

COTHROM
REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR
ENDED
31 MARCH 2011

Nicolson Accountancy
Chartered Accountants
49/50 Bayhead
Stornoway
Isle of Lewis
Western Isles
HS1 2DZ

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for the Year Ended 31 March 2011**

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**CHAIRMAN'S REPORT
for the Year Ended 31 March 2011**

I would like to take this opportunity to welcome you to the 17th Annual General Meeting of Cothrom.

Each year that I sit in front of my laptop attempting to summarise the work of Cothrom, I'm always struck by the extent and range of the work undertaken by this organisation. It's a difficult task to condense the activities and experiences that have taken place over the past year and present them in a few hundred words.

However what can be said with a great deal of certainty is that 2010/11 has been in many respects both a challenging and difficult year, but a year which has also been characterised by some exciting new developments alongside the continuing development and consolidation of our core training activities. We have been working in difficult conditions. Funding squeezes, depressed trading conditions and declining family incomes have all impacted on the work of Cothrom. Cothrom's collective response to these difficulties has been positive and outward looking.

In the past two Reports I identified three major development challenges - securing optimum performance from the Ormiclate centre, the development and relocation of the Re-Store facility and the securing of long term revenue funding for the Nursery from Comhairle nan Eilean Siar.

I am delighted to report that there are no outstanding issues with the building, a range of maintenance contracts has been agreed and the Feed in Tariff system is working well. Progress was also made on the Building Feasibility and Business plan for Re - Store which continues to expand its own income generating capacity. We also received an additional revenue grant of £15,000 from the Childcare Partnership Fund to partially offset the Nursery deficit for 2010-11. Whilst very welcome we need to establish a commitment from the Comhairle to secure more funding for the Nursery on more than an ad hoc, retrospective basis and to develop the Nursery as a Family Learning Centre.

Our primary task has always been the provision of learning, training and employability opportunities supported by quality childcare. In 2010-11 150 students attended training at Cothrom, whilst an additional 86 students attended evening classes organised by Cothrom at its own training centre or elsewhere. Of the 150 students attending training courses 92% were successful in securing at least one learning outcome. Of the 40 SVQ students enrolled in 2010-11, 95% were successful. For a number of these students attendance at Cothrom would not have been possible without the existence of an on site nursery. In a wider community context the Nursery remains crucial in the development and well being of local pre school children and their families.

An important addition to Cothrom's portfolio of services has been the HILLS project. Secured through competitive tender in May 2010, the Hebridean Independent Living and Learning Service programme supports those with learning, physical or mental health needs to develop skills to live more independently and progress into employment, volunteering or further training opportunities.

"Third Sector" activities have continued apace. The Enterprising Young People's programme, social enterprise and mentoring training activities and Cothrom's own organisational development programme continued throughout the year. Of particular importance in this last area has been the development of a social audit process which will identify the social, economic, environmental and financial impact Cothrom has on its community.

We have continued to develop our partnership working throughout 2010/11. Active partners have included Comhairle nan Eilean Siar, Bòrd na Gàidhlig, Sabhal Mòr Ostaig, Job Centre Plus, Skills Development Scotland, the Alcohol and Drugs Partnership, the Adult Learning Action Team and the Social Enterprise Academy. Close working relationships also exist between local and national partners such as SHARE, the local thrift shop, Third Sector Hebrides, Advocacy Uist and Barra, the Befriending and Volunteering networks, Tagsa Uibhist, Urachadh Uibhist, Sustainable Uist, Wool Development Group, New Economics Foundation, Social Audit Network and the Scottish Mentoring Network.

A special mention is reserved for our local employers who, in difficult times, continue to provide work placements for students. Without their help it would be impossible for some students to progress their skills

The financial statements presented in this report are reflective of a difficult trading year. Net income has fallen from a surplus of £5,940 in 2009/10 to a deficit of £13,379 on general funds in 2010/11, plus a deficit on the building fund due to depreciation of £26,923. Much of this decline is directly attributable to the reduction in training income - particularly funding provided through National programmes such as Training for Work and Modern Apprenticeships - and the Nursery deficit

Good financial stewardship is a prerequisite of sustainability. We continue to face tough times so we need to decrease our cost base as well as increasing the value of existing income streams and the identification of new ones. Our aim to generate 80% of our income from non grant sources within the next five years still remains an ambition.

**CHAIRMAN'S REPORT
for the Year Ended 31 March 2011**

Finally, I would like to acknowledge the hard work and commitment of all staff, students, volunteers and directors who have been involved in the day to day activities and development of Cothrom throughout 2010/11. I would further like to thank all our funders, stakeholders and friends for their support over the year. A warm welcome to all new members of staff and a similarly warm thank you to all Cothrom staff who have moved on to other opportunities.

**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

142456 (Scotland)

Registered Charity number

SC020879

Registered office

Ormiclate
South Uist
HS8 5SB

Trustees

Neil MacDonald	Head of Uist & Barra Learning Community	
David Blaney	Retired Bank Officer	
Gordon Wells	Gaelic Development Sabhal Mór Ostaig	
John Huson	Retired Business Support Officer	
Sarah MacLean	Small Business Owner	- appointed 29.9.10
Lorna MacLeod	Finance Administration, Storas Uibhist	- appointed 29.9.10
Isobel F MacDonald	Retired HIE Development Manager	- appointed 29.9.10
Alexander Sinclair	Accountant	- resigned 29.9.10
Alan Graham	Hotelier	- resigned 29.9.10
Helen MacLean	Retired	- resigned 29.9.10

**REPORT OF THE TRUSTEES
for the Year Ended 31 March 2011**

REFERENCE AND ADMINISTRATIVE DETAILS

Staff

Barbara MacDonald	Manager
Tiag MacInnes	Financial Manager
Avril Campbell	Re-Store Project Co-ordinator
Agnes MacDonald	Training Co-ordinator
Janice MacKay	Nursery Manager
Morag MacKinnon	Assistant Nursery Manager
Donna Beaton	Nursery Assistant
Marissa MacPhee	Nursery Assistant
Mairead MacCormick	Relief Nursery Assistant
Shona MacKay	Nursery Assistant
Thomas Fisher	Enterprise Development
Christopher Steele	Recycling Assistant
Cristina MacDonald	Trainee Administrative Assistant
Paul Prior-Pitt	Craftsman/Trainer
Morag MacInnes	Adult Learning SVQ Tutor
Graham Manchester	Adult Learning Tutor
Susan Walker	HILLS Project Worker
Suzanne Morrison	Adult Learning Tutor
Marion Matheson	Childcare SVQ Tutor
Mairi Thomson	Hospitality SVQ Tutor
Martin David	Management SVQ Tutor
Alex Wicks	Trainee Administrative Assistant
Joan Steele	Cleaner

Freelance Tutors

Jane MacNeil
Tommy MacDonald
Mary Morrison
Alastair Wilson
Anne Monk

Volunteers

Bryan Learmond (Re-Store)
Alistair Morrison (Re-Store)
John MacKinnon (Re-Store)
Colm McQuien

Company Secretary

Mrs Barbara MacDonald

Independent Examiner

Nicolson Accountancy
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49/50 Bayhead
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Western Isles
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**REPORT OF THE TRUSTEES
for the Year Ended 31 March 2011**

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.

Recruitment and appointment of new trustees

Cothrom is a membership organisation of over 500, most of whom live in the Uists and Barra. It is from this membership that Directors are elected each year at the AGM.

Related parties

The trustees keep a record of interests and use this information to avoid conflicts of interest. In the opinion of the trustees, there are no related parties that require to be disclosed.

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.

OBJECTIVES AND ACTIVITIES

Objectives and aims

To provide community based learning and training, supported by quality childcare, which enables inclusion and encourages full participation in the economic, social and cultural life of the Western Isles.

1. To Provide Support and Learning Opportunities for the local community
2. To Develop a Sustainable Economic and Environmental Strategy for the organisation
3. To Promote the Language and Culture of our local community
4. To Support the local Community to become more Resilient, Enterprising and Sustainable

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The year 2010-11 was a time of internal change and development for the organisation. As part of our Social Audit process, Staff and Directors have worked extremely hard to update the aims and objectives of the organisation, review internal structures and processes and to evaluate the Board and how it functions. As a result of this review, Directors Subgroups have been developed in the areas of Finance, New Build, Personnel and Language and Culture. These Subgroups meet regularly and feed back into the main Board meetings, which are now held quarterly. A report of the main activities of the organisation over the past year is detailed below.

Cothrom Training

The Adult Learning Service continues to provide a stepping stone for adults who wish to brush up their existing skills or learn new ones. Based on an informal approach to learning that is focussed on individual needs, each learner is offered a flexible learning plan which may also include help with travel and childcare. There are also a number of accredited qualifications on offer and this year the first learner achieved the SQA Digital Numeracy certificate.

Basic Computing is always a popular class and now students who have moved beyond this level may join a PC Passport class in the building on a Thursday. This qualification is available at beginner, intermediate and advanced level so there is a chance for everyone to progress their skills.

There were 109 adult learners in the service during 2010-11 and of these 62% improved their skills or moved into employment. For the young people there were even better results with 82% of this age group (16-19), progressing into employment or onto a College course. This is a reflection of the tenacity of these young people and the support offered by Cothrom Staff.

**REPORT OF THE TRUSTEES
for the Year Ended 31 March 2011**

ACHIEVEMENT AND PERFORMANCE

Cothrom Adult Learners Forum (CALF) meets on the first Monday of each month and this forum encourages learners to have their say not only about the service Cothrom provides but also further afield within the Western Isles through local MPs and MSPs. A newsletter is created quarterly and plans include a visit to Barra and Lewis to meet with fellow learners.

Classes for ESOL learners are held weekly in Balivanich Hall and these focus on conversation. A number of learners who have made steady progress will move into accredited learning next term and this will be offered through a range of SQA units. The students have created a video about Balivanich and their life here and this can be seen at <http://guthan.wordpress.com/2011/02/08/movie-maker-dean-fhein-e/>

Work has been ongoing in the creation of a Virtual Learning Environment (VLE) at www.learnatcothrom.org.uk, which allows learners to access online learning from the comfort of their own homes. There a number of literacy exercises, at varying levels, which gives learners the opportunity to practice their grammar, punctuation and spelling. More exercises will be added as the year progresses.

This year a new addition to the Scottish Vocational Qualifications (SVQs) offered by Cothrom was the Hospitality Supervision and Leadership at Level 3. This has been a popular choice for those working in the hospitality industry, especially with the added benefit of the qualification being fully funded through Skills Development Scotland, under the Modern Apprentice programme for those aged 20+.

Also new in the portfolio of courses are the Management Professional Development Awards, these modules are ideal for those wishing to 'get a taste' of management subjects. The successful completion of just two modules gives you a nationally recognised PDA award. The first learner to take this step has registered and we look forward to them achieving a PDA in Managing Self and the Work of Others in due course.

Community Classes

A range of community classes were run in partnership with the Community Learning and Development department of the Council. Nine classes including Gaelic Conversation, Eriskay Jumper knitting and dry-stone dyking took place with a total of 86 people attending. From the overwhelmingly positive evaluations recorded, this provision is very highly valued within the community.

Cothrom Barra

The Cothrom Training Centre in Castlebay continues to be busy. The Multi-Skilled Hospitality and the Children's Care Learning and Development SVQ were also delivered throughout Barra last year. The organisation aims to deliver any programme that is available in Uist on the island as regular travel to attend a course at the Learning Centre is not an option for the majority of learners.

Cothrom Re-Store

Re-Store continues to offer the community quality furniture at reasonable prices. Shop sales for the period, March 2010 to April 2011 were the best the project had achieved to date, at £11,000 for the year. The restore and return work of the business continues to grow, giving greater training opportunities for the trainees to learn new skills. In this year from March 2010 Re-store provided support to fifteen trainees to develop their skills and improve their employability, with one trainee gaining an apprenticeship with a local builder.

**REPORT OF THE TRUSTEES
for the Year Ended 31 March 2011**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Wooden items are made from scratch and picnic tables were a best seller again this year, birdhouses were also popular with customers.

The textile banks are also proving to be great success with more than ten tonnes of textiles being collected over the year. We have also added a fifth bank which is situated at Paible School in Bayhead, whilst the bank from Iochdar has been moved to MacLennan's shop in Balivanich and is doing very well.

In February the project held an Open Day so that the community could view the plans for a new recycling centre. Forty people attended from throughout the islands and were fully supportive of the plans; they also completed a questionnaire which asked them to describe other services the project could provide. All this information will be taken forward in the search for funding for the new centre.

Cothrom Òg

Cothrom Òg was delighted this year again to be able to provide childcare for the mums who attended International Woman's Day in March. The children had a great time and a book of pictures was given to each child at the end of the day to show the activities that took place on the day.

The library van now visits Cothrom Òg every month which gives the children the opportunity to choose a book to read at story time. The children enjoy the visit from Donald Ewen who makes sure there is a great supply of books each time.

SHARE funding allowed the staff and children to plant a variety of herbs and vegetables in the Nursery Garden. The children decided themselves what they would like to plant and ordered supplies for a summer planting. They then enjoyed harvesting the crops, taking potatoes home to share with their families and making soup in the Nursery. Later in the year they planted sprouts, broccoli and cabbage.

All Nursery staff have been registered with the Scottish Social Services Council in accordance with the Regulation of Care (Scotland) Act 2001. As part of the criteria required by SSSC the Manager has started studying for her BA Childhood Practice through UHI Inverness Campus.

The Nursery undertook an Assisted Self Evaluation with Comhairle nan Eilean Siar in December and was awarded 4 goods and 1 very good. The particular strengths of the centre were identified as follows:

- The caring and supportive learning environment created by the manager and staff.
- Collegiate working by committed and enthusiastic staff.
- Children who are motivated and eager to learn.
- Children's progress in their learning including their communication skills in Gàidhlig.

As part of the continuous development of the service, members of staff from the Baby Room are currently part of a Pre Birth to 3 working group with a number of colleagues in the area looking at the planning for this age group.

Gaelic

Cothrom's relationship with Scotland's Gaelic College, Sabhal Mòr Ostaig, continued to strengthen this year through ongoing collaboration on the Guthan nan Eilean/Island Voices project - <http://guthan.wordpress.com>. Planned video production was completed in December 2010, while ESF-funded classes were able to continue through to March of this year. We have newly established a Language and Culture group through which we hope to place Gaelic initiatives in a wider language development context, with a positive focus on the value of bilingualism. One of the first projects for the new group was the organisation of a summer party for learners of both Gaelic and English at Grogarry Lodge. This was counted a great success, and the resultant short film has proved very popular - <http://guthan.wordpress.com/2011/06/21/grogarry-lodge-community-ceilidh-par-excellence/>.

At the same time we have just completed a project for the Small Research Fund of Soillse, the inter-university Gaelic research network. "Perceptions of Gaelic Learning and Use in a Bilingual Island Community: an Exploratory Study" was presented by Gordon Wells at the first Soillse Conference in Sabhal Mòr Ostaig at the beginning of September, and was well received. The paper is available here - <http://guthan.wordpress.com/2011/09/22/gaelic-in-a-bilingual-community-research-report/> it is intended to use this as a springboard to further action in the community in support of both learners and fluent speakers of Gaelic.

**REPORT OF THE TRUSTEES
for the Year Ended 31 March 2011**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Community Development

In 2010-11 Cothrom launched the Enterprising Young People's programme, in partnership with CnES (the Skills & Enterprise Team within the Department for Education), delivering it to all S5 and S6 pupils on Harris, Uist and Barra (with Lewis to follow later in 2011).

Another major piece of work was to bring together a network of community organisations on Uist and Barra on how to sustain local services in the threat of budget cuts. The group has been promoting the idea of partnerships between public agencies and community organisations to sustain local services.

The mentoring service continued to develop with further training through the Scottish Mentoring Network and internal review meetings and the development of a mentoring policy for Cothrom. The SMN drew up a case study on Cothrom on how to deliver mentoring in remote rural areas.

Work began on the organisations first social audit, and the first such audit in the Western Isles. This has already led to updated organisational objectives, and generated significant new plans for the future. The audit will be completed by the end of 2011.

Various members of staff participated in training around social enterprise development, on social accounting and auditing, and leadership within social enterprises. One staff member started the training necessary to become a tutor for the Social Enterprise Academy.

FINANCIAL REVIEW

Reserves policy

The Trustees regularly review the level of reserves to ensure that they are suitable for the planned activity.

In the view of the Trustees it is appropriate to hold at least three months running costs to protect the interests of the charity and it's employees. The Trustees therefore consider that the appropriate minimum level of reserves required to be £80,000.

Principal funding sources

Training Funders

Scottish Government - Third Sector Enterprise Fund
Comhairle nan Eilean Siar
Skills Development Scotland
Highlands and Islands Enterprise - Innse Gall (Leader)
The Childcare Partnership
Alcohol and Drugs Partnership
Bòrd na Gàidhlig
Job Centre +
The Robertson Trust
Henry Smith Charity
Third Sector Hebrides

Nursery Funders

Bòrd na Gàidhlig
Comhairle nan Eilean Siar - Childcare Partnership
Western Isles NHS Board
SHARE

**REPORT OF THE TRUSTEES
for the Year Ended 31 March 2011**

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Cothrom for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

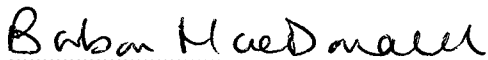
Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

ON BEHALF OF THE BOARD:



Mrs Barbara MacDonald - Secretary

Date: 28 September 2011

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
COTHROM**

I report on the accounts for the year ended 31 March 2011 set out on pages eleven to twenty.

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.



Angus Nicolson
Institute of Chartered Accountants of Scotland
Nicolson Accountancy
Chartered Accountants
49/50 Bayhead
Stornoway
Isle of Lewis
Western Isles
HS1 2DZ

Date: 28 September 2011

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the Year Ended 31 March 2011

		Unrestricted	Restricted	Year Ended	Period
	Notes	funds	funds	31.3.11	to
		£	£	Total	Total
				funds	funds
				£	£
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income		500	-	500	1,000
Activities for generating funds	2	10,818	-	10,818	7,693
Investment income	3	37	-	37	82
Incoming resources from charitable activities					
Adult Learning	4	61,758	-	92,986	86,235
Children's Care		14,512	-	14,512	12,794
National Programmes		58,612	-	27,384	111,492
Business Training		9,311	-	9,311	13,103
Cothrom Og		79,539	-	79,539	124,516
Nightclasses		2,591	-	2,591	3,714
European Social Fund		-	-	-	3,969
New building		-	-	-	20,579
Third Sector Enterprise		25,836	-	25,836	31,600
Re-store		70,443	-	70,443	47,978
ACE Uist		4,562	-	4,562	7,936
HILLS		37,011	-	37,011	-
Other incoming resources		16,003	-	16,003	5,637
Total incoming resources		391,533	-	391,533	478,328
RESOURCES EXPENDED					
Charitable activities					
Adult Learning		65,538	-	65,538	82,975
Children's Care		13,724	-	13,724	14,079
National Programmes		84,380	-	84,380	105,705
Business Training		9,865	-	9,865	42,299
Cothrom Og		87,455	-	87,455	107,656
Nightclasses		1,680	-	1,680	2,728
European Social Fund		-	-	-	522
New building		-	26,923	26,923	-
Third Sector Enterprise		22,962	-	22,962	32,218
Re-store		71,192	-	71,192	42,712
HILLS		34,866	-	34,866	-
Governance costs		5,575	-	5,575	4,672
Other resources expended		7,675	-	7,675	36,822
Total resources expended		404,912	26,923	431,835	472,388
NET INCOMING/(OUTGOING) RESOURCES		(13,379)	(26,923)	(40,302)	5,940

The notes form part of these financial statements

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the Year Ended 31 March 2011

	Notes	Unrestricted funds £	Restricted funds £	Year Ended 31.3.11 Total funds £	Period 1.1.09 to 31.3.10 Total funds £
RECONCILIATION OF FUNDS					
Total funds brought forward		104,857	1,235,218	1,340,075	1,334,135
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS CARRIED FORWARD		<u>91,478</u>	<u>1,208,295</u>	<u>1,299,773</u>	<u>1,340,075</u>

The notes form part of these financial statements

BALANCE SHEET
At 31 March 2011

	Notes	Unrestricted funds £	Restricted funds £	31.3.11 Total funds £	31.3.10 Total funds £
FIXED ASSETS					
Tangible assets	8	22,339	1,179,526	1,201,865	1,235,172
CURRENT ASSETS					
Debtors: amounts falling due within one year	9	40,813	-	40,813	44,133
Cash at bank		<u>37,958</u>	<u>28,769</u>	<u>66,727</u>	<u>74,654</u>
		78,771	28,769	107,540	118,787
CREDITORS					
Amounts falling due within one year	10	<u>(9,632)</u>	-	<u>(9,632)</u>	<u>(13,884)</u>
NET CURRENT ASSETS		<u>69,139</u>	<u>28,769</u>	<u>97,908</u>	<u>104,903</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		91,478	1,208,295	1,299,773	1,340,075
NET ASSETS		<u>91,478</u>	<u>1,208,295</u>	<u>1,299,773</u>	<u>1,340,075</u>
FUNDS					
Unrestricted funds:	11				
General fund				91,478	104,857
Restricted funds:					
New building fund				<u>1,208,295</u>	<u>1,235,218</u>
TOTAL FUNDS				<u>1,299,773</u>	<u>1,340,081</u>

The notes form part of these financial statements

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

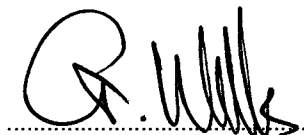
- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its 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 28 September 2011 and were signed on its behalf by:



Trustee



Trustee

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2011**

1. ACCOUNTING POLICIES**Accounting convention**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

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	- 2% on cost
Equipment	- 25% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 20% on cost

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. ACTIVITIES FOR GENERATING FUNDS

	Year Ended	Period
	31.3.11	1.1.09 to 31.3.10
	£	£
Fundraising events	869	-
Hire of rooms	9,949	7,693
	<u>10,818</u>	<u>7,693</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2011

3. INVESTMENT INCOME

	Year Ended	Period
	31.3.11	1.1.09
	£	to
		31.3.10
	£	£
Deposit account interest	<u>37</u>	<u>82</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2011

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

		Year Ended	Period
		31.3.11	1.1.09 to 31.3.10
		£	£
	Activity		
Comhairle nan Eilean Siar	Adult Learning	1,201	45,479
Grants	Adult Learning	35,166	-
New Deal (VAL)	Adult Learning	14,268	19,173
Get Ready for Work	Adult Learning	10,823	15,000
Training for Work	Adult Learning	-	1,531
ESOL	Adult Learning	300	-
Lifeskills	Adult Learning	-	5,052
Childcare Partnership	Children's Care	9,601	12,794
Skillseekers	Children's Care	1,980	-
Other income	Children's Care	1,827	-
Fees charged and sales	Children's Care	1,104	-
Comhairle nan Eilean Siar	National Programmes	9,867	-
Grants	National Programmes	-	2,000
Skillseekers	National Programmes	13,222	20,221
Get Ready for Work	National Programmes	15,614	38,720
Training for Work	National Programmes	1,180	12,323
Other income	National Programmes	1,000	936
Modern Apprenticeships	National Programmes	17,729	33,381
Fees charged and sales	National Programmes	-	3,911
Comhairle nan Eilean Siar	Business Training	1,000	1,900
Grants	Business Training	-	5,725
New Deal (VAL)	Business Training	195	-
Management fee	Business Training	1,793	250
Individual Learning Accounts	Business Training	2,800	1,535
Western Isles Rural			
Opportunities	Business Training	-	64
ESOL	Business Training	787	-
Other income	Business Training	-	903
Fees charged and sales	Business Training	2,736	2,726
Comhairle nan Eilean Siar	Cothrom Og	1,768	-
Grants	Cothrom Og	16,305	42,383
Other income	Cothrom Og	-	219
Cothrom Og fees	Cothrom Og	60,091	81,134
Western Isles Health Board	Cothrom Og	375	780
Fees charged and sales	Cothrom Og	1,000	-
Comhairle nan Eilean Siar	Nightclasses	500	1,650
Fees charged and sales	Nightclasses	2,091	2,064
Comhairle nan Eilean Siar	European Social Fund	-	348
Skills Development Scotland	European Social Fund	-	3,621
Grants	New building	-	20,579
Grants	Third Sector Enterprise	24,836	31,600
Other income	Third Sector Enterprise	1,000	-
Grants	Re-store	31,469	22,750
New Deal (VAL)	Re-store	8,826	520
Training for Work	Re-store	-	4,356
Other income	Re-store	-	528
ADAT	Re-store	7,995	7,795
Carried forward		300,449	443,951

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2011

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - continued

		Year Ended	Period
		31.3.11	1.1.09
		£	to
		31.3.10	£
Brought forward	Activity	300,449	443,951
Textile Bank income	Re-store	2,163	3,988
Fees charged and sales	Re-store	10,976	8,041
Future Jobs Fund	Re-store	9,014	-
Comhairle nan Eilean Siar	ACE Uist	4,562	7,936
Comhairle nan Eilean Siar	HILLS	37,011	-
		<u>364,175</u>	<u>463,916</u>

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

		Year Ended	Period
		31.3.11	1.1.09
		£	to
		31.3.10	£
The Big Lottery		-	10,000
Comhairle nan Eilean Siar		51,471	4,178
Scottish Government		24,836	31,600
Highlands and Islands Enterprise - Innse Gall		4,919	-
Robertson Trust		10,000	10,000
Lloyds TSB		-	7,000
Skills Development Scotland		-	5,525
Albert Hunt Trust		-	1,000
Children in Need		-	8,483
Henry Smith Trust		16,550	5,750
Strategic Waste Fund		-	1,200
Bornish Community Council		-	1,222
Highland and Islands Community Energy Company		-	10,579
Bord na Gaidhlig		-	28,500
		<u>107,776</u>	<u>125,037</u>

5. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

		Year Ended	Period
		31.3.11	1.1.09
		£	to
		31.3.10	£
Depreciation - owned assets		<u>33,307</u>	<u>36,581</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2011

6. TRUSTEES' REMUNERATION AND BENEFITS

During the year, John Huson received £1,000 in respect of Business Planning services he provided to the charity.

Trustees' Expenses

	Year Ended 31.3.11	Period 1.1.09 to 31.3.10
	£	£
Trustees' expenses	<u>487</u>	<u>230</u>

7. STAFF COSTS

	Year Ended 31.3.11	Period 1.1.09 to 31.3.10
	£	£
Wages and salaries	<u>279,736</u>	<u>285,470</u>

8. TANGIBLE FIXED ASSETS

	Freehold property £	Equipment £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 April 2010 and 31 March 2011	<u>1,247,786</u>	<u>56,611</u>	<u>18,000</u>	<u>6,345</u>	<u>1,328,742</u>
DEPRECIATION					
At 1 April 2010	48,474	26,447	12,304	6,345	93,570
Charge for year	<u>24,342</u>	<u>7,540</u>	<u>1,425</u>	-	<u>33,307</u>
At 31 March 2011	<u>72,816</u>	<u>33,987</u>	<u>13,729</u>	<u>6,345</u>	<u>126,877</u>
NET BOOK VALUE					
At 31 March 2011	<u>1,174,970</u>	<u>22,624</u>	<u>4,271</u>	-	<u>1,201,865</u>
At 31 March 2010	<u>1,199,312</u>	<u>30,164</u>	<u>5,696</u>	-	<u>1,235,172</u>

Included in cost or valuation of land and buildings is freehold land of £30,656 (2010 - £30,656)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2011

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.11	31.3.10
	£	£
Trade debtors	12,553	20,846
Other debtors	<u>28,260</u>	<u>23,287</u>
	<u>40,813</u>	<u>44,133</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.11	31.3.10
	£	£
Bank loans and overdrafts	3,241	777
Trade creditors	4,790	5,758
Grants received in advance	-	5,750
Accrued expenses	<u>1,601</u>	<u>1,599</u>
	<u>9,632</u>	<u>13,884</u>

11. MOVEMENT IN FUNDS

	At 1.4.10	Net movement in funds	At 31.3.11
	£	£	£
Unrestricted funds			
General fund	104,857	(13,379)	91,478
Restricted funds			
New building fund	1,235,218	(26,923)	1,208,295
TOTAL FUNDS	<u>1,340,075</u>	<u>(40,302)</u>	<u>1,299,773</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	391,533	(404,912)	(13,379)
Restricted funds			
New building fund	-	(26,923)	(26,923)
TOTAL FUNDS	<u>391,533</u>	<u>(431,835)</u>	<u>(40,302)</u>

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 March 2011

	Year Ended 31.3.11 £	Period 1.1.09 to 31.3.10 £
INCOMING RESOURCES		
Voluntary income		
Donations	500	1,000
Activities for generating funds		
Fundraising events	869	-
Hire of rooms	9,949	7,693
	10,818	7,693
Investment income		
Deposit account interest	37	82
Incoming resources from charitable activities		
Comhairle nan Eilean Siar	55,909	57,313
Grants	107,776	125,037
New Deal (VAL)	23,289	19,693
Childcare Partnership	9,601	12,794
Skillseekers	15,202	20,221
Get Ready for Work	26,437	53,720
Training for Work	1,180	18,210
Management fee	1,793	250
Individual Learning Accounts	2,800	1,535
Western Isles Rural Opportunities	-	64
ESOL	1,087	-
Other income	3,827	2,586
Cothrom Og fees	60,091	81,134
Skills Development Scotland	-	3,621
Lifeskills	-	5,052
Modern Apprenticeships	17,729	33,381
ADAT	7,995	7,795
Textile Bank income	2,163	3,988
Western Isles Health Board	375	780
Fees charged and sales	17,907	16,742
Future Jobs Fund	9,014	-
	364,175	463,916
Other incoming resources		
Other core income	16,003	4,861
Insurance recovery	-	776
	16,003	5,637
Total incoming resources	391,533	478,328
RESOURCES EXPENDED		

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DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 March 2011

	Year Ended 31.3.11 £	Period 1.1.09 to 31.3.10 £
Charitable activities		
Wages	279,736	285,470
Rent, rates and water	8,514	9,476
Light and heat	3,499	4,530
Postage and stationery	-	1,302
Advertising	3,868	2,177
Sundries	-	1,433
Staff travel	2,659	2,177
Course materials, fees and verifications	5,381	9,098
Tutor payments	20,319	21,098
Consumable supplies	4,202	3,940
Care costs	690	879
Trainee payments and travel	19,866	26,048
Management charges	1,793	-
Repairs	1,820	1,863
Staff training	8,578	3,021
Cleaning	2,513	2,867
Trainee courses etc	-	8,007
Disclosures and inspections	107	172
Project development fees	-	19,510
Motor expenses	2,475	-
Depreciation - equipment	4,887	6,516
Depreciation - vehicle	1,425	1,898
Depreciation - computer	-	288
	<u>372,332</u>	<u>411,770</u>
Governance costs		
Trustees' expenses	487	230
Accountancy	1,341	1,840
Professional fees	2,250	2,347
Sundry expenses	1,280	264
AGM	217	349
	<u>5,575</u>	<u>5,030</u>
Support costs		
Management		
Insurance	3,404	4,929
Telephone	3,604	4,024
Postage and stationery	9,005	5,408
Sundries	1,090	1,436
Memberships and subscriptions	444	457
Travel	-	2,252
Carried forward	17,547	18,506

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DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 March 2011

	Year Ended 31.3.11 £	Period 1.1.09 to 31.3.10 £
Management		
Brought forward	17,547	18,506
Water cooler	369	609
Entertainment	179	-
Computer support	379	2,030
Staff travel & training	5,607	3,406
Depreciation - property	24,342	24,342
Depreciation - Equipment	<u>2,653</u>	<u>3,537</u>
	51,076	52,430
Finance		
Bank charges	206	261
Human resources		
Software licences	1,080	747
Sundries	211	604
HR Mentoring	<u>1,355</u>	<u>1,546</u>
	<u>2,646</u>	<u>2,897</u>
Total resources expended	431,835	472,388
	<hr/>	<hr/>
Net (expenditure)/income	<u>(40,302)</u>	<u>5,940</u>

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