

REGISTERED NUMBER: 142456 (Scotland)

COTHROM
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

Nicolson
Chartered Accountants
34 Church Street
Stornoway
Isle of Lewis
HS1 2JE



REPORT OF THE DIRECTORS
for the Year Ended 31 December 2005

The directors present their report with the financial statements of the company for the year ended 31 December 2005.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of training facilities at a training centre in Stoneybridge, Isle of South Uist.

DIRECTORS

The directors during the year under review were:

Norma Macintyre	
Alexander Sinclair	
Mary Macinnes	- resigned 24.5.05
Ms Catherine Macneil	- resigned 24.5.05
Alan Graham	
J Mackinnon	
Neil MacDonald	
Paul MacKenzie	- appointed 24.5.05
Ms Helen MacLean	- appointed 24.5.05

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:

T. MacInnes

Tiag Macinnes - Secretary

20 June 2006

COTHROM

**REPORT OF THE ACCOUNTANTS TO THE DIRECTORS OF
COTHROM**

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 December 2005 set out on pages four to nine and you consider that the company is exempt from an audit.

In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

Nicolson

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20 June 2006

This page does not form part of the statutory financial statements

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
for the Year Ended 31 December 2005

	31.12.05			31.12.04
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Notes				
INCOMING RESOURCES				
Grants	201,438		201,438	240,084
Rental income	1,026		1,026	354
Interest received	1,865		1,865	1,706
Total incoming resources	204,329		204,329	242,144
DIRECT CHARITABLE EXPENDITURE				
Staff costs	124,180		124,180	128,518
Training for beneficiaries	28,945		28,945	51,245
	153,125		153,125	179,763
OTHER EXPENDITURE				
Administration	44,604		44,604	33,523
Costs of new building	4,000		4,000	6,171
CRNS costs	9,687		9,687	
Directors' expenses				309
Publicity	1,269		1,269	3,467
Accountancy	1,699		1,699	887
	61,259		61,259	44,357
Total resources expended	214,384		214,384	224,120
Net (outgoing)/incoming resources	-10,055		-10,055	18,024
Fund balances brought forward	95,240		95,240	77,216
Fund balances carried forward	85,185		85,185	195,240

The notes form part of these financial statements

COTHROM

BALANCE SHEET
31 December 2005

	Notes	31.12.05 £	£	31.12.04 £	£
FIXED ASSETS					
Tangible assets	4		3,174		4,760
CURRENT ASSETS					
Debtors	5	49,103		34,761	
Cash at bank		59,051		71,302	
		<u>108,154</u>		<u>106,063</u>	
CREDITORS					
Amounts falling due within one year	6	25,614		13,416	
NET CURRENT ASSETS			<u>82,540</u>		<u>92,647</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>85,714</u>		<u>97,407</u>
CREDITORS					
Amounts falling due after more than one year	7		529		2,167
NET ASSETS			<u>85,185</u>		<u>95,240</u>
RESERVES					
Unrestricted funds	8		85,185		95,240
			<u>85,185</u>		<u>95,240</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 December 2005.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2005 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

ON BEHALF OF THE BOARD:



Director

Approved by the Board on 20 June 2006

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2005

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 January 2005).

Turnover

Turnover comprises the amount of grant assistance received in respect of the revenue operations of the year, plus the value of services supplied during the year.

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.

Plant and machinery	- 25% on cost
Computer equipment	- 20% on cost

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 the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Taxation

The company has charitable status for taxation purposes.

2. OPERATING (LOSS)/PROFIT

The operating loss (2004 - operating profit) is stated after charging:

	31.12.05	31.12.04
	£	£
Depreciation - owned assets	154	154
Depreciation - assets on hire purchase contracts	1,432	1,432
Loss on disposal of fixed assets	-	1,162
Audit and accountancy	1,699	887
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	<u> </u>	<u> </u>

3. TAXATION

As a registered charity, there is no liability to corporation tax.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2005

4. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Computer equipment £	Totals £
COST				
At 1 January 2005 and 31 December 2005	3,949	18,133	6,345	28,427
DEPRECIATION				
At 1 January 2005	3,948	18,133	1,586	23,667
Charge for year	-	-	1,586	1,586
At 31 December 2005	3,948	18,133	3,172	25,253
NET BOOK VALUE				
At 31 December 2005	1	-	3,173	3,174
At 31 December 2004	1	-	4,759	4,760

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

	Plant and machinery etc £
COST	
At 1 January 2005 and 31 December 2005	5,730
DEPRECIATION	
At 1 January 2005	1,432
Charge for year	1,432
At 31 December 2005	2,864
NET BOOK VALUE	
At 31 December 2005	2,866
At 31 December 2004	4,298

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.05 £	31.12.04 £
Trade debtors	1,746	9,331
Other debtors	47,357	25,430
	49,103	34,761

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2005

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.05	31.12.04
	£	£
Bank loans and overdrafts	5,031	-
Hire purchase contracts	1,625	1,625
Other creditors	18,958	11,791
	<u>25,614</u>	<u>13,416</u>

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

	31.12.05	31.12.04
	£	£
Hire purchase contracts	<u>529</u>	<u>2,167</u>

8. RESERVES

	Unrestricted funds £
At 1 January 2005	95,240
Deficit for the year	<u>(10,055)</u>
At 31 December 2005	<u>85,185</u>

INCOME AND EXPENDITURE ACCOUNT
for the Year Ended 31 December 2005

	31.12.05		31.12.04
	£	£	£
Income			
India Study	2,204		-
Increase/CRNS	9,962		-
WIE & ESF Admin/IT project	12,001		62,863
Skillseekers	27,457		54,383
CnES - Early Years	11,165		30,901
Family Learning	-		66,895
Adult Learning	75,003		-
Business training	20,767		12,884
Uist online	-		1,540
Evening classes	800		1,746
Connecting communities	-		1,000
Women at Work	9,072		5,202
Lloyds TSB - Business Plan	-		2,280
Equal Initiative	32,506		-
Gaidhlig project	500		300
Sundry income	1,026		444
Deposit account interest	1,865		1,706
	<u>204,328</u>		<u>242,144</u>
Expenditure			
Tutor payments	8,973		18,360
Care costs	1,094		1,316
Training resources	6,920		5,742
Early Years	-		654
Skillseekers	10,757		22,353
Business training	-		2,820
Women at Work	1,201		1,529
Wages	124,180		128,518
World Youth Congress	2,629		-
Rent	4,255		4,899
Heat and light	513		869
Telephone	3,470		3,007
Postage stationery and computer support	6,543		5,175
Advertising	1,269		3,467
Travelling	16,211		8,139
Repairs	301		588
Insurance	1,931		1,616
Staff training	1,906		478
Membership and enrolment fees	635		255
H & I Partnership Programme	-		663
Cleaning expenses	743		1,336
Planning costs for new build	4,000		3,851
Sundry expenses	2,389		1,831
Business plan	-		2,280
CRNS - Building costs	9,687		-
Professional fees	948		287
Audit and accountancy	1,699		887
Bank charges	27		48
Hire purchase	516		404
Depn: Computer equipment	1,586		1,586
Loss on disposal of assets	-		1,162
	<u>214,383</u>		<u>224,120</u>
EXCESS OF EXPENDITURE OVER INCOME	(10,055)		18,024
2004 - INCOME OVER EXPENDITURE			