

REGISTERED COMPANY NUMBER: SC472722 (Scotland)
REGISTERED CHARITY NUMBER: SC044779

**Report of the Trustees and
Financial Statements for the Year Ended 31 March 2018
for
CARLOWAY ESTATE TRUST (URRAS OIGHREACHD
CHARLABHAIGH)**

Mann Judd Gordon Ltd
Chartered Accountants
26 Lewis Street
Stornoway
Isle of Lewis
HS1 2JF

**CARLOWAY ESTATE TRUST (URRAS OIGHREACHD
CHARLABHAIGH)**

**Contents of the Financial Statements
for the Year Ended 31 March 2018**

	Page
Report of the Trustees	1 to 3
Independent Examiner's Report	4
Statement of Financial Activities	5
Balance Sheet	6 to 7
Notes to the Financial Statements	8 to 13

**CARLOWAY ESTATE TRUST (URRAS OIGHREACHD
CHARLABHAIGH)**

**Report of the Trustees
for the Year Ended 31 March 2018**

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 2018. 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 Company has been formed to benefit the community of Carloway Estate Trust (Urras Oighreachd Charlabhaigh) as defined by the postcode units:

HS2 9EF
HS2 9ED
HS2 9EA
HS2 9DY
HS2 9DX
HS2 9DZ
HS2 9DW
HS2 9AZ
HS2 9AA
HS2 9AY
HS2 9AW
HS2 9AU

with the purposes listed below, to be exercised following the principles of sustainable development (where sustainable development means development which meets the needs of the present without compromising the ability of future generations to meet their own needs)' namely:

To advance community development and advance the regeneration of the postcode areas outlined above through the management of community lands and associated assets for the benefit of the community and the public in general.

To advance environmental protection or improvement including preservation, sustainable development and conservation of the natural environment, the maintenance, improvement or provision of environmental amenities for the Community and/or the preservation of buildings or sites of architectural, historic or other importance to the Community.

Significant activities

The main focus in the year was:

Energy: Working in Partnership with Tighean Innse Gall (TIG) and Urras Oighreachd Ghabhsainn on an energy efficiency project across the estate area. The project offered home energy efficiency advice visits and LED lightbulbs for households across the Estate area. The purchase of the lightbulbs was supported by Western Isles Development Trust and BASF Callanish.

Renewables: A feasibility study has been completed on our behalf to investigate the potential of providing energy directly to Carloway Water Treatment Works. The feasibility study concluded that this project is not possible at present due to local grid constraints.

Bonnet Laird Walk: Our moorland walk continues to be developed and embedded in the community through a successful volunteering project. The project resulted in 14 young people achieve their John Muir Discovery Award. Way-markers have been installed on sections of the Bonnet Laird Walk through grant support from Paths for all.

Greylag Goose Management Scheme: Administering the island wide goose scheme on behalf of Scottish National Heritage (SNH).

**CARLOWAY ESTATE TRUST (URRAS OIGHREACHD
CHARLABHAIGH)**

**Report of the Trustees
for the Year Ended 31 March 2018**

FINANCIAL REVIEW

Principal funding sources

The principal funding sources in the year are as follows:

Highlands and Islands Enterprise - revenue grant

Estate income including croft rents, leases, wayleaves and land sales

Scottish Government's Community and Renewable Energy Scheme (CARES) - Start-Up Grant

Paths for all - Community Path Grant

Scottish National Heritage - Goose Management Project.

Reserves policy

Due to the infancy of the charity, the trustees have not yet formulated a reserves policy.

FUTURE PLANS

Working with other community owned estates to develop a renewables scheme that would provide benefit for all estates, this includes working with Community Energy Scotland and is reliant on an inter-connector to the island.

Working with Callanish Visitor Centre and Historic Environment Scotland to develop a tourism project around Doune Carloway Broch.

Work collaboratively with other organisations to secure the continuation of the goose scheme following the completion of the current scheme.

Working together Urras Oighreachd Ghabhsainn to deliver an energy efficiency project for the community.

Land management issues will include developing the angling sport on Carloway Estate and renewing shooting leases.

The trust will mitigate any risks by retaining skilled directors, planning for succession and encouraging members to stand for election at the AGM.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is a limited company, limited by guarantee, as defined by the Companies Act 2006. It is governed by its articles of association. Following an EGM on 27 July 2016 a special resolution was passed. In future, one half of the elected Trustees (or the nearest number upwards) shall retire from office at each biennial AGM, with retiring Trustees remaining in office until the close of the meeting. A retiring Trustee shall be eligible for re-election.

Recruitment and appointment of new trustees

The Board may be comprised of not less than 5 and not more than 12 Trustees, drawn from the postcode areas specified in the charitable purposes.

Half of the Elected Trustees will retire from office bi-annually at the AGM, with retiring Trustees remaining in office until close of the meeting. Retiring Trustees are eligible for re-election.

Up to 3 individuals may also be co-opted from time to time by the Board, although such Trustees will not be eligible to vote at any Board meetings which he or she attends.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC472722 (Scotland)

Registered Charity number

SC044779

**CARLOWAY ESTATE TRUST (URRAS OIGHREACHD
CHARLABHAIGH)**

**Report of the Trustees
for the Year Ended 31 March 2018**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered office

28b Breascleite
Isle Of Lewis
HS2 9EF

Trustees

A R Fraser	Fish Curer	- resigned 31.10.17
E MacBain	Producer	
A A MacDonald	Retired/crofter	
M N Maciver	Crofter/weaver	
K J MacLennan	Retired/crofter	
I D M Macleod	Retired	
D Macleod	Director	
D Macleod	Director	
I N Macleod	Director	
C M Macmillan	Director	- resigned 31.10.17
E N Reid	Director	
C Neil	Director	- resigned 31.10.17
K Maclean	Trustee	- appointed 31.10.17
N J Macarthur	Mechanic	- appointed 31.10.17
J E Ferguson	Crofter	- appointed 31.10.17

Company Secretary

N MacDonald

Independent examiner

John E Moffat BA FCA
Institute of Chartered Accountants in England & Wales
Mann Judd Gordon Ltd
Chartered Accountants
26 Lewis Street
Stornoway
Isle of Lewis
HS1 2JF

Approved by order of the board of trustees on 31 October 2018 and signed on its behalf by:

K J MacLennan - Trustee

**Independent Examiner's Report to the Trustees of
Carloway Estate Trust (Urras Oighreachd
Charlabhaigh)**

I report on the accounts for the year ended 31 March 2018 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.

John E Moffat BA FCA
Institute of Chartered Accountants in England & Wales
Mann Judd Gordon Ltd
Chartered Accountants
26 Lewis Street
Stornoway
Isle of Lewis
HS1 2JF

31 October 2018

**CARLOWAY ESTATE TRUST (URRAS OIGHREACHD
CHARLABHAIGH)**

**Statement of Financial Activities
for the Year Ended 31 March 2018**

	Notes	Unrestricted fund £	Restricted funds £	31.3.18 Total funds £	31.3.17 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	9,003	29,364	38,367	35,615
Charitable activities					
Charitable activities		7	-	7	7
Other trading activities	3	5,800	-	5,800	6,320
Investment income	4	13,475	-	13,475	13,107
Total		<u>28,285</u>	<u>29,364</u>	<u>57,649</u>	<u>55,049</u>
EXPENDITURE ON					
Charitable activities					
Charitable activities		17,797	41,050	58,847	52,249
Governance Costs		1,230	296	1,526	3,675
Total		<u>19,027</u>	<u>41,346</u>	<u>60,373</u>	<u>55,924</u>
NET INCOME/(EXPENDITURE)		9,258	(11,982)	(2,724)	(875)
Transfers between funds	12	<u>(2,740)</u>	<u>2,740</u>	-	-
Net movement in funds		6,518	(9,242)	(2,724)	(875)
RECONCILIATION OF FUNDS					
Total funds brought forward		24,960	209,604	234,564	235,439
TOTAL FUNDS CARRIED FORWARD		<u>31,478</u>	<u>200,362</u>	<u>231,840</u>	<u>234,564</u>

**CARLOWAY ESTATE TRUST (URRAS OIGHREACHD
CHARLABHAIGH)**

**Balance Sheet
At 31 March 2018**

	Notes	Unrestricted fund £	Restricted funds £	31.3.18 Total funds £	31.3.17 Total funds £
FIXED ASSETS					
Tangible assets	10	-	198,300	198,300	198,300
CURRENT ASSETS					
Cash at bank and in hand		32,349	2,062	34,411	37,135
CREDITORS					
Amounts falling due within one year	11	(871)	-	(871)	(871)
NET CURRENT ASSETS		<u>31,478</u>	<u>2,062</u>	<u>33,540</u>	<u>36,264</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>31,478</u>	<u>200,362</u>	<u>231,840</u>	<u>234,564</u>
NET ASSETS		<u>31,478</u>	<u>200,362</u>	<u>231,840</u>	<u>234,564</u>
FUNDS	12				
Unrestricted funds				31,478	24,960
Restricted funds				<u>200,362</u>	<u>209,604</u>
TOTAL FUNDS				<u>231,840</u>	<u>234,564</u>

**CARLOWAY ESTATE TRUST (URRAS OIGHREACHD
CHARLABHAIGH)**

Balance Sheet - continued

At 31 March 2018

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2018 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 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.
- (b)

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 31 October 2018 and were signed on its behalf by:

K J MacLennan -Trustee

A A MacDonald -Trustee

1. ACCOUNTING POLICIES

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 presentation currency of the financial statements is the Pound Sterling (£).

The financial statements are rounded to the nearest £1.

Going Concern

The Charity is a going concern and there are no material uncertainties casting significant doubt over its ability to continue as a going concern.

Critical accounting judgements and key sources of estimation uncertainty

Fixed asset net book value and depreciation charges are the areas of the accounts which are affected by significant judgements and estimates. The trustees exercise judgement in determining both the useful economic life and the likely residual value of the charity's assets. This judgement affects the rates of and charge for depreciation in the accounts for the year. It also therefore affects the net book value of the assets in the balance sheet.

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.

Tangible fixed assets

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

Freehold property - not provided

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Taxation

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

**CARLOWAY ESTATE TRUST (URRAS OIGHREACHD
CHARLABHAIGH)**

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

1. ACCOUNTING POLICIES - continued

Fund accounting

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

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.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

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

	Unrestricted funds £	Restricted funds £	31.3.18 Total funds £	31.3.17 Total funds £
Donations	5,718	1,500	7,218	308
Grants	<u>3,285</u>	<u>27,864</u>	<u>31,149</u>	<u>35,307</u>
	<u>9,003</u>	<u>29,364</u>	<u>38,367</u>	<u>35,615</u>

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

	31.3.18 £	31.3.17 £
Highlands & Islands Enterprise	26,365	21,558
Community Land Scotland	380	-
Voluntary Action Fund - Volunteering Support Grant towards Bonnet Laird Walk project	-	9,999
Western Isles Development Trust - Lighting Up project	-	3,750
Cares Grant - (SW Project)	2,904	-
Paths4All	<u>1,500</u>	-
	<u>31,149</u>	<u>35,307</u>

3. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.3.18 Total funds £	31.3.17 Total funds £
Lewis & Harris Grey Goose Adaptive Management Project - Co-ordinator fee	<u>5,800</u>	<u>-</u>	<u>5,800</u>	<u>6,320</u>

**CARLOWAY ESTATE TRUST (URRAS OIGHREACHD
CHARLABHAIGH)**

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.3.18 Total funds £	31.3.17 Total funds £
Carloway Estate Income	<u>13,475</u>	<u>-</u>	<u>13,475</u>	<u>13,107</u>

Investment income includes all of the income generated by the estate lands acquired by the Trust.

	2018	2017
Wayleaves	1,212	3,810
Leases	5,707	6,954
Croft Rents	1,931	1,994
Land Sales	4,625	350
Carloway Estate Income	<u>13,475</u>	<u>13,108</u>

5. NET INCOME/(EXPENDITURE)

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

	31.3.18 £	31.3.17 £
Other operating leases	<u>3,000</u>	<u>3,000</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2018 nor for the year ended 31 March 2017.

Trustees' expenses

During the period expenses totalling £862 were reimbursed to Noreen Macdonald for charity costs incurred.

7. STAFF COSTS

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

	31.3.18	31.3.17
Development Officer	<u>-</u>	<u>1</u>

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

8. MATERIAL TRANSFERS

At 31 March 2018 expenditure had been incurred on restricted income projects prior to the funding being received. In order to reflect the position that unrestricted funds had been used to meet the costs until the restricted funding is received a reserve transfer has been reflected in the Statement of Financial Activities for the year. This will be reversed in 2018-19 when the funding has been received.

**CARLOWAY ESTATE TRUST (URRAS OIGHREACHD
CHARLABHAIGH)**

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	308	35,307	35,615
Charitable activities			
Charitable activities	7	-	7
Other trading activities	6,320	-	6,320
Investment income	13,107	-	13,107
Total	<u>19,742</u>	<u>35,307</u>	<u>55,049</u>
EXPENDITURE ON			
Charitable activities			
Charitable activities	7,158	45,091	52,249
Governance Costs	1,211	2,464	3,675
Total	<u>8,369</u>	<u>47,555</u>	<u>55,924</u>
NET INCOME/(EXPENDITURE)	11,373	(12,248)	(875)
Transfers between funds	870	(870)	-
Net movement in funds	12,243	(13,118)	(875)
RECONCILIATION OF FUNDS			
Total funds brought forward	12,718	222,721	235,439
TOTAL FUNDS CARRIED FORWARD	<u>24,961</u>	<u>209,603</u>	<u>234,564</u>

10. TANGIBLE FIXED ASSETS

	Freehold property £
COST	
At 1 April 2017 and 31 March 2018	<u>198,300</u>
NET BOOK VALUE	
At 31 March 2018	<u>198,300</u>
At 31 March 2017	<u>198,300</u>

Included in cost of land and buildings is freehold land of £185,000 (2017 - £185,000) which is not depreciated.

Land and buildings represents the value of land acquired as a result fo the Community Land Buyout from Carloway Estates Limited during the year. The value of the land was £185,000 and the cost in the balance sheet includes the legal fees incurred on the ultimate purchase.

**CARLOWAY ESTATE TRUST (URRAS OIGHREACHD
CHARLABHAIGH)**

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

10. TANGIBLE FIXED ASSETS - continued

No depreciation will be provided on the cost of the land and legal fees held in the balance sheet.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.18	31.3.17
	£	£
Accruals and deferred income	<u>871</u>	<u>871</u>

12. MOVEMENT IN FUNDS

	At 1.4.17 £	Net movement in funds £	Transfers between funds £	At 31.3.18 £
Unrestricted funds				
General fund	24,960	9,258	(2,740)	31,478
Restricted funds				
Restricted Capital Fund	198,300	-	-	198,300
Restricted Revenue Fund	7,554	(10,965)	3,411	-
Voluntary Action Fund Bonnet Laird Walk	-	(14)	14	-
Western Isles Development Fund - Lighting Up	3,750	(1,688)	-	2,062
SLF / HIE Peatlands Seminar	-	685	(685)	-
	<u>209,604</u>	<u>(11,982)</u>	<u>2,740</u>	<u>200,362</u>
TOTAL FUNDS	<u>234,564</u>	<u>(2,724)</u>	<u>-</u>	<u>231,840</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	28,285	(19,027)	9,258
Restricted funds			
Restricted Revenue Fund	24,515	(35,480)	(10,965)
Voluntary Action Fund Bonnet Laird Walk	1,500	(1,514)	(14)
Western Isles Development Fund - Lighting Up	1,500	(3,188)	(1,688)
SLF / HIE Peatlands Seminar	1,849	(1,164)	685
	<u>29,364</u>	<u>(41,346)</u>	<u>(11,982)</u>
TOTAL FUNDS	<u>57,649</u>	<u>(60,373)</u>	<u>(2,724)</u>

**CARLOWAY ESTATE TRUST (URRAS OIGHREACHD
CHARLABHAIGH)**

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

12. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.16 £	Net movement in funds £	Transfers between funds £	At 31.3.17 £
Unrestricted Funds				
General fund	12,718	11,372	870	24,960
Restricted Funds				
Restricted Capital Fund	201,696	-	(3,396)	198,300
Restricted Revenue Fund	21,025	(16,867)	3,396	7,554
Voluntary Action Fund Bonnet Laird Walk	-	870	(870)	-
Western Isles Development Fund - Lighting Up	-	3,750	-	3,750
	<u>222,721</u>	<u>(12,247)</u>	<u>(870)</u>	<u>209,604</u>
TOTAL FUNDS	<u>235,439</u>	<u>(875)</u>	<u>-</u>	<u>234,564</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	19,742	(8,370)	11,372
Restricted funds			
Restricted Capital Fund	348	(348)	-
Restricted Revenue Fund	21,209	(38,076)	(16,867)
Voluntary Action Fund Bonnet Laird Walk	10,000	(9,130)	870
Western Isles Development Fund - Lighting Up	3,750	-	3,750
	<u>35,307</u>	<u>(47,554)</u>	<u>(12,247)</u>
TOTAL FUNDS	<u>55,049</u>	<u>(55,924)</u>	<u>(875)</u>

13. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2018.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.