

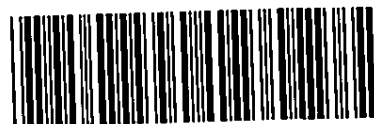
AMENDED

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

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011
FOR
THE PAIRC TRUST

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

MONDAY



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COMPANIES HOUSE

THE PAIRC TRUST

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FOR THE YEAR ENDED 31 MARCH 2011

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THE PAIRC TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2011

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 2011. 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

Kershader
South Lochs
Isle of Lewis
HS2 9QA

Trustees

D J M Macdonald
A D McDowall
M S Black
S J Mortimore
J N Randall
I D Begg
N Macleod
J McLaughlin
A M Morrison

- appointed 30.9.10
- appointed 30.9.10

Company Secretary

I D Begg

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 2011

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 an Office Administrator 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 put out to consultation by The Scottish Government and the Trust responded to comments made.

THE PAIRC TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2011

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:-

- continued to work towards the community ownership of Pairc Estate;
- commented on responses made to the consultation process on the Trust's application under Part 3 of the Land Reform (Scotland) Act 2003.
- secured funding from Highlands & Islands Enterprise to assist with legal fees and associated costs in connection with the prospective purchase of the 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 2011 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 £1,591 for the period (2010 - net expenditure of £9,810). This represents an increase of £85 in unrestricted funds and an increase of £1,506 in restricted funds.

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 grants from the Comhairle nan Eilean Siar (Western Isles Council) and Highlands & 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. The charity also plans to establish a subsidiary company to progress and develop renewable energy projects on the 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:


.....
Trustee **J.N. RANDALL**

Date: **17th November 2011**
.....

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

I report on the accounts for the year ended 31 March 2011 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: 17/11/11

THE PAIRC TRUST
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2011

	Notes	Unrestricted funds £	Restricted funds £	31.3.11 Total funds £	31.3.10 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	15	11,728	11,743	16,824
Activities for generating funds	3	185	-	185	2,034
Investment income	4	5	-	5	5
Other incoming resources		-	-	-	1,011
Total incoming resources		205	11,728	11,933	19,874
RESOURCES EXPENDED					
Charitable activities	5				
Charitable expenditure		120	9,571	9,691	29,091
Governance costs	6	-	651	651	593
Total resources expended		120	10,222	10,342	29,684
NET INCOME/(EXPENDITURE) FOR THE YEAR		85	1,506	1,591	(9,810)
RECONCILIATION OF FUNDS					
Total funds brought forward		2,072	72	2,144	11,954
TOTAL FUNDS CARRIED FORWARD		<u>2,157</u>	<u>1,578</u>	<u>3,735</u>	<u>2,144</u>

The notes form part of these financial statements

THE PAIRC TRUST

BALANCE SHEET
AT 31 MARCH 2011

	Notes	31.3.11 £	31.3.10 £
FIXED ASSETS			
Tangible assets	10	124	249
CURRENT ASSETS			
Debtors: amounts falling due within one year	11	72	5,710
Cash at bank		<u>4,374</u>	<u>2,075</u>
		4,446	7,785
CREDITORS			
Amounts falling due within one year	12	(835)	(5,890)
		<hr/>	<hr/>
NET CURRENT ASSETS		<u>3,611</u>	<u>1,895</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,735</u>	<u>2,144</u>
		<hr/>	<hr/>
NET ASSETS		<u>3,735</u>	<u>2,144</u>
FUNDS	14		
Unrestricted funds		2,157	2,072
Restricted funds		<u>1,578</u>	<u>72</u>
TOTAL FUNDS		<u>3,735</u>	<u>2,144</u>

The notes form part of these financial statements

THE PAIRC TRUST
BALANCE SHEET - CONTINUED
AT 31 MARCH 2011

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2011.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2011 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 17th November 2011 and were signed on its behalf by:



.....
Trustee

J.N. RANDALL

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

Accounting convention

Incoming resources

- Voluntary income is received by way of grants, donations and membership fees and is included in full in the Statement of Financial Activities when receivable. Grant income included in this category provides funding to support activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

- Grants generated to support the objects of the charity and without further specified purpose are taken to the Statement of Financial Activities in that period. Grants received which are related to capital expenditure or are for a specified purpose are transferred to Restricted Funds and are utilised to fund the future depreciation of the related capital expenditure or fund the costs relating to the specified purpose.
- Activities for generating funds includes incoming resources from fundraising activities, payroll services and the Rural Community Housing Pilot which are accounted for when earned.
- Investment income is included when receivable.

Resources expended

Expenditure is accounted for on an accruals basis as a liability is incurred 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. As the charity is not registered for VAT, irrecoverable VAT is charged against the category of resources expended for which it was incurred.

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.

Tangible fixed assets

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

- 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 2011

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. VOLUNTARY INCOME

	31.3.11	31.3.10
	£	£
Grants	11,730	16,745
Membership fees	3	5
Other income	<u>10</u>	<u>74</u>
	<u>11,743</u>	<u>16,824</u>

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

	31.3.11	31.3.10
	£	£
Highlands & Islands Enterprise	3,730	9,061
Comhairle nan Eilean Siar	8,000	6,000
Community Energy Scotland	-	684
Scottish Community Foundation	<u>-</u>	<u>1,000</u>
	<u>11,730</u>	<u>16,745</u>

3. ACTIVITIES FOR GENERATING FUNDS

	31.3.11	31.3.10
	£	£
Payroll services	185	580
Rural Community Housing Pilot	<u>-</u>	<u>1,454</u>
	<u>185</u>	<u>2,034</u>

4. INVESTMENT INCOME

	31.3.11	31.3.10
	£	£
Bank account interest	<u>5</u>	<u>5</u>

All investment income arises from assets held within the UK.

THE PAIRC TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2011**

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support Costs £	Total 31.03.11 £	Total 31.03.10 £
General fund:				
Meeting expenses	-	32	32	102
General expenses	-	88	88	185
	-	120	120	287
Revenue Grants fund:				
Staff costs	3,563	-	3,563	8,992
Rates, water and insurance	-	279	279	285
Light, heat and telephone	-	337	337	708
Postages, stationery and advertising	-	720	720	1,573
Travel and meeting expenses	-	-	-	1,538
Legal fees	4,144	-	4,144	7,845
Community ballot	311	-	311	-
Professional fees	92	-	92	-
Depreciation	125	-	125	125
	8,235	1,336	9,571	21,066
Capital Grants fund:				
Depreciation	-	-	-	68
Grants re assets sold	-	-	-	7,670
	-	-	-	7,738
Total	8,235	1,456	9,691	29,091

6. GOVERNANCE COSTS

	31.3.11 £	31.3.10 £
Accountancy	600	593
Legal and professional fees	51	-
	<u>651</u>	<u>593</u>

7. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	31.3.11 £	31.3.10 £
Depreciation - owned assets	125	193
Surplus on disposal of fixed asset	-	(1,011)

THE PAIRC TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2011**

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2011 nor for the year ended 31 March 2010.

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31 March 2011 (2010 - £1,538).

9. STAFF COSTS

	31.3.11	31.3.10
	£	£
Wages and salaries	3,375	8,554
Social security costs	188	438
	<u>3,563</u>	<u>8,992</u>

The average number of employees during the year was 1 (2010 - 1).

10. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Office equipment £	Totals £
COST			
At 1 April 2010 and 31 March 2011	<u>998</u>	<u>1,618</u>	<u>2,616</u>
DEPRECIATION			
At 1 April 2010	998	1,369	2,367
Charge for year	<u>-</u>	<u>125</u>	<u>125</u>
At 31 March 2011	<u>998</u>	<u>1,494</u>	<u>2,492</u>
NET BOOK VALUE			
At 31 March 2011	<u>-</u>	<u>124</u>	<u>124</u>
At 31 March 2010	<u>-</u>	<u>249</u>	<u>249</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.11	31.3.10
	£	£
Other debtors	-	187
Grants receivable	-	5,216
Recoverable taxation	72	71
Prepayments and accrued income	<u>-</u>	<u>236</u>
	<u>72</u>	<u>5,710</u>

THE PAIRC TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2011**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.11	31.3.10
	£	£
Trade creditors	132	5,012
Accrued expenses	703	878
	<u>835</u>	<u>5,890</u>

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	31.3.11 Total funds	31.3.10 Total funds
	£	£	£	£
Fixed assets	-	124	124	249
Current assets	2,157	2,289	4,446	7,785
Current liabilities	-	(835)	(835)	(5,890)
	<u>2,157</u>	<u>1,578</u>	<u>3,735</u>	<u>2,144</u>

14. MOVEMENT IN FUNDS

	At 1.4.10	Net movement in funds	At 31.3.11
	£	£	£
Unrestricted funds			
General fund	2,072	85	2,157
Restricted funds			
Revenue Grants fund	72	1,506	1,578
	<u>2,144</u>	<u>1,591</u>	<u>3,735</u>
TOTAL FUNDS			

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	205	(120)	85
Restricted funds			
Revenue Grants fund	11,728	(10,222)	1,506
	<u>11,933</u>	<u>(10,342)</u>	<u>1,591</u>
TOTAL FUNDS			

THE PAIRC TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2011

14. 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.

15. CONTINGENT LIABILITIES

Pairc Estate has submitted a claim to The Pairc Trust in the sum of £760,816. This relates to costs incurred by Pairc Estate with regard to the 2005 application by The Pairc Trust under the Land Reform (Scotland) Act 2003. The Pairc Trust does not recognise the claim as valid and it is not included in the financial statements as a liability. The Scottish Government refused the 2005 land application, on the 21st of March 2011, this act transferred ownership of the Pairc Estate's compensation claim to the Scottish Government, who are now dealing with the claim.

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.