

REGISTERED COMPANY NUMBER: SC352223 (Scotland)
REGISTERED CHARITY NUMBER: SC040150

**Report of the Trustees and
Financial Statements for the Year Ended 31 December 2018
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 2018**

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LOCHSIDE ARENA

Report of the Trustees for the Year Ended 31 December 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 December 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 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 closed 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
Various dog obedience groups
The British Horse Society
British Dressage

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

2018 was broadly in line with 2017 for Arena Utilisation. This was maintained by the competitive process and sporting membership being available to members of local groups.

FINANCIAL REVIEW

Reserves policy

As per 2017, 2018 was very much a year of consolidation to strengthen the Arena's financial position to allow further improvements.

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.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC352223 (Scotland)

LOCHSIDE ARENA

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

REFERENCE AND ADMINISTRATIVE DETAILS

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 - resigned 25.3.19
Mrs M Macleod
Mrs D G Morrison
Miss M Macleod - appointed 25.3.19

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 21st September 2019 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 2018 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 (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 the independent examiner's report

My examination was 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 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 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 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

23 September 2019

LOCHSIDE ARENA

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

	Notes	Unrestricted fund £	Restricted fund £	31.12.18 Total funds £	31.12.17 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	9,939	-	9,939	11,531
Charitable activities					
Charitable		2,952	-	2,952	2,673
Other trading activities	3	<u>2,630</u>	<u>-</u>	<u>2,630</u>	<u>3,363</u>
Total		15,521	-	15,521	17,567
EXPENDITURE ON					
Raising funds		2,165	-	2,165	2,701
Charitable activities					
Charitable		<u>17,159</u>	<u>15,100</u>	<u>32,259</u>	<u>27,938</u>
Total		19,324	15,100	34,424	30,639
NET INCOME/(EXPENDITURE)		(3,803)	(15,100)	(18,903)	(13,072)
RECONCILIATION OF FUNDS					
Total funds brought forward		38,671	376,279	414,950	428,022
TOTAL FUNDS CARRIED FORWARD		<u>34,868</u>	<u>361,179</u>	<u>396,047</u>	<u>414,950</u>

The notes form part of these financial statements

LOCHSIDE ARENA

**Balance Sheet
At 31 December 2018**

	Notes	Unrestricted fund £	Restricted fund £	31.12.18 Total funds £	31.12.17 Total funds £
FIXED ASSETS					
Tangible assets	8	28,385	361,179	389,564	408,144
CURRENT ASSETS					
Debtors	9	3,084	-	3,084	2,565
Cash at bank and in hand		<u>3,799</u>	<u>-</u>	<u>3,799</u>	<u>7,061</u>
		6,883	-	6,883	9,626
CREDITORS					
Amounts falling due within one year	10	(400)	-	(400)	(2,820)
NET CURRENT ASSETS		<u>6,483</u>	<u>-</u>	<u>6,483</u>	<u>6,806</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>34,868</u>	<u>361,179</u>	<u>396,047</u>	<u>414,950</u>
NET ASSETS		<u><u>34,868</u></u>	<u><u>361,179</u></u>	<u><u>396,047</u></u>	<u><u>414,950</u></u>
FUNDS					
Unrestricted funds	12			34,868	38,671
Restricted funds				<u>361,179</u>	<u>376,279</u>
TOTAL FUNDS				<u><u>396,047</u></u>	<u><u>414,950</u></u>

The notes form part of these financial statements

Balance Sheet - continued
At 31 December 2018

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

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 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
- (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 provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees on 21st September 2019 and were signed on its behalf by:



.....
R P Fellows -Trustee

**Notes to the Financial Statements
for the Year Ended 31 December 2018**

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.

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 £	31.12.18 Total funds £	31.12.17 Total funds £
Donations	513	-	513	550
Membership fees	597	-	597	1,312
Admissions	<u>8,829</u>	<u>-</u>	<u>8,829</u>	<u>9,669</u>
	<u>9,939</u>	<u>-</u>	<u>9,939</u>	<u>11,531</u>

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

3. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.12.18 Total funds £	31.12.17 Total funds £
Fundraising events	-	-	-	110
Dressage competitions	<u>2,630</u>	<u>-</u>	<u>2,630</u>	<u>3,253</u>
	<u>2,630</u>	<u>-</u>	<u>2,630</u>	<u>3,363</u>

4. NET INCOME/(EXPENDITURE)

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

	31.12.18 £	31.12.17 £
Depreciation - owned assets	<u>18,580</u>	<u>18,889</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2018 nor for the year ended 31 December 2017.

6. STAFF COSTS

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

	31.12.18	31.12.17
Caretaker	<u>-</u>	<u>1</u>

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

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	11,531	-	11,531
Charitable activities			
Charitable	2,673	-	2,673
Other trading activities	<u>3,363</u>	<u>-</u>	<u>3,363</u>
Total	17,567	-	17,567

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

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted fund £	Total funds £
EXPENDITURE ON			
Raising funds	2,701	-	2,701
Charitable activities			
Charitable	<u>12,838</u>	<u>15,100</u>	<u>27,938</u>
Total	<u>15,539</u>	<u>15,100</u>	<u>30,639</u>
NET INCOME/(EXPENDITURE)	2,028	(15,100)	(13,072)
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>36,643</u>	<u>391,379</u>	<u>428,022</u>
TOTAL FUNDS CARRIED FORWARD	<u>38,671</u>	<u>376,279</u>	<u>414,950</u>

8. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 January 2018 and 31 December 2018	<u>482,853</u>	<u>3,231</u>	<u>12,264</u>	<u>498,348</u>
DEPRECIATION				
At 1 January 2018	81,028	2,550	6,626	90,204
Charge for year	<u>16,095</u>	<u>170</u>	<u>2,315</u>	<u>18,580</u>
At 31 December 2018	<u>97,123</u>	<u>2,720</u>	<u>8,941</u>	<u>108,784</u>
NET BOOK VALUE				
At 31 December 2018	<u>385,730</u>	<u>511</u>	<u>3,323</u>	<u>389,564</u>
At 31 December 2017	<u>401,825</u>	<u>681</u>	<u>5,638</u>	<u>408,144</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.18 £	31.12.17 £
Trade debtors	182	526
Paypal	<u>2,902</u>	<u>2,039</u>
	<u>3,084</u>	<u>2,565</u>

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

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.18	31.12.17
	£	£
Bank loans and overdrafts (see note 11)	-	2,124
Trade creditors	-	123
Wages control account	-	173
Accrued expenses	<u>400</u>	<u>400</u>
	<u>400</u>	<u>2,820</u>

11. LOANS

An analysis of the maturity of loans is given below:

	31.12.18	31.12.17
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>-</u>	<u>2,124</u>

12. MOVEMENT IN FUNDS

	At 1.1.18	Net movement in funds	At 31.12.18
	£	£	£
Unrestricted funds			
General fund	38,671	(3,803)	34,868
Restricted funds			
Restricted funding	<u>376,279</u>	<u>(15,100)</u>	<u>361,179</u>
TOTAL FUNDS	<u>414,950</u>	<u>(18,903)</u>	<u>396,047</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	15,521	(19,324)	(3,803)
Restricted funds			
Restricted funding	<u>-</u>	<u>(15,100)</u>	<u>(15,100)</u>
TOTAL FUNDS	<u>15,521</u>	<u>(34,424)</u>	<u>(18,903)</u>

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

12. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

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

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

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

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.17 £	Net movement in funds £	At 31.12.18 £
Unrestricted funds			
General fund	36,643	(1,775)	34,868
Restricted funds			
Restricted funding	391,379	(30,200)	361,179
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>428,022</u>	<u>(31,975)</u>	<u>396,047</u>

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

12. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	33,088	(34,863)	(1,775)
Restricted funds			
Restricted funding	<u>-</u>	<u>(30,200)</u>	<u>(30,200)</u>
TOTAL FUNDS	<u>33,088</u>	<u>(65,063)</u>	<u>(31,975)</u>

13. RELATED PARTY DISCLOSURES

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

LOCHSIDE ARENA

Detailed Statement of Financial Activities
for the Year Ended 31 December 2018

	Unrestricted funds £	Restricted funds £	31.12.18 Total funds £	31.12.17 Total funds £
INCOME AND ENDOWMENTS				
Donations and legacies				
Donations	513	-	513	550
Membership fees	597	-	597	1,312
Admissions	<u>8,829</u>	<u>-</u>	<u>8,829</u>	<u>9,669</u>
	9,939	-	9,939	11,531
Other trading activities				
Fundraising events	-	-	-	110
Dressage competitions	<u>2,630</u>	<u>-</u>	<u>2,630</u>	<u>3,253</u>
	2,630	-	2,630	3,363
Charitable activities				
Coaching income - subsidised	<u>2,952</u>	<u>-</u>	<u>2,952</u>	<u>2,673</u>
Total incoming resources	15,521	-	15,521	17,567
EXPENDITURE				
Other trading activities				
Dressage competition costs	2,165	-	2,165	2,701
Charitable activities				
Wages	2,383	-	2,383	1,083
Insurance	1,184	-	1,184	882
Light and heat	1,186	-	1,186	1,349
Sundries	-	-	-	185
Annual return fee	13	-	13	13
Membership fees	285	-	285	358
Repairs	4,253	-	4,253	-
Licenses	87	-	87	190
Arena surface	-	-	-	154
Bank charges	315	-	315	537
IT Systems	423	-	423	495
Coaching costs - subsidised	3,130	-	3,130	3,383
Short leasehold depreciation	995	15,100	16,095	16,095
Plant and machinery depreciation	170	-	170	341
Fixtures & fittings depreciation	<u>2,315</u>	<u>-</u>	<u>2,315</u>	<u>2,453</u>
	16,739	15,100	31,839	27,518
Support costs				
Governance costs				
Accountancy and legal fees	<u>420</u>	<u>-</u>	<u>420</u>	<u>420</u>
Total resources expended	19,324	15,100	34,424	30,639

This page does not form part of the statutory financial statements

**Detailed Statement of Financial Activities
for the Year Ended 31 December 2018**

	Unrestricted funds £	Restricted funds £	31.12.18 Total funds £	31.12.17 Total funds £
	_____	_____	_____	_____
Net expenditure	<u><u>(3,803)</u></u>	<u><u>(15,100)</u></u>	<u><u>(18,903)</u></u>	<u><u>(13,072)</u></u>