

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

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2012
FOR
THE PAIRC TRUST



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 2012

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THE PAIRC TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2012

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 2012. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

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

Trustees

D J M Macdonald	
A D McDowall	
M S Black	- resigned 13.10.11
S J Mortimore	
J N Randall	
I D Begg	- resigned 17.11.11
N Macleod	
J McLaughlin	
A M Morrison	
Mrs M Campbell	- appointed 17.11.11
A Wilson	- appointed 17.11.11

Company Secretary

Mrs M Campbell

Independent Examiner

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

Bankers

Bank of Scotland
47 Cromwell Street
Stornoway
Isle of Lewis
HS1 2DE

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.

THE PAIRC TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2012

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

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.

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 part time Administrative Assistant who assists in the implementation of decisions from the board.

Wider network

The charity has established links with other organisations and agencies to foster the aims and objectives of the organisation.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

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

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

During the year the charity's trustees have continued to work towards the community ownership of Pairc Estate. The Trust's applications made in February 2010 under Part 3 of the Land Reform (Scotland) Act 2003 were approved by the Scottish Government in March 2011. The landlord's appeal against this decision is presently being processed through the courts. In the meantime, discussions were held with the landlord regarding a possible voluntary transfer of the Estate, but no breakthrough had been achieved by end March 2012.

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.

THE PAIRC TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2012

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year, the charity:-

- continued to work towards the community ownership of Pairc Estate;
- secured funding from Highlands and Islands Enterprise and Comhairle nan Eilean Siar to assist with costs associated with the prospective purchase of Pairc Estate;
- employed a part time Administrative Assistant with the assistance of funding from Comhairle nan Eilean Siar;
- continued a fund-raising campaign to assist with the prospective purchase of Pairc 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

Reserves policy

The general fund represents the unrestricted funds from past operating results. It also represents the free reserves of the charity. The Revenue Grants fund represents grants received from funding agencies in respect of revenue costs. The trustees consider that the combined level of reserves in the General fund and Revenue Grants fund at 31 March 2012 is sufficient to meet the charity's operational requirements given the ongoing assistance being received from the public funding agencies.

During the year the charity's incoming resources exceeded resources expended resulting in net income of £15,870 for the period (2011 - net income of £1,591). Following transfers between funds of £1,000, this represents a decrease of £890 in unrestricted funds and an increase of £16,760 in restricted funds. Unrestricted reserves has as a result decreased to £1,267.

The increase in restricted funds relates mainly to funds raised during the year to assist with the prospective purchase of Pairc Estate.

The transfer in funds from unrestricted to restricted funds relates to funds transferred to clear the deficit on the Revenue Grants fund.

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. 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.

FUTURE DEVELOPMENTS

The charity's main objectives for the forthcoming year will be to continue to work towards its aim of community ownership of the Pairc Estate.

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

ON BEHALF OF THE BOARD:



.....
J N Randall - Trustee

Date: 22. 11. 12
.....

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

I report on the accounts of the charity for the year ended 31 March 2012 which are 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 (as amended). 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 independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). 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 seeks explanations from the 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 the course of 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 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.



Name: Calum Macdonald

Relevant Professional qualification/professional body: Chartered Accountant/ICAS

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

Date: 22/11/12

THE PAIRC TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2012**

	Notes	Unrestricted funds £	Restricted funds £	31.3.12 Total funds £	31.3.11 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	202	28,278	28,480	11,743
Activities for generating funds	3	-	-	-	185
Investment income	4	<u>1</u>	<u>-</u>	<u>1</u>	<u>5</u>
Total incoming resources		203	28,278	28,481	11,933
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	5	-	1,364	1,364	-
Charitable activities					
Charitable expenditure	6	93	10,570	10,663	9,691
Governance costs					
	7	<u>-</u>	<u>584</u>	<u>584</u>	<u>651</u>
Total resources expended		93	12,518	12,611	10,342
NET INCOME FOR THE YEAR before transfers					
		110	15,760	15,870	1,591
Gross transfers between funds	15	<u>(1,000)</u>	<u>1,000</u>	<u>-</u>	<u>-</u>
Net income/(expenditure) for the year		(890)	16,760	15,870	1,591
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>2,157</u>	<u>1,578</u>	<u>3,735</u>	<u>2,144</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,267</u>	<u>18,338</u>	<u>19,605</u>	<u>3,735</u>

The notes form part of these financial statements

THE PAIRC TRUST

BALANCE SHEET
AT 31 MARCH 2012

	Notes	31.3.12 £	31.3.11 £
FIXED ASSETS			
Tangible assets	11	-	124
CURRENT ASSETS			
Debtors: amounts falling due within one year	12	72	72
Cash at bank		<u>20,670</u>	<u>4,374</u>
		20,742	4,446
CREDITORS			
Amounts falling due within one year	13	<u>(1,137)</u>	<u>(835)</u>
NET CURRENT ASSETS		<u>19,605</u>	<u>3,611</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		19,605	3,735
NET ASSETS		<u>19,605</u>	<u>3,735</u>
FUNDS	15		
Unrestricted funds		1,267	2,157
Restricted funds		<u>18,338</u>	<u>1,578</u>
TOTAL FUNDS		<u>19,605</u>	<u>3,735</u>

The notes form part of these financial statements

THE PAIRC TRUST
BALANCE SHEET - CONTINUED
AT 31 MARCH 2012

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2012.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2012 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 April 2008).

The financial statements were approved by the Board of Trustees on 22 November 2012 and were signed on its behalf by:



.....
J N Randall - Trustee



.....
Mrs M Campbell - Trustee

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

THE PAIRC TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2012

1. ACCOUNTING POLICIES - continued

Taxation

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. VOLUNTARY INCOME

	31.3.12	31.3.11
	£	£
Donations	21,531	-
Grants	6,747	11,730
Membership fees	-	3
Other income	202	10
	<u>28,480</u>	<u>11,743</u>

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

	31.3.12	31.3.11
	£	£
Highlands & Islands Enterprise	2,997	3,730
Comhairle nan Eilean Siar	2,000	8,000
Comhairle nan Eilean Siar - Ward Priority Fund	1,750	-
	<u>6,747</u>	<u>11,730</u>

3. ACTIVITIES FOR GENERATING FUNDS

	31.3.12	31.3.11
	£	£
Payroll services	-	185

4. INVESTMENT INCOME

	31.3.12	31.3.11
	£	£
Bank account interest	1	5

All investment income arises from assets held within the UK.

5. COSTS OF GENERATING VOLUNTARY INCOME

	31.3.12	31.3.11
	£	£
Fundraising expenses	1,364	-

THE PAIRC TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2012

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support Costs £	Total 31.03.12 £	Total 31.03.11 £
General fund:				
Meeting expenses	-	38	38	32
Sundry expenses	-	55	55	88
	-	93	93	120
Revenue Grants fund:				
Staff costs	5,415	-	5,415	3,563
Rates, water and insurance	-	307	307	279
Light, heat and telephone	-	354	354	337
Repairs and maintenance	-	129	129	-
Postages, stationery and advertising	-	546	546	721
Recruitment expenses	-	365	365	-
Legal fees	3,330	-	3,330	4,144
Community ballot	-	-	-	311
Professional fees	-	-	-	91
Depreciation	124	-	124	125
	8,869	1,701	10,570	9,571
Total	8,869	1,794	10,663	9,691

7. GOVERNANCE COSTS

	31.3.12 £	31.3.11 £
Accountancy	534	600
Legal fees	50	51
	<u>584</u>	<u>651</u>

8. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	31.3.12 £	31.3.11 £
Depreciation - owned assets	<u>124</u>	<u>125</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2012 nor for the year ended 31 March 2011.

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31 March 2012 nor for the year ended 31 March 2011.

THE PAIRC TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2012**

10. STAFF COSTS

	31.3.12	31.3.11
	£	£
Wages and salaries	5,375	3,375
Social security costs	<u>40</u>	<u>188</u>
	<u>5,415</u>	<u>3,563</u>

The average number of employees during the year was 1 (2011 - 1).

11. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Office equipment £	Totals £
COST			
At 1 April 2011 and 31 March 2012	<u>998</u>	<u>1,618</u>	<u>2,616</u>
DEPRECIATION			
At 1 April 2011	998	1,494	2,492
Charge for year	<u>-</u>	<u>124</u>	<u>124</u>
At 31 March 2012	<u>998</u>	<u>1,618</u>	<u>2,616</u>
NET BOOK VALUE			
At 31 March 2012	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2011	<u>-</u>	<u>124</u>	<u>124</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.12	31.3.11
	£	£
Recoverable taxation	<u>72</u>	<u>72</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.12	31.3.11
	£	£
Trade creditors	63	132
Social security and other taxes	151	-
Accrued expenses	<u>923</u>	<u>703</u>
	<u>1,137</u>	<u>835</u>

THE PAIRC TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2012

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	31.3.12 Total funds £	31.3.11 Total funds £
Fixed assets	-	-	-	124
Current assets	1,267	19,475	20,742	4,446
Current liabilities	-	(1,137)	(1,137)	(835)
	<u>1,267</u>	<u>18,338</u>	<u>19,605</u>	<u>3,735</u>

15. MOVEMENT IN FUNDS

	At 1.4.11 £	Net movement in funds £	Transfers between funds £	At 31.3.12 £
Unrestricted funds				
General fund	2,157	110	(1,000)	1,267
Restricted funds				
Revenue Grants fund	1,578	(2,521)	1,000	57
Estate Buyout Fund	-	18,281	-	18,281
	<u>1,578</u>	<u>15,760</u>	<u>1,000</u>	<u>18,338</u>
TOTAL FUNDS	<u>3,735</u>	<u>15,870</u>	<u>-</u>	<u>19,605</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	203	(93)	110
Restricted funds			
Revenue Grants fund	9,997	(12,518)	(2,521)
Estate Buyout Fund	18,281	-	18,281
	<u>28,278</u>	<u>(12,518)</u>	<u>15,760</u>
TOTAL FUNDS	<u>28,481</u>	<u>(12,611)</u>	<u>15,870</u>

THE PAIRC TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2012

15. MOVEMENT IN FUNDS - continued

FUNDS

General fund

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

Revenue Grants fund

This represents grants received from funding agencies detailed in note 2 in respect of revenue costs, principally wages, legal fees and general operating costs.

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.

Transfers between funds

An amount of £1,000 was transferred from unrestricted funds to restricted funds to clear the deficit on the Revenue Grants fund.

16. 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.

17. PERMANENT ENDOWMENTS

The charity does not have any permanent endowments.