

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

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
FOR
THE PAIRC TRUST

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

THURSDAY



THE PAIRC TRUST

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FOR THE YEAR ENDED 31 MARCH 2017

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THE PAIRC TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

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 2017. 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 applicable in the UK and Republic of Ireland (FRS 102) (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

Following the buy-out in December 2015, Pairc Trust appointed a full time Development Manager and Administration Officer. The Trust has established processes to effectively manage the Estate, which includes bringing in-house the crofting administration as well as exploring new development and income-generating opportunities, to benefit the people of Pairc.

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.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year, the charity:

- Carried out community consultations and developed a strategic business plan. The focus of the plan is on increasing the income to the Trust as well as improving the quality of life for all residents and crofters in the Estate;
- Conducted a Housing Needs Analysis of the Estate and purchased an empty property from CnES. This property will be used to provide affordable housing, which will enable people to live in the area who may otherwise be forced to move elsewhere.

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 reliant on grants in order to employ two members of staff on a full time basis. Funding for the posts has come from the Scottish Land Fund and Highlands and Islands Enterprise. Full details of the charity's principal funding sources are included in notes 2 and 3 of the financial statement.

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 deficit of £11,377 for the period (2016 - surplus of £204,578). Restricted funds total £499,489 as a result.

FUTURE PLANS

The charity's main objectives over the following year will be to increase its income and progress towards becoming a self-sustainable organisation, whilst improving the quality of life for all residents and crofters in the Estate.

THE PAIRC TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

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 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

Trustees

D J M Macdonald	- resigned 19.5.16
A D McDowall	
K Kennedy	- appointed 19.5.16
S J Mortimore	
J N Randall	- resigned 19.5.16
J McLaughlin	
Mrs M Campbell	- resigned 10.8.16
A Wilson	
T I Hollis	- resigned 19.5.16
E Drew	- resigned 19.5.16
J M Matheson	- appointed 19.5.16
K Mackay	- appointed 1.6.17

THE PAIRC TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

REFERENCE AND ADMINISTRATIVE DETAILS

Company Secretary

J Ellis

Independent examiner

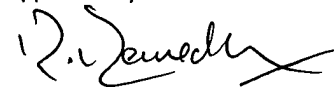
Calum Macdonald
Chartered Accountant/ICAS
CIB Services
Chartered Accountants
63 Kenneth Street
Stornoway
Isle of Lewis
Western Isles
HS1 2DS

Bankers

Cooperative Bank
PO Box 250
Delf House
Southway
Skelmsdale
WN8 6WT

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 3 August 2017 and signed on its behalf by:



K Kennedy - Trustee

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

I report on the accounts for the year ended 31 March 2017 set out on pages five to fourteen.

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.

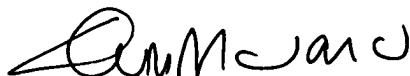
Basis of the independent examiner's report

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 Regulationshave 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: 3 August 2017

THE PAIRC TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2017

		Unrestricted fund	Restricted funds	31.3.17 Total funds	31.3.16 Total funds
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	100	100	200	300
Charitable activities	4				
Charitable activities		25,100	119,816	144,916	289,048
Investment income	3	8,806	-	8,806	428
Total		34,006	119,916	153,922	289,776
EXPENDITURE ON					
Raising funds	5	-	-	-	42
Charitable activities					
Charitable activities		33,750	131,549	165,299	85,156
Total		33,750	131,549	165,299	85,198
NET INCOME/(EXPENDITURE)		256	(11,633)	(11,377)	204,578
RECONCILIATION OF FUNDS					
Total funds brought forward		-	511,122	511,122	306,544
TOTAL FUNDS CARRIED FORWARD		256	499,489	499,745	511,122

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

THE PAIRC TRUST

BALANCE SHEET
AT 31 MARCH 2017

		31.3.17	31.3.16
	Notes	£	£
FIXED ASSETS			
Tangible assets	10	503,436	500,000
Investments	11	<u>100</u>	<u>100</u>
		503,536	500,100
 CURRENT ASSETS			
Debtors	12	3,364	116,381
Cash at bank and in hand		<u>56,627</u>	<u>54,035</u>
		59,991	170,416
 CREDITORS			
Amounts falling due within one year	13	(63,782)	(159,394)
		<u> </u>	<u> </u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(3,791)</u>	<u>11,022</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES		499,745	511,122
		<u> </u>	<u> </u>
NET ASSETS		<u>499,745</u>	<u>511,122</u>
 FUNDS	16		
Unrestricted funds		256	-
Restricted funds		<u>499,489</u>	<u>511,122</u>
TOTAL FUNDS		<u>499,745</u>	<u>511,122</u>

The notes form part of these financial statements

THE PAIRC TRUST
BALANCE SHEET - CONTINUED
AT 31 MARCH 2017

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2017.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2017 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.

The financial statements were approved by the Board of Trustees on 3 August 2017 and were signed on its behalf by:



K Kennedy -Trustee

The notes form part of these financial statements

THE PAIRC TRUST

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2017**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling which is the functional currency of the charity.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The trustees also consider that there are no significant areas of judgements, estimates or key assumptions that affect items in the accounts.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. The policies applied under the charity's previous accounting framework are not materially different to FRS 102 and have not impacted on fund balances or net income/(expenditure). Accordingly no restatements were required.

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.

THE PAIRC TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Buildings	- 4% on cost
Fixtures and fittings	- 20% on cost
Office equipment	- 25% 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.

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.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. DONATIONS AND LEGACIES

	31.3.17	31.3.16
	£	£
Donations	200	300
Other income	<u>-</u>	<u>-</u>
	<u>200</u>	<u>300</u>

3. INVESTMENT INCOME

	31.3.17	31.3.16
	£	£
Rents received	8,755	-
Bank account interest	<u>51</u>	<u>428</u>
	<u>8,806</u>	<u>428</u>

All investment income arises from assets held within the UK.

4. INCOME FROM CHARITABLE ACTIVITIES

	31.3.17	31.3.16
	£	£
Grants	119,816	289,048
Capital receipts	<u>25,100</u>	<u>-</u>
	<u>144,916</u>	<u>289,048</u>

THE PAIRC TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017

4. INCOME FROM CHARITABLE ACTIVITIES - continued

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

	31.3.17	31.3.16
	£	£
Highlands & Islands Enterprise	68,728	-
Comhairle nan Eilean Siar	372	79,000
Community Land Scotland	-	205
Scottish Land Fund	7,728	209,843
Keeping Scotland Beautiful	954	-
Scottish Government	9,533	-
Western Isles Development Fund	10,000	-
Energy Saving Trust	14,641	-
Tesco	6,000	-
Scottish Landfill Communities Fund	1,860	-
	<u>119,816</u>	<u>289,048</u>

5. RAISING FUNDS

Raising donations and legacies

	31.3.17	31.3.16
	£	£
Fundraising expenses	<u>-</u>	<u>42</u>

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.3.17	31.3.16
	£	£
Depreciation - owned assets	<u>1,718</u>	<u>-</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2017 nor for the year ended 31 March 2016.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2017 nor for the year ended 31 March 2016.

8. STAFF COSTS

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

	31.3.17	31.3.16
Charitable activities	<u>2</u>	<u>1</u>

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

THE PAIRC TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017**

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	-	300	300
Charitable activities			
Charitable activities	-	289,048	289,048
Investment income	-	428	428
Total	-	289,776	289,776
 EXPENDITURE ON			
Raising funds	-	42	42
Charitable activities			
Charitable activities	-	85,156	85,156
Total	-	85,198	85,198
 NET INCOME/(EXPENDITURE)	-	204,578	204,578
 RECONCILIATION OF FUNDS			
Total funds brought forward	-	306,544	306,544
 TOTAL FUNDS CARRIED FORWARD	-	511,122	511,122

10. TANGIBLE FIXED ASSETS

	Buildings £	Fixtures and fittings £	Office equipment £	Totals £
COST				
At 1 April 2016	500,000	998	1,618	502,616
Additions	-	-	5,154	5,154
At 31 March 2017	500,000	998	6,772	507,770
 DEPRECIATION				
At 1 April 2016	-	998	1,618	2,616
Charge for year	-	-	1,718	1,718
At 31 March 2017	-	998	3,336	4,334
 NET BOOK VALUE				
At 31 March 2017	500,000	-	3,436	503,436
At 31 March 2016	500,000	-	-	500,000

THE PAIRC TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 April 2016 and 31 March 2017	<u>100</u>
NET BOOK VALUE	
At 31 March 2017	<u>100</u>
At 31 March 2016	<u>100</u>

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:

Pairc Trading Limited

Nature of business: Dormant

	%
Class of share:	holding
Ordinary	100
	31.3.17
	£
Aggregate capital and reserves	<u>100</u>
	31.3.16
	£
	<u>100</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.17	31.3.16
	£	£
VAT	<u>3,364</u>	<u>116,381</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.17	31.3.16
	£	£
Other loans (see note 14)	52,500	158,286
Trade creditors	9,065	-
Social security and other taxes	911	258
Accrued expenses	<u>1,306</u>	<u>850</u>
	<u>63,782</u>	<u>159,394</u>

14. LOANS

An analysis of the maturity of loans is given below:

	31.3.17	31.3.16
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>52,500</u>	<u>158,286</u>

THE PAIRC TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted funds	31.3.17 Total funds	31.3.16 Total funds
	£	£	£	£
Fixed assets	-	503,436	503,436	500,000
Investments	100	-	100	100
Current assets	1,026	58,965	59,991	170,416
Current liabilities	(870)	(62,912)	(63,782)	(159,394)
	<u>256</u>	<u>499,489</u>	<u>499,745</u>	<u>511,122</u>

16. MOVEMENT IN FUNDS

	At 1.4.16 £	Net movement in funds £	At 31.3.17 £
Unrestricted funds			
General fund	-	256	256
Restricted funds			
Revenue Grants fund	-	26,008	26,008
Estate Buyout Fund	<u>511,122</u>	<u>(37,641)</u>	<u>473,481</u>
	<u>511,122</u>	<u>(11,633)</u>	<u>499,489</u>
TOTAL FUNDS	<u>511,122</u>	<u>(11,377)</u>	<u>499,745</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	34,006	(33,750)	256
Restricted funds			
Revenue Grants fund	119,817	(93,809)	26,008
Estate Buyout Fund	<u>99</u>	<u>(37,740)</u>	<u>(37,641)</u>
	<u>119,916</u>	<u>(131,549)</u>	<u>(11,633)</u>
TOTAL FUNDS	<u>153,922</u>	<u>(165,299)</u>	<u>(11,377)</u>

THE PAIRC TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017

16. 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 fund

The revenue fund represents assistance from funding agencies towards specific operational and development costs.

Capital grants fund

The capital grants fund represents assistance 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.

17. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2017.

18. 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.

19. PERMANENT ENDOWMENTS

The charity does not have any permanent endowments.