	42,432	42,432
EXPENDITURE ON			
Charitable activities			
Charitable expenditure	-	<u>33,961</u>	<u>33,961</u>
Total	-	33,961	33,961
NET INCOME	-	8,471	8,471

THE PAIRC TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	-	298,073	298,073
	_____	_____	_____
TOTAL FUNDS CARRIED FORWARD	_____	<u>306,544</u>	<u>306,544</u>

10. TANGIBLE FIXED ASSETS

	Buildings £	Fixtures and fittings £	Office equipment £	Totals £
COST				
At 1 April 2015	-	998	1,618	2,616
Additions	<u>500,000</u>	-	-	<u>500,000</u>
At 31 March 2016	<u>500,000</u>	<u>998</u>	<u>1,618</u>	<u>502,616</u>
DEPRECIATION				
At 1 April 2015 and 31 March 2016	-	998	1,618	2,616
NET BOOK VALUE				
At 31 March 2016	<u>500,000</u>	-	-	<u>500,000</u>
At 31 March 2015	-	-	-	-

11. FIXED ASSET INVESTMENTS

	Shares in group undertaking s £
MARKET VALUE	
Additions	<u>100</u>
NET BOOK VALUE	
At 31 March 2016	<u>100</u>
At 31 March 2015	-

There were no investment assets outside the UK.

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

THE PAIRC TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016**

11. FIXED ASSET INVESTMENTS - continued

Pairc Trading Limited

Nature of business: Dormant

Class of share:	%
Ordinary	holding 100

	31.3.16	31.3.15
	£	£
Aggregate capital and reserves	<u>100</u>	<u>-</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.16	31.3.15
	£	£
Other debtors	-	57
VAT	<u>116,381</u>	<u>141</u>
	<u>116,381</u>	<u>198</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.16	31.3.15
	£	£
Other loans	<u>158,286</u>	-
Social security and other taxes	258	86
Accrued expenses	<u>850</u>	<u>952</u>
	<u>159,394</u>	<u>1,038</u>

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted funds	31.3.16 Total funds	31.3.15 Total funds
	£	£	£	£
Fixed assets	-	500,000	500,000	-
Investments	100	-	100	-
Current assets	-	170,416	170,416	307,582
Current liabilities	<u>(100)</u>	<u>(159,294)</u>	<u>(159,394)</u>	<u>(1,038)</u>
	<u>-</u>	<u>511,122</u>	<u>511,122</u>	<u>306,544</u>

15. MOVEMENT IN FUNDS

	At 1.4.15	Net movement in funds	At 31.3.16
	£	£	£
Restricted funds			
Estate Buyout Fund	306,544	204,578	511,122
	<u>306,544</u>	<u>204,578</u>	<u>511,122</u>
TOTAL FUNDS	<u>306,544</u>	<u>204,578</u>	<u>511,122</u>

THE PAIRC TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

15. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Restricted funds			
Estate Buyout Fund	289,776	(85,198)	204,578
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>289,776</u>	<u>(85,198)</u>	<u>204,578</u>

FUNDS

General fund

The general fund represents unrestricted funds which the trustees are free to use in accordance with the charitable objects.

Capital grants fund

This represents grants received from funding agencies in respect of specific fixed assets.

Estate Buyout fund

This represents funds raised by the charity to assist with the purchase of Pairc Estate.

16. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2016.

17. LIMITED BY GUARANTEE

The company is limited by guarantee and has no share capital. The liability of each member in the event of the company being wound up is restricted to £1.

18. PERMANENT ENDOWMENTS

The charity does not have any permanent endowments.