

REGISTERED COMPANY NUMBER: SC091075 (Scotland)
REGISTERED CHARITY NUMBER: SC003287

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008
FOR
AN LANNTAIR LIMITED

CIB Audit
Registered Auditor
63 Kenneth Street
Stornoway
Isle of Lewis
HS1 2DS



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AN LANNTAIR LIMITED

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FOR THE YEAR ENDED 31 MARCH 2008

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AN LANNTAIR LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2008

The trustees who are also directors of the charity for the purposes of the Companies Act 1985, present their report with the financial statements of the charity for the year ended 31 March 2008. 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
SC091075 (Scotland)

Registered Charity number
SC003287

Registered office
An Lanntair
Kenneth Street
Stornoway
Isle of Lewis
HS1 2DS

Trustees

J A Mackay	
D Green	
C M M MacIennan	
A McCormack	
C Macdonald	
R Mackay	
Miss A Murray	- appointed 31.10.07
F Morrison	- appointed 31.10.07
E Morrison	- appointed 14.12.07
A W Tearse	- appointed 14.12.07

Company Secretary
R Murray

Auditors

CIB Audit
Registered Auditor
63 Kenneth Street
Stornoway
Isle of Lewis
HS1 2DS

Bankers

Clydesdale Bank plc
23 South Beach Street
Stornoway
Isle of Lewis
HS1 2BQ

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 27 December 1984. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

AN LANNTAIR LIMITED

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2008**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association the directors are appointed at the Annual General Meeting. One third of the directors must retire by rotation at each Annual General Meeting.

The board aims to ensure that the challenges of a large organisation delivering an arts programme in a modern venue are met through the recruitment of directors with an interest in the arts who bring a broad range of skills and contacts within education, finance and local and national politics.

The charity intends to operate through a fit-for-purpose Board with committed and motivated staff resulting in significantly enhanced corporate governance.

Induction and training of new trustees

The charity undertakes training for trustees to ensure awareness and understanding of:-

- the responsibilities of directors;
- the organisational structure of the charity;
- the financial position of the charity; and
- the future plans and objectives of the charity.

Organisational structure

The Board consists of voluntary directors who manage the affairs of the charity through regular meetings. The charity has reviewed its corporate governance structure and has created a number of sub-committees to assist in the effective management of the organisation. Decisions from the Board and sub-committees are implemented by the senior management comprising Director, General Manager and Programme Manager. The charity appointed professional advisers to assist in the management of the construction of the new centre.

The commercial trading activities of An Lanntair Limited were previously undertaken by Reul Limited, a company under common control. These activities have been transferred to a wholly owned subsidiary An Lanntair Trading Limited.

Wider network

The charity has established links with other organisations and agencies to foster the aims and objectives of the organisation.

Related parties

The bar, cafe, restaurant and book and gift shop within the new arts centre were previously operated by Reul Limited, a company under common control. The commercial trading activities undertaken by Reul Limited were transferred to a wholly owned subsidiary, An Lanntair Trading Limited from 1 April 2007.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees have assessed the major risks to which the charity is exposed, in particular those relating to the operations and finances of the charity, and are satisfied that systems are in place to mitigate their exposure to the major risks.

AN LANNTAIR LIMITED

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2008

OBJECTIVES AND ACTIVITIES

An Lanntair Vision Statement

"We will be a beacon for artistic activity in the Western Isles, we will celebrate and encourage creativity in all its forms, we will be a genuine centre for our community, and we will represent and support Gaelic culture."

The vision encompasses the charity's three main areas of activity:-

- Visual Arts
- Performing Arts and Cinema
- Education and Outreach

It frames a commitment to excellence, diversity, access, inclusion, participation and cultural identity. It declares an intention to provide a better, more varied arts programme, accessed by more people, more often, to greater and deeper benefit.

Objectives and aims

The main objectives of the charity are:-

- To promote the study, practice and knowledge of the arts for the public benefit; and
- To present, promote, organise, provide, manage and produce exhibitions, films, recordings, broadcasts and entertainments whether on any premises of the organisation or elsewhere as are conducive to the promotion, maintenance, improvement and advancement of education or to the encouragement of the arts.

The charity aims to:-

- Present and represent the best of the visual and performing arts - locally, nationally and internationally.
- Provide variety and diversity, with an emphasis on quality.
- Provide opportunities to participate in the arts.
- Provide a forum and support infrastructure for local artists/artistes.
- Promote contemporary Gaelic culture.
- Educate, illuminate and inform.
- Challenge, inspire and entertain.
- Deliver an integrated education and outreach programme across a range of art forms.
- Engage and develop audiences.

Significant activities

The charity's efforts over recent years have resulted in it being awarded Foundation status by the Scottish Arts Council. This is a significant achievement by the organisation in the national context. Foundation status had originally meant an increased five year commitment in Scottish Arts Council revenue funding from 2007/2008, although with the advent of Creative Scotland, this is under review.

AN LANNTAIR LIMITED

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2008**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In progressing its aims and objectives, An Lanntair will:-

- Host touring exhibitions.
- Create, promote and tour original exhibitions.
- Deliver a performing arts programme of excellence across a range of art forms.
- Programme work that has relevance to the community.
- Develop relationships with key partners and arts providers (artists/artistes, organisations, education agencies, private companies and others who share our aspirations).
- Build community links through the arts.
- Respond to the artistic needs of the community.
- Represent, reflect and promote Gaelic arts.
- Encourage and support professional promotion of the performing arts in the Western Isles.
- Support and promote Western Isles artists/artistes on a national and international level.
- Encourage the personal development of local artists/artistes through collaboration and originating of new work and specific projects.
- Provide a platform for high quality performance.
- Promote equal opportunities and social inclusion within the arts programme.
- Promote under-represented art forms and social groups through programming.
- Promote the use of An Lanntair as a key education resource for the Western Isles.
- Programme work for children and young people.
- Provide creative learning opportunities.
- Provide a framework for educational and outreach activities.

The education and outreach programme will have four strategic development areas:

- **Arts Centre Programme** (ancillary to exhibitions, events happening at An Lanntair)
- **Formal Education Sector** (curriculum, creative links officers, cultural co-ordinators)
- **Outreach** (community halls, schools, gala days etc)
- **Social Inclusion** (day care centres, people with learning difficulties e.g. Ardseileach, Grianan).

Investment performance

The market value of the charity's equity investments has decreased by 82.7% during the year to 31 March 2008 as the charity's fixed interest investments matured during the year.

Internal and external factors

Risk assessment policies and procedures have been agreed and implemented to mitigate the impact of factors which are outside the charity's control.

The corporate governance structure of the charity has been improved including the creation of Audit and Chairs sub-committees. Financial information systems and health and safety procedures have also been upgraded to reflect the increased activity levels of the organisations.

FINANCIAL REVIEW

Reserves policy

The board has established a policy that revenue expenditure each year should not exceed income. The charity is dependent upon the continuing support of its principal funders (Scottish Arts Council and Comhairle nan Eilean Siar) to continue the activities of the charity.

The charity's programme and funding historically have made it difficult to establish any surplus on general reserves.

The Board has examined the charity's requirements for reserves in light of the main risks to the charity. It considers that three to six months of the budgeted expenditure should be carried in unrestricted reserves which would equate to £150,000 to £300,000 for 2006/2007. The current level of unrestricted reserves falls significantly short of this level. The strategy is to build reserves through planned operating surpluses and the board is aware that the achievement of the target level of reserves is a long-term strategy.

AN LANNTAIR LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2008

FINANCIAL REVIEW

Funds in deficit

The charity has succeeded in reducing the deficit on general fund during this year and this will continue to form part of the ongoing financial strategy.

Principal funding sources

The principal funders of the core arts programme of the charity for the year under review are:-

	£
Scottish Arts Council	387,000
Comhairle nan Eilean Siar	<u>72,100</u>
	<u>459,100</u>

Both organisations are committed to ongoing financial support in the future.

The results for the year and financial position of the charity are as shown in the annexed financial statements and further details can be found in the notes to the financial statements.

Investment policy and objectives

The historical financial constraints under which the charity has operated have not generated funds available for long-term investment. Surplus funds when available are placed on deposit with the charity's bankers.

The existing fixed asset investments represents funds received by way of a legacy and comprises equity stocks and shares listed on a recognised stock exchange.

FUTURE DEVELOPMENTS

Following significant board and staffing review and restructure, An Lanntair will firmly establish itself as a significant venue for the performing and visual arts on an international stage, without in any way compromising its vitally important community benefit and investment. An Lanntair will also fully exploit all opportunities for engagement with the commercial sector.

An Lanntair will be at the forefront of developing the Gaelic language and culture through the medium of all art forms. It will also play a key role in developing the language through music and maintain partnerships with the Gaelic arts organisations and as a key venue for festivals/performance opportunities, such as Heibcelt.

It will also develop the relationship and partnership with Comhairle nan Eilean Siar (Western Isles Council) and lead in community outreach programming for the Western Isles that could lead to effective partnerships with both formal and informal sector deliverers, particularly in education across all art forms.

AN LANNTAIR LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2008

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit 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;
- 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 1985. 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 234ZA of the Companies Act 1985) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, CIB Audit, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



A McCormack - Trustee

10 October 2008

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF
AN LANNTAIR LIMITED

This report is issued in respect of an audit carried out under section 235 of the Companies Act 1985 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

We have audited the financial statements of An Lanntair Limited for the year ended 31 March 2008 on pages nine to twenty one. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985, and to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' responsibilities (who are directors of the charity for the purposes of company law) for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page six.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether in our opinion the information given in the Report of the Trustees is consistent with the financial statements.

In addition, we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available to Small Entities, in the circumstances set out in note 21 to the financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF
AN LANNTAIR LIMITED

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charitable company's affairs as at 31 March 2008 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information given in the Report of the Trustees is consistent with the financial statements.

CIB Audit

CIB Audit
Registered Auditor
63 Kenneth Street
Stornoway
Isle of Lewis
HS1 2DS

3 December 2008

AN LANNTAIR LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2008**

	Notes	Unrestricted funds £	Restricted funds £	31.3.08 Total funds £	31.3.07 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	563,141	76,293	639,434	1,114,049
Activities for generating funds	3	437,147	116	437,263	22,516
Investment income	4	17	1,544	1,561	813
Incoming resources from charitable activities					
Arts programme	5	82,643	-	82,643	68,438
Total incoming resources		1,082,948	77,953	1,160,901	1,205,816
RESOURCES EXPENDED					
Costs of generating funds:					
Commercial trading operations	13	462,115	-	462,115	-
Charitable activities:					
Charitable expenditure	6	699,537	269,468	969,005	859,500
Governance costs	7	4,065	-	4,065	2,200
Total resources expended		1,165,717	269,468	1,435,185	861,700
NET INCOMING/(OUTGOING) RESOURCES before transfers					
		(82,769)	(191,515)	(274,284)	344,116
Gross transfers between funds	18	106,458	(106,458)	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		23,689	(297,973)	(274,284)	344,116
Realised gains/losses on fixed asset investments		-	249	249	-
Net income/(expenditure)		23,689	(297,724)	(274,035)	344,116
Unrealised gains/losses on fixed assets		-	(2,625)	(2,625)	(1,532)
Net movement in funds		23,689	(300,349)	(276,660)	342,584
RECONCILIATION OF FUNDS					
Total funds brought forward		(95,783)	5,662,742	5,566,959	5,275,430
TOTAL FUNDS CARRIED FORWARD		(72,094)	5,362,393	5,290,299	5,618,014

The notes form part of these financial statements

AN LANNTAIR LIMITED
CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2008

		31.3.08 Group	31.3.08 Charity	31.3.07 Group	31.3.07 Charity
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	12	5,403,738	5,403,738	5,653,692	5,653,692
Investments	13	549	550	15,425	15,426
		5,404,287	5,404,288	5,669,117	5,669,118
CURRENT ASSETS					
Stocks		20,974	103	-	-
Debtors: amounts falling due within one year	14	149,413	128,884	287,398	287,398
Cash at bank and in hand		127,722	121,751	61,825	61,824
		298,109	250,738	349,223	349,222
CREDITORS					
Amounts falling due within one year	15	(400,783)	(319,011)	(382,224)	(382,224)
NET CURRENT ASSETS/(LIABILITIES)		(102,674)	(68,273)	(33,001)	(33,002)
TOTAL ASSETS LESS CURRENT LIABILITIES		5,301,613	5,336,015	5,636,116	5,636,116
CREDITORS					
Amounts falling due after more than one year	16	(11,314)	(11,314)	(18,102)	(18,102)
NET ASSETS/(LIABILITIES)		5,290,299	5,324,701	5,618,014	5,618,014
FUNDS	18				
Unrestricted funds		(72,094)	(37,692)	(44,728)	(44,728)
Restricted funds		5,362,393	5,362,393	5,662,742	5,662,742
TOTAL FUNDS		5,290,299	5,324,701	5,618,014	5,618,014

The notes form part of these financial statements

AN LANNTAIR LIMITED
BALANCE SHEET - CONTINUED
AT 31 MARCH 2008

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the Board of Trustees on 10 October 2008 and were signed on its behalf by:


A McCormack -Trustee


J A Mackay -Trustee

The notes form part of these financial statements

AN LANNTAIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2008**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2007), the Companies Act 1985 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

The results of An Lantair Limited have been consolidated on a line by line basis in the Statement of Financial Activities and the balance sheet. No separate Statement of Financial Activities or Income and Expenditure Account have been presented for the charity itself as permitted by paragraph 397 of the Statement of Recommended Practice.

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. Such income is only deferred when:-

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

The following specific policies are applied to particular categories of income:-

- Voluntary income is received by way of grants, donations and membership fees and is included in full in the Statement of Financial Activities when receivable.
- Grants receivable are credited to the Statement of Financial Activities when receivable where entitlement is not conditional on the delivery of a specific performance by the charity. Grants related to performance and specific activities are accounted for when the charity has completed the related undertakings. Grants received which are related to capital expenditure are held within restricted funds and are utilised to fund the future depreciation of the related capital expenditure.
- Activities for generating funds includes incoming resources from fundraising activities which are accounted for when earned.
- Incoming resources from charitable activities includes income from events which are accounted for when earned.
- Investment income is accounted for in the period the charity is entitled to receipt.

Resources expended

Expenditure is accounted for on an accruals basis as a liability is incurred and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its objects and activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. The allocation of direct and support costs are analysed in the notes to the financial statements.

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

AN LANNTAIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Land and buildings	- 4% on cost and
	- no depreciation on land
Plant and machinery etc	- 20% on cost

Tangible fixed assets are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £100 are not capitalised.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable for the year are charged in the Statement of Financial Activities.

Investments

Investments held as fixed assets are revalued at the balance sheet date and any gains or losses are taken to the Statement of Financial Activities.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

2. VOLUNTARY INCOME

	31.3.08	31.3.07
	£	£
Donations	-	230
Grants	619,977	1,112,498
Membership fees	2,647	1,321
Insurance claim	16,810	-
	<u>639,434</u>	<u>1,114,049</u>

AN LANNTAIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2008

2. VOLUNTARY INCOME - continued

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

	31.3.08	31.3.07
	£	£
Scottish Arts Council	401,479	270,658
Comhairle nan Eilean Siar	147,201	433,177
HIE Innse Gall	12,542	232,548
Highlands and Islands Special Transitional Programme	3,107	141,827
Gaelic Arts Strategic Development	65	16,800
Comunn na Gaidhlig	-	8,388
The Robertson Trust	1,000	3,000
Gaelic Media Services	-	500
Western Isles NHS Board	-	1,500
Ross and Cromarty Trust Fund	-	100
Bord na Gaidhlig	-	2,000
Scottish Book Trust	-	2,000
The Hugh Fraser Foundation	4,000	-
Youthlink Scotland	11,015	-
Lloyds TSB Foundation for Scotland	7,308	-
The Gannochy Trust	20,000	-
PF Charitable Trust	5,000	-
Western Isles Association for Mental Health	5,000	-
Scottish Natural Heritage	250	-
Acair	810	-
The Islands Book Trust	1,000	-
The French Institute	200	-
	<u>619,977</u>	<u>1,112,498</u>

3. ACTIVITIES FOR GENERATING FUNDS

	31.3.08	31.3.07
	£	£
Fundraising	18,451	22,516
Commercial trading operations	<u>418,812</u>	-
	<u>437,263</u>	<u>22,516</u>

4. INVESTMENT INCOME

	31.3.08	31.3.07
	£	£
Listed investments	406	813
Deposit account interest	<u>1,155</u>	-
	<u>1,561</u>	<u>813</u>

AN LANNTAIR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2008**

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Activity	31.3.08	31.3.07
		£	£
Events	Arts programme	<u>82,643</u>	<u>68,438</u>

6. CHARITABLE ACTIVITIES COSTS

	Arts Programme	Capital fund	Total 31.03.08	Total 31.03.07
	£	£	£	£
Direct Costs				
Staff costs	372,741	-	372,741	280,606
Exhibitions	13,374	-	13,374	10,411
Events	52,465	-	52,465	54,369
Cinema rental and costs	24,294	-	24,294	22,508
Visual arts	-	-	-	33,692
Education and outreach projects	40,605	-	40,605	14,401
Marketing	27,636	-	27,636	17,902
Training costs	2,740	-	2,740	105
Repairs and maintenance	44,726	-	44,726	11,438
Computer and website expenses	4,259	-	4,259	2,830
Legal and professional fees	4,231	-	4,231	5,733
Support to trading company	-	-	-	34,824
Net recharges	10,330	-	10,330	-
Depreciation	1,465	267,880	269,345	266,839
Finance costs	1,751	65	1,816	3,566
	<u>600,617</u>	<u>267,945</u>	<u>868,562</u>	<u>759,224</u>
Support costs				
Light and heat	52,480	-	52,480	54,303
Insurance	6,783	1,523	8,306	8,280
Telephone, fax and internet	4,878	-	4,878	3,549
Postages, stationery and advertising	6,428	-	6,428	4,227
Recruitment expenses	191	-	191	679
Travel expenses	1,751	-	1,751	1,860
Cleaning expenses	24,613	-	24,613	23,473
Publications and subscriptions	1,211	-	1,211	633
General charges	585	-	585	3,272
	<u>98,920</u>	<u>1,523</u>	<u>100,443</u>	<u>100,276</u>
Total	<u>699,537</u>	<u>269,468</u>	<u>969,005</u>	<u>859,500</u>

7. GOVERNANCE COSTS

	31.3.08	31.3.07
	£	£
Auditors' remuneration – charity	<u>2,700</u>	<u>2,200</u>
Auditors' remuneration – group	<u>4,065</u>	<u>2,200</u>

AN LANNTAIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2008

8. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	31.3.08	31.3.07
	£	£
Auditors' remuneration	4,065	2,200
Depreciation - owned assets	<u>269,345</u>	<u>266,839</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2008 nor for the year ended 31 March 2007.

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31 March 2008 nor for the year ended 31 March 2007.

10. STAFF COSTS

	31.3.08	31.3.07
	£	£
Wages and salaries	552,947	253,703
Social security costs	43,887	21,423
Other pension costs	<u>8,220</u>	<u>5,480</u>
	<u>605,054</u>	<u>280,606</u>

The average number of employees during the year was 43 (2007 - 24).

No employees had emoluments in excess of £60,000 (2007 - Nil).

11. SUMMARY RESULTS OF CHARITY

The summary results of the charity are as follows:

	31.3.08	31.3.07
	£	£
Total incoming resources	742,072	1,205,816
Total resources expended	<u>(1,033,009)</u>	<u>(861,700)</u>
Net incoming/(outgoing) resources	<u>(290,937)</u>	<u>344,116</u>
Losses on investment assets	<u>(2,376)</u>	<u>(1,532)</u>
Net movement in funds	<u>(293,313)</u>	<u>342,584</u>
Total funds brought forward	<u>5,618,014</u>	<u>5,275,430</u>
	<u>5,324,701</u>	<u>5,618,014</u>

AN LANNTAIR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2008**

12. TANGIBLE FIXED ASSETS – Group and charity

	Freehold land £	Arts Centre £	Fixtures and fittings £	Office equipment £	Totals £
COST					
At 1 April 2007	122,386	5,909,368	122,637	42,816	6,197,207
Additions	-	8,566	8,473	2,351	19,390
At 31 March 2008	<u>122,386</u>	<u>5,917,934</u>	<u>131,110</u>	<u>45,167</u>	<u>6,216,597</u>
DEPRECIATION					
At 1 April 2007	-	470,751	49,039	23,724	543,514
Charge for year	-	236,717	25,479	7,149	269,345
At 31 March 2008	-	<u>707,468</u>	<u>74,518</u>	<u>30,873</u>	<u>812,859</u>
NET BOOK VALUE					
At 31 March 2008	<u>122,386</u>	<u>5,210,466</u>	<u>56,592</u>	<u>14,294</u>	<u>5,403,738</u>
At 31 March 2007	<u>122,386</u>	<u>5,438,617</u>	<u>73,598</u>	<u>19,092</u>	<u>5,653,693</u>

Loan interest of £2,108 has been capitalised during the year ended 31 March 2008. The total interest capitalised to that date is £13,355.

13. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Listed investments (Group) £	Totals (Charity) £
MARKET VALUE			
At 1 April 2007	1	27,306	27,307
Disposals	-	(15,844)	(15,844)
At 31 March 2008	<u>1</u>	<u>11,462</u>	<u>11,463</u>
PROVISION			
Provision b/f	-	11,881	11,881
Provision for year	-	2,625	2,625
Eliminated on disposal	-	(3,593)	(3,593)
At 31 March 2008	-	<u>10,913</u>	<u>10,913</u>
NET BOOK VALUE			
At 31 March 2008	<u>1</u>	<u>549</u>	<u>550</u>
At 31 March 2007	<u>1</u>	<u>15,425</u>	<u>15,426</u>

Investments held by the charity alone are represented by the total investments. Investments held by the group will exclude the £1 investment in the subsidiary.

There were no investment assets outside the UK.

AN LANNTAIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2008

13. FIXED ASSET INVESTMENTS – continued

The charity's investments at the balance sheet date in the share capital of companies include the following:

An Lannfair Trading Limited

Nature of business: Bar and catering

	% holding		
Class of share:	100		
Ordinary			
		31.3.08	31.3.07
		£	£
Aggregate capital and reserves		(34,401)	1
(Loss)/profit for the year/period		<u>(34,402)</u>	<u>-</u>

A summary of the trading results is given below. The information is taken from the audited accounts of An Lannfair Trading Limited.

	2008 £
Sales	427,831
Other operating income	71,634
Expenses	<u>(482,812)</u>
Net (loss)	<u>16,653</u>
Assets	47,371
Liabilities	<u>(81,772)</u>
Net Assets	<u>(34,401)</u>

Assistance of £71,634 has been provided by the charity to assist the trading subsidiary through the challenging period in establishing the bar and catering operations. This assistance is included in other operating income.

Market value at 31 March 2008 is represented by:

	Shares in group undertakings	Listed investments	Totals
	£	£	£
Valuation at 31 March 2008	-	549	549
Cost at 31 March 2008	<u>1</u>	<u>-</u>	<u>1</u>
	<u>1</u>	<u>549</u>	<u>550</u>

Listed investments at market value comprised:

	31.03.08	31.03.07
	£	£
Equities	549	3,175
Fixed interest securities	<u>-</u>	<u>12,250</u>
	<u>549</u>	<u>15,425</u>

AN LANNTAIR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2008**

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.08 Group	31.3.08 Charity	31.3.07 Group and Charity
	£	£	£
Trade debtors	24,657	12,982	5,903
Other debtors	26,836	17,982	311
Grants receivable	80,597	80,597	267,610
Recoverable taxation	1,665	1,665	1,437
VAT	13,366	13,366	11,269
Prepayments and accrued income	2,292	2,292	868
	<u>149,413</u>	<u>128,884</u>	<u>287,398</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.08 Group	31.3.08 Charity	31.3.07 Group and Charity
	£	£	£
Bank loans and overdrafts	111,494	79,649	10,251
Trade creditors	54,650	29,242	32,594
Social security and other taxes	23,516	8,345	5,931
Other creditors	109,216	99,868	258,345
Accruals and deferred income	101,907	101,907	75,103
	<u>400,783</u>	<u>319,011</u>	<u>382,224</u>

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

	31.3.08 Group and Charity	31.3.07 Group and Charity
	£	£
Bank loans - 1-2 years	8,918	10,218
Bank loans - 2-5 years	2,396	7,884
	<u>11,314</u>	<u>18,102</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	31.3.08	31.3.07
	£	£
Bank loans and overdrafts	<u>52,077</u>	<u>28,320</u>

Comhairle nan Eilean Siar have provided guarantees for 70% of the loan of £50,000 advanced by The Royal Bank of Scotland under the Business Loan Scheme.

A standard security over the Louise Carnegie site, Kenneth Street, Stornoway, Isle of Lewis has been granted to the Scottish Arts Council as part of the funding agreement for the new Arts Centre.

AN LANNTAIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2008

17. SECURED DEBTS – continued

Comhairle nan Eilean Siar are providing funding for the capital shortfall on the building of the Arts Centre. The funds advanced in this regard at 31 March 2008 were £99,868 (2007-£173,107). This balance is included in Other Creditors and is repayable from the receipt of capital grants due to An Lanntair. A standard security over the Louise Carnegie Site, ranking behind the Scottish Arts Council, is being provided to Comhairle nan Eilean Siar in respect of this funding.

The bank overdraft in An Lanntair Trading Limited is secured by a floating charge in favour of the Clydesdale Bank.

18. MOVEMENT IN FUNDS

	At 1.4.07 £	Net movement in funds £	Transfers between funds £	At 31.3.08 £
Unrestricted funds				
General fund	(95,783)	(82,769)	106,458	(72,094)
	(95,783)	(82,769)	106,458	(72,094)
Restricted funds				
Capital and development fund	5,662,742	(193,891)	(106,458)	5,362,393
TOTAL FUNDS	<u>5,566,959</u>	<u>(276,660)</u>	<u>-</u>	<u>5,290,299</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,082,948	(1,165,717)	-	(82,769)
	1,082,948	(1,165,717)	-	(82,769)
Restricted funds				
Capital and development fund	77,953	(269,468)	(2,376)	(193,891)
TOTAL FUNDS	<u>1,160,901</u>	<u>(1,435,185)</u>	<u>(2,376)</u>	<u>(276,660)</u>

General fund - Arts Programme

The general fund represents unrestricted funds which the trustees are free to use in accordance with the charitable objects.

General fund - Equipment and Fittings

This represents unrestricted funds designated by the trustees to assist with the purchase of equipment and fittings.

Capital and development fund

This represents the funds raised from various organisations to assist in the building of a new arts centre. The recent tranches of funding agreed have recognised the costs of establishing the bar and catering functions. The support provided by the charity is charged to restricted funds and is represented by the transfer of £106,458 included above.

AN LANNTAIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2008

19. CAPITAL COMMITMENTS

	31.3.08	31.3.07
	£	£
Contracted but not provided for in the financial statements	<u>76,540</u>	<u>-</u>

20. RELATED PARTY DISCLOSURES

An Lannfair Trading Limited is a wholly owned trading subsidiary of An Lannfair Limited which operates the bar, cafe, restaurant and book and gift shop within the new arts centre.

An Lannfair Limited made sales of £19,332 (2007 - Nil) to An Lannfair Trading Limited and purchased £9,002 (2007 - Nil) of services from An Lannfair Trading Limited during the year ended 31 March 2008. No balances were due by An Lannfair Trading Limited to An Lannfair Limited at 31 March 2008.

Assistance of £71,634 has been provided as support for An Lannfair Trading Limited in establishing the bar and catering operations.

21. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

22. LIMITED BY GUARANTEE

The company is limited by guarantee and has no share capital. The liability of each member in the event of the company being wound up is restricted to £1.

23. PERMANENT ENDOWMENTS

The charity does not have any permanent endowments.

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	31.3.08 Total funds	31.3.07 Total funds
	£	£	£	£
Fixed assets	5,859	5,397,879	5,403,738	5,653,692
Investments	-	549	549	15,426
Current assets	214,045	84,064	298,109	349,222
Current liabilities	(291,998)	(108,785)	(400,783)	(382,224)
Long term liabilities	-	(11,314)	(11,314)	(18,102)
	<u>(72,094)</u>	<u>5,362,393</u>	<u>5,290,299</u>	<u>5,618,014</u>