

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

REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2013
FOR
AN LANNTAIR LIMITED

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

TUESDAY



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17/12/2013
COMPANIES HOUSE
#203

AN LANNTAIR LIMITED

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FOR THE YEAR ENDED 31 MARCH 2013

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AN LANNTAIR LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2013

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 2013. 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

D R Green	- appointed 1.3.13
A McCormack	
R Mackay	
C A Mackay	- resigned 1.3.13
A Macleod	
B D H Wilson	
J Porteous	- resigned 1.3.13
G Anderson	
N Maciver	- appointed 1.3.13
L Maciver	- appointed 24.5.13

Company Secretary

R Murray

Auditors

CIB Audit
Statutory 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 2013

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 Lantair Limited are undertaken by a wholly owned subsidiary, An Lantair 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 are operated by a wholly owned subsidiary, An Lantair Trading Limited. Full details of the charity's subsidiary are included in the notes to the financial statements.

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 2013

OBJECTIVES AND ACTIVITIES

An Lannair 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 traditional and 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 Creative Scotland. This is a significant achievement by the organisation in the national context. Foundation status gives stability in that it indicates a commitment to revenue funding from Creative Scotland.

AN LANNTAIR LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2013

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 23% during the year to 31 March 2012.

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 (Creative Scotland 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 £170,000 to £340,000 for 2012/2013. 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.

During the year the group's resources expended exceeded incoming resources resulting in net expenditure of £238,154 for the period (2012 - net expenditure of £218,422). Unrealised gains on the group's investment at 31 March 2013 amounted to £22. This represents a decrease of £5,502 in unrestricted funds and an overall decrease of £232,630 in restricted funds. Unrestricted reserves for the group have as a result decreased to £(51,052).

AN LANNTAIR LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2013

FINANCIAL REVIEW

Principal funding sources

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

Creative Scotland	£
Comhairle nan Eilean Siar	390,870
	<u>73,000</u>
	<u>463,870</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 Hebcelt.

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.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of An Lanntair Limited for the purposes of company law) are responsible 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).

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 these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

AN LANNTAIR LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2013

STATEMENT OF TRUSTEES RESPONSIBILITIES - continued

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, CIB Audit, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



A Macleod- Trustee

Date: 13 November 2013

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

We have audited the financial statements of An Lanntair Limited for the year ended 31 March 2013 on pages nine to twenty two. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company'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 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and 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, the charitable company's 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

As explained more fully in the Statement of Trustees' Responsibilities set out on pages five and six, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors, including "APB Ethical Standard - Provisions Available for Small Entities (Revised)", in the circumstances set out in note 24 to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2013 and of the group and parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006


In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Trustees.



Calum Macdonald (Senior Statutory Auditor)

for and on behalf of CIB Audit

Statutory Auditor

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

63 Kenneth Street

Stornoway

Isle of Lewis

HS1 2DS

Date: 13 November 2013

AN LANNTAIR LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2013**

	Notes	Unrestricted funds £	Restricted funds £	31.3.13 Total funds £	31.3.12 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	504,371	15,350	519,721	528,553
Activities for generating funds	3	442,129	-	442,129	488,225
Investment income	4	11	-	11	23
Incoming resources from charitable activities					
Arts programme	5	149,485	-	149,485	140,385
Total incoming resources		1,095,996	15,350	1,111,346	1,157,186
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	6	426,315	-	426,315	448,746
Charitable activities					
Charitable expenditure	7	669,730	248,002	917,732	921,649
Governance costs	8	5,453	-	5,453	5,213
Total resources expended		1,101,498	248,002	1,349,500	1,375,608
NET INCOME/(EXPENDITURE) FOR THE YEAR					
		(5,502)	(232,652)	(238,154)	(218,422)
Unrealised gains/losses on investment assets		-	22	22	(88)
Net movement in funds		(5,502)	(232,630)	(238,132)	(218,510)
RECONCILIATION OF FUNDS					
Total funds brought forward		(45,550)	4,353,903	4,308,353	4,526,863
TOTAL FUNDS CARRIED FORWARD		(51,052)	4,121,273	4,070,221	4,308,353

The notes form part of these financial statements

AN LANNTAIR LIMITED**BALANCE SHEET
AT 31 MARCH 2013**

		31.3.13		31.3.12	
		Group	Charity	Group	Charity
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	13	4,255,768	4,254,053	4,484,357	4,484,357
Investments	14	317	318	295	296
		4,256,085	4,254,371	4,484,652	4,484,653
CURRENT ASSETS					
Stocks		24,229	192	26,552	252
Debtors: amounts falling due within one year	15	60,641	68,913	38,423	43,654
Cash at bank and in hand		13,229	4,697	12,830	7,841
		98,099	73,802	77,805	51,747
CREDITORS					
Amounts falling due within one year	16	(239,017)	(146,857)	(208,046)	(113,136)
NET CURRENT ASSETS/(LIABILITIES)		(140,918)	(73,055)	(130,241)	(61,389)
TOTAL ASSETS LESS CURRENT LIABILITIES		4,115,167	4,181,316	4,354,411	4,423,264
CREDITORS					
Amounts falling due after more than one year	17	(44,946)	(44,946)	(46,058)	(46,058)
NET ASSETS/(LIABILITIES)		4,070,221	4,136,370	4,308,353	4,377,206
FUNDS	21				
Unrestricted funds		(51,052)	15,097	(45,550)	23,303
Restricted funds		4,121,273	4,121,273	4,353,903	4,353,903
TOTAL FUNDS		4,070,221	4,136,370	4,308,353	4,377,206

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 13 November 2013 and were signed on its behalf by:



A Macleod- Trustee

The notes form part of these financial statements

AN LANNTAIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2013**

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 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.

The results of An Lantair 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 alone 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. 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. Grant income included in this category provides funding to support activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.
- 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, others are apportioned on an appropriate basis e.g. estimated usage.

Cost of generating funds

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs incurred in trading activities that raise funds.

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 2013

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 or, if held under a finance lease, over the lease term, whichever is the shorter.

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.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the statement of financial activities over the relevant period. The capital element of the future payments is treated as a liability.

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

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.

Fixed asset investments in group undertakings are stated at cost less accumulated provision.

AN LANNTAIR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2013**

2. VOLUNTARY INCOME

	31.3.13	31.3.12
	£	£
Donations	250	932
Grants	517,565	525,600
Membership fees	1,906	2,021
	<u>519,721</u>	<u>528,553</u>

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

	31.3.13	31.3.12
	£	£
Creative Scotland	402,166	411,906
Comhairle nan Eilean Siar	74,750	80,375
Comhairle nan Eilean Siar - Scotland's Islands	-	9,225
Comhairle nan Eilean Siar - Creative Hebrides	-	13,515
Highlands and Islands Enterprise	7,290	1,060
Highlands and Islands Special Transitional Programme - ERDF grant repaid	-	(4,627)
The Robertson Trust	6,000	-
Western Isles NHS Board	5,500	2,500
The Hugh Fraser Foundation	-	1,000
Youthlink Scotland	-	4,535
Western Isles Association for Mental Health	2,500	3,611
Acair Ltd	-	750
The Islands Book Trust	500	750
Heritage Lottery Fund	9,000	-
Big Lottery Fund	-	1,000
Awards for All	9,145	-
Scottish Youth Dance	714	-
	<u>517,565</u>	<u>525,600</u>

3. ACTIVITIES FOR GENERATING FUNDS

	31.3.13	31.3.12
	£	£
Commercial trading operations	428,457	467,451
Fundraising	13,672	20,774
	<u>442,129</u>	<u>488,225</u>

4. INVESTMENT INCOME

	31.3.13	31.3.12
	£	£
Deposit account interest	<u>11</u>	<u>23</u>

All investment income arises from assets held within the UK.

AN LANNTAIR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2013**

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Activity	31.3.13 £	31.3.12 £
Events	Arts programme	<u>149,485</u>	<u>140,385</u>

6. COSTS OF GENERATING VOLUNTARY INCOME

	31.3.13 £	31.3.12 £
Commercial trading operations	425,957	447,505
Fundraising expenses	<u>358</u>	<u>1,241</u>
	<u>426,315</u>	<u>448,746</u>

7. CHARITABLE ACTIVITIES COSTS

	Arts Programme £	Capital fund £	Total 31.3.13 £	Total 31.3.12 £
Direct Costs				
Staff costs	333,566	-	333,566	337,117
Exhibitions	19,970	-	19,970	22,705
Events	46,650	-	46,650	50,970
Cinema rental and costs	52,013	-	52,013	41,456
Education and outreach projects	41,335	-	41,335	39,912
Marketing and development	27,962	-	27,962	27,159
Training costs	956	-	956	2,270
Repairs and maintenance	24,593	-	24,593	27,279
Legal and professional fees	2,998	-	2,998	5,057
Bad debt provision	-	-	-	3,910
Depreciation	5,574	248,002	253,576	255,408
Finance costs	7,842	-	7,842	6,140
	<u>563,459</u>	<u>248,002</u>	<u>811,461</u>	<u>819,383</u>
Support costs				
Light and heat	34,442	-	34,442	29,996
Insurance	15,824	-	15,824	14,271
Telephone, fax and internet	6,548	-	6,548	6,142
Postages, stationery and advertising	7,727	-	7,727	9,668
Recruitment expenses	467	-	467	1,705
Travel expenses	37	-	37	1,864
Computer expenses	10,714	-	10,714	8,303
Cleaning expenses	28,164	-	28,164	27,100
Equipment hire	1,543	-	1,543	-
Administration expenses	805	-	805	3,217
	<u>106,271</u>	<u>-</u>	<u>106,271</u>	<u>102,266</u>
Total	<u>669,730</u>	<u>248,002</u>	<u>917,732</u>	<u>921,649</u>

AN LANNTAIR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2013**

8. GOVERNANCE COSTS

	31.3.13	31.3.12
	£	£
Accountancy	903	788
Auditors' remuneration	4,550	4,425
	<u>5,453</u>	<u>5,213</u>

9. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	31.3.13	31.3.12
	£	£
Auditors' remuneration	4,550	4,425
Depreciation - owned assets	254,005	255,011
Depreciation - assets on hire purchase contracts and finance leases	-	397

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2013 nor for the year ended 31 March 2012.

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31 March 2013 nor for the year ended 31 March 2012.

11. STAFF COSTS-GROUP

	31.3.13	31.3.12
	£	£
Wages and salaries	504,587	506,243
Social security costs	34,319	35,490
Other pension costs	7,982	8,706
	<u>546,888</u>	<u>550,439</u>

The average number of employees during the year was 43 (2012 - 40).

No employees had emoluments in excess of £60,000 (2012 - Nil).

AN LANNTAIR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2013**

12. SUMMARY RESULTS OF CHARITY

The summary results of the charity are as follows:

	31.3.13	31.3.12
	£	£
Total incoming resources	682,889	689,735
Total resources expended	(923,747)	(925,751)
Net incoming/(outgoing) resources	(240,858)	(236,016)
Unrealised gains/(losses) on investment assets	22	(88)
Net movement in funds	(240,836)	(236,104)
Funds brought forward	4,377,206	4,613,310
	<u>4,136,370</u>	<u>4,377,206</u>

13. TANGIBLE FIXED ASSETS-CHARITY

	Freehold land £	Arts Centre £	Fixtures and fittings £	Office equipment £	Totals £
COST					
At 1 April 2012	122,386	5,996,187	163,371	79,890	6,361,834
Additions	<u>-</u>	<u>-</u>	<u>22,380</u>	<u>893</u>	<u>23,273</u>
At 31 March 2013	<u>122,386</u>	<u>5,996,187</u>	<u>185,751</u>	<u>80,783</u>	<u>6,385,107</u>
DEPRECIATION					
At 1 April 2012	-	1,666,847	145,304	65,326	1,877,477
Charge for year	<u>-</u>	<u>239,847</u>	<u>6,605</u>	<u>7,125</u>	<u>253,577</u>
At 31 March 2013	<u>-</u>	<u>1,906,694</u>	<u>151,909</u>	<u>72,451</u>	<u>2,131,054</u>
NET BOOK VALUE					
At 31 March 2013	<u>122,386</u>	<u>4,089,493</u>	<u>33,842</u>	<u>8,332</u>	<u>4,254,053</u>
At 31 March 2012	<u>122,386</u>	<u>4,329,340</u>	<u>18,067</u>	<u>14,564</u>	<u>4,484,357</u>

In addition to the tangible fixed assets of the charity detailed above, group tangible fixed assets include plant and equipment with a net book value of £1,715 owned by the subsidiary. These assets were acquired during the year ended 31 March 2013 at a cost of £2,143, depreciation of £428 has been charged.

AN LANNTAIR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2013**

13. TANGIBLE FIXED ASSETS – continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Office equipment £
COST	
At 1 April 2012	1,986
Transfer to ownership	(1,986)
At 31 March 2013	-
DEPRECIATION	
At 1 April 2012	1,191
Transfer to ownership	(1,191)
At 31 March 2013	-
NET BOOK VALUE	
At 31 March 2013	-
At 31 March 2012	795

14. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Listed investments £	Totals £
MARKET VALUE			
At 1 April 2012 and 31 March 2013	1	11,463	11,464
PROVISIONS			
Provision b/f	-	11,168	11,168
Provision for year	-	(22)	(22)
At 31 March 2013	-	11,146	11,146
NET BOOK VALUE			
At 31 March 2013	1	317	318
At 31 March 2012	1	295	296

There were no investment assets outside the UK.

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

AN LANNTAIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2013

14. FIXED ASSET INVESTMENTS – continued

Market value at 31 March 2013 is represented by:

	Shares in group undertakings £	Listed investments £	Totals £
Valuation at 31 March 2013	-	317	317
Cost at 31 March 2013	1	-	1
	<u>1</u>	<u>317</u>	<u>318</u>

Listed investments at market value comprised:

	31.3.13 £	31.3.12 £
Equities	317	295
Fixed interest securities	-	-
	<u>317</u>	<u>295</u>

AN LANNTAIR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2013**

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.13		31.3.12	
	Group	Charity	Group	Charity
	£	£	£	£
Trade debtors	5,392	4,236	8,868	8,154
Group debtors	-	10,670	-	7,187
Other debtors	1,867	625	1,656	414
Grants receivable	19,435	19,435	3,161	3,161
Recoverable taxation	1,914	1,914	1,912	1,912
VAT	29,089	29,089	19,725	19,725
Prepayments and accrued income	2,944	2,944	3,101	3,101
	<u>60,641</u>	<u>68,913</u>	<u>38,423</u>	<u>43,654</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.13		31.3.12	
	Group	Charity	Group	Charity
	£	£	£	£
Bank loans and overdrafts	61,011	36,900	51,369	20,295
Other loans	1,112	1,112	1,059	1,059
Trade creditors	110,497	79,036	76,638	47,479
Other creditors	34,738	23,134	51,979	38,917
Tax and social security	31,659	6,675	27,001	5,386
	<u>239,017</u>	<u>146,857</u>	<u>208,046</u>	<u>113,136</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR-GROUP AND CHARITY

	31.3.13	31.3.12
	£	£
Other loans - 1-2 years	1,167	1,112
Other loans - 2-5 years	3,864	3,680
Other loans more 5yrs instal	<u>39,915</u>	<u>41,266</u>
	<u>44,946</u>	<u>46,058</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Other loans more 5yrs instal	<u>39,915</u>	<u>41,266</u>

18. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	31.3.13	31.3.12
	£	£
Expiring:		
Within one year	1,596	1,596
Between one and five years	<u>-</u>	<u>1,596</u>
	<u>1,596</u>	<u>3,192</u>

AN LANNTAIR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2013**

19. SECURED DEBTS

The following secured debts are included within creditors:

	31.3.13	31.3.12
	£	£
Bank overdraft	<u>61,011</u>	<u>51,369</u>

The bank overdraft is secured by a floating charge over the company's assets and undertakings.

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.

Comhairle nan Eilean Siar have provided loan funds as part of their revenue funding for 2008/2009. The funds advanced in this regard at 31 March 2013 were £46,058 (2012 - £47,117) and this balance is included in Other Loans. An Lantair Limited has provided a disposition to Comhairle nan Eilean Siar in respect of 1/5 of the land on which the arts centre is built.

20. PENSION COMMITMENTS

The charity operates a defined contribution pension scheme. At the balance sheet date unpaid contributions of £4,169 (2012 - £5,111) were due to the scheme and are included in other creditors and accrued expenses.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS-GROUP

	Unrestricted funds	Restricted funds	31.3.13 Total funds	31.3.12 Total funds
	£	£	£	£
Fixed assets	15,117	4,240,651	4,255,768	4,484,357
Investments	-	317	317	295
Current assets	82,748	15,351	98,099	77,805
Current liabilities	(148,917)	(90,100)	(239,017)	(208,046)
Long term liabilities	-	(44,946)	(44,946)	(46,058)
	<u>(51,052)</u>	<u>4,121,273</u>	<u>4,070,221</u>	<u>4,308,353</u>

22. MOVEMENT IN FUNDS-GROUP

	At 1.4.12	Net movement in funds	Transfers between funds	At 31.3.13
	£	£	£	£
Unrestricted funds				
General fund	6,131	1,979	(1,654)	6,456
General fund - Special Projects	27,625	(6,332)	-	21,293
General fund - Equipment and Fittings	4,081	(2,199)	1,654	3,536
	37,837	(6,552)	-	31,285
Subsidiary trading company	(83,387)	1,050	-	(82,337)
	(45,550)	(5,502)	-	(51,052)
Restricted funds				
Capital and development fund	4,353,903	(232,630)	-	4,121,273
	<u>4,308,353</u>	<u>(238,132)</u>	<u>-</u>	<u>4,070,221</u>

AN LANNTAIR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2013**

22. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	667,539	(665,560)	-	1,979
General fund - Special Projects	-	(6,332)	-	(6,332)
General fund - Equipment and Fittings	-	(2,199)	-	(2,199)
	667,539	(674,091)		(6,552)
Subsidiary trading company	428,457	(427,407)	-	1,050
	1,095,996	(1,101,498)		(5,502)
Restricted funds				
Capital and development fund	15,350	(248,002)	22	(232,630)
TOTAL FUNDS	1,111,346	(1,349,500)	22	(238,132)

FUNDS

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 - Special Projects

This represents unrestricted funds designated by the trustees and funds received from public funding agencies and trusts in respect of specific projects. The funds are utilised to fund the costs relating to the specific projects and also the future depreciation of any capital expenditure.

General fund - Equipment and Fittings

This represents unrestricted funds designated by the trustees to assist with the purchase of equipment and fittings. The funds are utilised to fund the future depreciation of the capital expenditure.

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 included a recognition of the costs of establishing the bar and catering functions. The support provided by the charity is charged to restricted funds. The funds are also utilised to fund the future depreciation of the capital expenditure.

Transfers between funds

An amount of £1,596 was transferred from unrestricted funds to designated funds in respect of equipment and fittings purchased through the General fund during the year.

23. RELATED PARTY DISCLOSURES

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

During the year ended 31 March 2013 An Lantair Limited made sales of £2,157 (2012 - £6,871) to An Lantair Trading Limited and purchased services of £3,811 (2012 - £5,919) from An Lantair Trading Limited. The amount owed to An Lantair Limited by its subsidiary at 31 March 2013 was £10,510 (2012 - £7,187).

An Lantair Limited has provided a guarantee of £30,000 in respect of the overdraft facilities advanced to An Lantair Trading Limited by the Clydesdale Bank.

AN LANNTAIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2013

24. 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.

25. 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.

26. PERMANENT ENDOWMENTS

The charity does not have any permanent endowments.