

**REGISTERED COMPANY NUMBER: SC352223 (Scotland)**

**REGISTERED CHARITY NUMBER: SC040150**

**Report of the Trustees and  
Financial Statements for the Year Ended 31 December 2017  
for  
LOCHSIDE ARENA**

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

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for the Year Ended 31 December 2017**

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**Report of the Trustees  
for the Year Ended 31 December 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 December 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 charitable objectives of the organisation are to advance the interests of education and social welfare of the community in Lewis and Harris by promoting the knowledge of and an interest in a variety of sports and sporting activities, including equitation and the care of horses, and to take steps as may be necessary to attain this purpose.

In the furtherance of these objectives the organisation proposed to build and provide a large indoor recreational facility suitable for a variety of sports and activities, which would be community owned and available for use by various community groups, clubs, organisations, members and individuals. This facility has now been built and is in daily use.

The aims are now to increase the user numbers of the Lochside Arena and to encourage other user groups to make use of the facilities. Several local community groups, together with private individuals book the Arena on a weekly basis.

**Significant activities**

The Facility has maintained close links with the following organisations which use the facility on a regular basis:

Western Isles Branch of the Pony Club  
Lewis and Harris Riding Club  
The Dog Training Club

The Lochside Arena Board welcome other user groups, clubs, and individuals to come and view the Arena facilities, and actively encourage users throughout the Western Isles to make full use of the Arena and its facilities.

**ACHIEVEMENT AND PERFORMANCE**

**Arena Utilisation**

We have managed to further reduce the hire fees for all and membership fees for concessions to help increase the number of users of the facility from all backgrounds. We have also offered further subsidised coaching sessions and successfully hosted a regional dressage final for the second year in succession.

**FINANCIAL REVIEW**

**Reserves policy**

The focus for 2016 was ensuring that the facility maintained a sound financial base whilst reviewing where best to utilise any additional reserves when the existing unsecured loan is repaid. Current plans include the creation of a part time caretaker position and the consideration of creating a food preparation area and additional pens. Further upgrades to the surface will also be considered.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

**Induction and training of new trustees**

On appointment, new trustees will be fully instructed on the aims and objects and the methods of operation of the charity.

**Governance**

Work has been undertaken to review internal processes, policies and procedures. A Trustees Code of Conduct has been adopted as well as other policies to support financial control, and improve overall governance of Lochside Arena.

**Report of the Trustees  
for the Year Ended 31 December 2017**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

SC352223 (Scotland)

**Registered Charity number**

SC040150

**Registered office**

24-26 Lewis Street

Stornoway

Isle of Lewis

HS1 2JF

**Trustees**

R P Fellows

Ms E M Howey

Mrs L S Maclean

Mrs M Macleod

Mrs D G Morrison

Engineer

None

Estate Manager

Care Coordinator

HR Adviser

**Company Secretary**

**Independent examiner**

Mann Judd Gordon Ltd

Chartered Accountants

26 Lewis Street

Stornoway

Isle of Lewis

HS1 2JF

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 22 September 2018 and signed on its behalf by:

R P Fellows - Trustee

**Independent Examiner's Report to the Trustees of  
Lochside Arena**

I report on the accounts for the year ended 31 December 2017 set out on pages four to twelve.

**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

Date: .....

**Statement of Financial Activities  
for the Year Ended 31 December 2017**

	Notes	Unrestricted fund £	Restricted fund £	Year Ended 31.12.17 Total funds £	Period 1.1.15 to 31.12.16 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	11,531	-	11,531	13,615
<b>Charitable activities</b>					
Charitable		2,673	-	2,673	2,560
Other trading activities	3	<u>3,363</u>	<u>-</u>	<u>3,363</u>	<u>3,170</u>
<b>Total</b>		<u>17,567</u>	<u>-</u>	<u>17,567</u>	<u>19,345</u>
<b>EXPENDITURE ON</b>					
Raising funds		2,701	-	2,701	3,117
<b>Charitable activities</b>					
Charitable		<u>12,838</u>	<u>15,100</u>	<u>27,938</u>	<u>29,690</u>
<b>Total</b>		<u>15,539</u>	<u>15,100</u>	<u>30,639</u>	<u>32,807</u>
<b>NET INCOME/(EXPENDITURE)</b>		2,028	(15,100)	(13,072)	(13,462)
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<u>36,643</u>	<u>391,379</u>	<u>428,022</u>	<u>441,484</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>38,671</u>	<u>376,279</u>	<u>414,950</u>	<u>428,022</u>

**LOCHSIDE ARENA**

**Balance Sheet  
At 31 December 2017**

	Notes	Unrestricted fund £	Restricted fund £	31.12.17 Total funds £	31.12.16 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	8	31,865	376,279	408,144	427,033
<b>CURRENT ASSETS</b>					
Debtors	9	2,565	-	2,565	1,173
Cash at bank and in hand		<u>7,061</u>	<u>-</u>	<u>7,061</u>	<u>4,908</u>
		9,626	-	9,626	6,081
<b>CREDITORS</b>					
Amounts falling due within one year	10	(2,820)	-	(2,820)	(2,774)
<b>NET CURRENT ASSETS</b>		<u>6,806</u>	<u>-</u>	<u>6,806</u>	<u>3,307</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		38,671	376,279	414,950	430,340
<b>CREDITORS</b>					
Amounts falling due after more than one year	11	-	-	-	(2,318)
<b>NET ASSETS</b>		<u>38,671</u>	<u>376,279</u>	<u>414,950</u>	<u>428,022</u>
<b>FUNDS</b>					
Unrestricted funds	13			38,671	36,643
Restricted funds				<u>376,279</u>	<u>391,379</u>
<b>TOTAL FUNDS</b>				<u>414,950</u>	<u>428,022</u>

**Balance Sheet - continued**

**At 31 December 2017**

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

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 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 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 22 September 2018 and were signed on its behalf by:

R P Fellows -Trustee



**Notes to the Financial Statements  
for the Year Ended 31 December 2017**

**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.

**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**

Tangible fixed assets are depreciated over their useful economic lives at the following rates:

Short leasehold property - straightline over the term of the lease

Plant and Machinery - 25% straightline

Fixtures & fittings - 20% straightline

**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.

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**

	Unrestricted funds	Restricted funds	Year Ended 31.12.17 Total funds	Period 1.1.15 to 31.12.16 Total funds
	£	£	£	£
Donations	550	-	550	744
Membership fees	1,312	-	1,312	1,535
Admissions	9,669	-	9,669	11,336
	<u>11,531</u>	<u>-</u>	<u>11,531</u>	<u>13,615</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2017

3. OTHER TRADING ACTIVITIES

			Year Ended	Period
	Unrestricted	Restricted	31.12.17	1.1.15
	funds	funds	Total	to
	£	£	funds	31.12.16
			£	Total
				funds
				£
Fundraising events	110	-	110	167
Tuck shop income	-	-	-	22
Dressage competitions	<u>3,253</u>	-	<u>3,253</u>	<u>2,981</u>
	<u>3,363</u>	<u>-</u>	<u>3,363</u>	<u>3,170</u>

4. NET INCOME/(EXPENDITURE)

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

	Year Ended	Period
	31.12.17	1.1.15
	£	to
		31.12.16
		£
Depreciation - owned assets	<u>18,889</u>	<u>19,442</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

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

**Trustees' expenses**

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

6. STAFF COSTS

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

	Year Ended	Period
	31.12.17	1.1.15
		to
		31.12.16
Caretaker	<u>1</u>	<u>-</u>

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

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2017**

**7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	13,615	-	13,615
<b>Charitable activities</b>			
Charitable	2,560	-	2,560
Other trading activities	3,170	-	3,170
<b>Total</b>	<u>19,345</u>	<u>-</u>	<u>19,345</u>
<b>EXPENDITURE ON</b>			
Raising funds	3,117	-	3,117
<b>Charitable activities</b>			
Charitable	14,590	15,100	29,690
<b>Total</b>	<u>17,707</u>	<u>15,100</u>	<u>32,807</u>
<b>NET INCOME/(EXPENDITURE)</b>	1,638	(15,100)	(13,462)
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	<u>35,005</u>	<u>406,479</u>	<u>441,484</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u><u>36,643</u></u>	<u><u>391,379</u></u>	<u><u>428,022</u></u>

**8. TANGIBLE FIXED ASSETS**

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST</b>				
At 1 January 2017 and 31 December 2017	<u>482,853</u>	<u>3,231</u>	<u>12,264</u>	<u>498,348</u>
<b>DEPRECIATION</b>				
At 1 January 2017	64,933	2,209	4,173	71,315
Charge for year	<u>16,095</u>	<u>341</u>	<u>2,453</u>	<u>18,889</u>
At 31 December 2017	<u>81,028</u>	<u>2,550</u>	<u>6,626</u>	<u>90,204</u>
<b>NET BOOK VALUE</b>				
At 31 December 2017	<u>401,825</u>	<u>681</u>	<u>5,638</u>	<u>408,144</u>
At 31 December 2016	<u>417,920</u>	<u>1,022</u>	<u>8,091</u>	<u>427,033</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2017

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.17	31.12.16
	£	£
Trade debtors	526	199
Paypal	2,039	974
	<u>2,565</u>	<u>1,173</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.17	31.12.16
	£	£
Bank loans and overdrafts (see note 12)	2,124	2,168
Trade creditors	123	206
Wages control account	173	-
Accrued expenses	400	400
	<u>2,820</u>	<u>2,774</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.17	31.12.16
	£	£
Bank loans (see note 12)	<u>-</u>	<u>2,318</u>

12. LOANS

An analysis of the maturity of loans is given below:

	31.12.17	31.12.16
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>2,124</u>	<u>2,168</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>-</u>	<u>2,318</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2017

13. MOVEMENT IN FUNDS

	At 1.1.17 £	Net movement in funds £	At 31.12.17 £
<b>Unrestricted funds</b>			
General fund	36,643	2,028	38,671
<b>Restricted funds</b>			
Restricted funding	391,379	(15,100)	376,279
<b>TOTAL FUNDS</b>	<u>428,022</u>	<u>(13,072)</u>	<u>414,950</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	17,567	(15,539)	2,028
<b>Restricted funds</b>			
Restricted funding	-	(15,100)	(15,100)
<b>TOTAL FUNDS</b>	<u>17,567</u>	<u>(30,639)</u>	<u>(13,072)</u>

Comparatives for movement in funds

	At 1.1.15 £	Net movement in funds £	At 31.12.16 £
<b>Unrestricted Funds</b>			
General fund	35,005	1,638	36,643
<b>Restricted Funds</b>			
Restricted funding	406,479	(15,100)	391,379
<b>TOTAL FUNDS</b>	<u>441,484</u>	<u>(13,462)</u>	<u>428,022</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2017**

**13. MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	19,345	(17,707)	1,638
<b>Restricted funds</b>			
Restricted funding	-	(15,100)	(15,100)
<b>TOTAL FUNDS</b>	<u>19,345</u>	<u>(32,807)</u>	<u>(13,462)</u>

**14. RELATED PARTY DISCLOSURES**

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

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.