

**Report of the Trustees and  
Unaudited Financial Statements for the Year Ended 31 March 2018  
for  
Cothrom**



Campbell Stewart MacLennan & Co  
Chartered Accountants  
8 Wentworth Street  
Portree  
Highland  
IV51 9EJ

**Cothrom**

**Contents of the Financial Statements  
for the Year Ended 31 March 2018**

	Page
Report of the Trustees	1 to 7
Independent Examiner's Report	8
Statement of Financial Activities	9
Balance Sheet	10 to 11
Notes to the Financial Statements	12 to 22
Detailed Statement of Financial Activities	23 to 24

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

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2018. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

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

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

The charitable objectives of the organisation are fulfilled by individual plans for each operational area. The charity has a single document which combines these operational plans to ensure that the charity's overall objectives are being met.

**Public benefit**

Cothrom is a public benefit entity.

**Volunteers**

Cothrom benefits from a small group of dedicated volunteers who support various aspects of its work. Their contribution to the ReStore project is extremely important and ranges from driving the van, assisting with collections, deliveries and running the shop, undertaking furniture restoration - recycling and upcycling, and carrying out 'odd jobs' as required. Within the training service Volunteer Tutors are matched one-to-one with learners, provide assistance to the contracted Tutors as required, and help to make the adult learning service a flexible provision that meets the needs of all. As appropriate Volunteer Tutors also provide outreach in a particular geographical area. Volunteer gardeners are supporting the development and maintenance of the Cothrom gardens and St Peter's garden in Daliburgh: not only invaluable to the community to increase the engagement and knowledge of growing your own produce as part of Local Food for Local People, but also gaining skills and therapeutic benefits of horticulture.

Volunteers are also an important link to the wider community, helping to raise awareness of Cothrom's aims and activities. This is particularly true of the Directors who also give their time on a voluntary basis to attend Board meetings.

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

**ACHIEVEMENT AND PERFORMANCE**

**Charitable activities**

**Summary**

The period April 2017 to March 2018 has been another good year for Cothrom as the organisation has continued to thrive. Highlights were the opening of the new ReStore Centre and introduction of Foundation Apprenticeship delivery within Sgoil Lionacleit.

2017 also saw a year of change for Cothrom with Barbara MacDonald leaving the organisation for new challenges and being replaced as Manager by Kirsty MacCormick.

Funding remains a challenge however new funding streams including Ufi and Princes Countryside Fund have been secured. Turnover in the year was £476,350.

CnES Adult Literacies, Skills Development Scotland programmes and ADP service funding all remain critical to the core activities offered to learners and support for those in recovery. Funding was also secured in the year for delivery of the Access to Employment programme as a ESF Challenge Fund programme delivered in partnership with CnES. ReStore revenue funding provided by Robertson Trust, Henry Smith and Big Lottery Fund has supported the increased activity.

The organisation currently has 23 staff and various freelance staff and 6 long term volunteers. During 2017-2018 Cothrom worked with learners across our various services.

During the period numbers of children attending Cothrom Og has increased from 20 to 26.

**Adult Learning: Uist and Barra:**

The core of our activity within the community and has continued to provide a wide variety of adult literacies and learning opportunities in Uist and Barra.

- Number of learners per year **96**
- Percentage of learners achieving one or more of the intended learning outcomes **99%**
- Percentage retention (3 months or more) **90%**
- Percentage accreditation **50%**
- Progression information - **41%** into Employment; **29%** into Further Learning and **12.5%** into Volunteering

In partnership with UHI Lews Castle College, CnES Skills and Enterprise, e-Sgoil and CnES Education, both Foundation Apprenticeships in Social Services and Healthcare and Social Services (Children & Young People) were delivered to 8 students in Sgoil Lionacleit. These courses involved the pupils accessing work experience in the Care and Childcare Sector so many thanks to the placement providers for supporting this important aspect of the training.

The Employability Fund (EF) programme funded by Skills Development Scotland continues to be delivered in partnership with Comhairle nan Eilean Siar (Accredited Training & Skills) and Lews Castle College. Isle Work provides employability skills, work experience and sector-specific qualifications to support an individual to progress. There were 45 participants on Isle Work throughout the Western Isles with 89% achieving through accredited qualifications; progressing to employment; accessing Further Education; and/or starting a Modern Apprenticeship. A valuable and important part of the EF delivery is the work placements as it provides the young person with practical experience in a sector of their choice. We appreciate the support of employers who provide work placements for young people participating on Isle Work.

**Cothrom Òg:**

2017-2018 has been another fun filled, educational year in Cothrom Òg. Cothrom Òg continues to provide Gaidhlig medium education for children aged 3 months to pre-school on a full time basis. Overall numbers have increased to 26 and there has been an increase in children in the Baby Room.

Staffing has been more settled in the period with Caroline MacInnes taking the helm as the Nursery Manager in October and Natalie, Rebecca and Paula all being confirmed as permanent staff alongside Jessie.

The children have been progressing in their learning within the Curriculum for Excellence and enjoying "my world outdoors" The children participated in a very special inter-generational project with Taigh a'Chridhe Uile Naomh (TACUN) where the children and residents met weekly and prepared a sensory book.

The children are looking forward to harvesting the fruits of the labours from their planting and gardening which they have been doing with the horticulture tutors. The children, staff and learners planted trees around the Cothrom Campus.

The children have also been working closely with ReStore on a weekly basis preparing crafts and learning new skills within the workshops.

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

**ACHIEVEMENT AND PERFORMANCE**

**Charitable activities**

The children participated in the daily mile as much as possible and have been increasing their activity through play, games, walks and cycling.

**Co-op Funding:**

Cothrom Òg has been chosen as one of the Co-ops local charities for allocation of local 1%. The fundraising runs until October 2018 and the funding will be used to develop the outdoor area to create an investigative play area. Families will be involved in the design and build of the outdoor area.

**E--Learning:**

Cothrom has now signed a contract with BT Openreach for the provision of fibre broadband later in 2018. In order to maximise the benefit of this Cothrom is building its own online learning portal. This will be a web space where learners and tutors can jointly access all the required learning materials and communications.

Cothrom with funding and support from the UFI Vochtech Seed Fund has started the process of developing the portal and planning future delivery. This funding will provide a unique opportunity for Cothrom to learn from other projects.

During the year we have employed a ScotGrad post to enhance our use of digital and social media, including a revamped website. Regular use of social media is becoming more and more part of daily working lives and we are working to refine and grow our "brand and recognition".

Cothrom has also started work on upgrading our IT systems to meet the current and future needs of the organisation. Supported by Comic Relief work is underway to review systems and upgrade where required.

**Horticulture:**

During the year Cothrom continued to deliver the SVQ level 1 and 2 in Horticulture with 13 students graduating in June 2017 and 12 on track for graduation in June 2018. Falachan Cothrom, our Daliburgh garden continues to flourish and is a welcoming and safe space for learners. An Open Day was held in August 2017 as part of the Toradh festival, this was very well attended and received positive feedback.

**Mentorprise:**

Funding has been secured from the Princes' Countryside Fund during the period for the introduction of Mentorprise a business mentoring service which has been established within the community. Fiona Bateman has been appointed to the post of Mentorprise Project Co-ordinator. The project will provide mentoring relationships, networking opportunities, learning events and opportunities for individuals looking to start up or grow a local business or third sector organisation.

**Recovery:**

During the period Cothrom has continued to provide support services to those individuals who are in recovery or living with the effects of alcohol or drugs misuse. Cothrom remains a partner in the Substance Misuse Partnership for Uist and Barra and on the ADP partnership sub group for Uist and Barra. Cothrom provided adult learning opportunities and diversionary activities based at ReStore and Falachan alongside 1-1 support and group activities. Cothrom provides a safe space for the relief of isolation and boredom which are often contributory factors.

Although the Support Worker post remained vacant for the duration of the financial year, services were retained utilising existing staff and volunteers, in particular Sylvia Norton and Drew Bainbridge.

**ReStore:**

This has been a very significant year in the operations of ReStore, our recycling social enterprise. Building work was completed in May 2017 with Chris moving to the new Centre along with newer staff Nick and Maria. The new building is a great asset, providing much needed workshop space, textile and painting areas and a much more open and welcoming retail space. New tools and equipment have been purchased including table machinery and sewing machines.

The Centre has provided a renewed focus for activity and introduced new learners and volunteers to the service. ReStore are very grateful to our volunteers who support the furniture recycling and restoration activities. 50 learners attended ReStore over the year covering a huge variety of learning, including the first session of community classes which were very popular.

Shop sales increased over the period £19,182. We anticipate this will continue to increase as recognition of the shop and services continues to grow. We have also seen increased activity and income generated from repair and return services completed to a very high standard.

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

**ACHIEVEMENT AND PERFORMANCE**

**Charitable activities**

Restore achieved the Revolve Quality Standard accreditation on behalf of Cothrom in 2018, which gives recognition for the standards implemented across customer care and health and safety.

**SCVO Digital Skills:**

Cothrom has started a programme of digital skills training within the community. Funding was received from SCVO Digital Participation Fund and staff received digital champion training which can now be rolled out to the wider community. In addition to the training Cothrom received desktop computers, laptops and iPads which can be used to share digital training in the community. 12 sessions have been held.

**Staffing:**

During the period staffing numbers have remained stable, we have said goodbye to Barbara, Blair, Julia, Marion, Morag and Thomas and welcomed Caroline, Emma, Fiona, James, Kirsty, Mark, and Sheena.

**FINANCIAL REVIEW**

**Principal funding sources**

Comhairle nan Eilean Siar  
Skills Development Scotland  
Highlands and Islands Enterprise  
The Childcare Partnership  
Alcohol and Drugs Partnership  
The Robertson Trust  
LandAid Charitable Trust  
Comic Relief  
Lews Castle College  
Big Lottery Fund  
Scottish Government - Re-Generation Fund  
Storas Uibhist  
Climate Challenge Fund  
Lloyds TSB  
SCVO Digital  
People Postcode Trust

**Reserves policy**

The Trustees regularly review the level of reserves to ensure that they are suitable for the planned activity and have examined the requirement to retain free reserves, which are those unrestricted funds not invested in fixed assets, designated to a specific purpose or otherwise committed and these stood at £99,970 at 31 March 2018 (2017 - £120,830) which the directors consider adequate to maintain operational capacity for the foreseeable future.

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

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The charity is controlled by its governing document, a memorandum of association which constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

**Recruitment and appointment of new trustees**

Cothrom is a membership organisation of over 600, most of whom live in Uists and Barra. It is from this membership that Directors are elected each year at the AGM.

**Organisational structure**

The board of trustees are responsible for approving and reviewing budgets, developing the charity's long term strategy/policies and monitoring the charity's financial position. Employees are responsible for the day-to-day operations of the charity.

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

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Induction and training of new trustees**

New Trustees joining the charity, receive an induction by the Manager and a pack which outlines the following information:

1. The History of Cothrom.
2. Cothrom Structure
3. Staff List
4. Roles and Responsibilities of Directors
5. Duties of Directors
6. Funding and Financial Information
7. Directors Expenses

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

SC142456 (Scotland)

**Registered Charity number**

SC020879

**Registered office**

Ormiclate  
South Uist  
Western Isles  
HS8 5SB

**Trustees**

D Blaney  
N MacDonald  
S J MacLean  
L MacLeod  
I F MacDonald  
A Campbell  
J Huson

Retired Bank Officer  
Retired Head Teacher  
Small Business Owner  
Storas Uibhist/Former Learner  
Retired HIE Development Manager/Accountant  
Chairperson of Share/Daliburgh Thrift Shop  
Retired Business Support Officer - resigned 01/06/18

**Company Secretary**

C MacInnes

**Independent examiner**

Faye MacLeod  
Member of ICAS  
Campbell Stewart MacLennan & Co  
Chartered Accountants  
8 Wentworth Street  
Portree  
Highland  
IV51 9EJ

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

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Staff Full-time**

Kirsty MacCormick  
Agnes MacDonald  
Emma Axelsson  
Maria MacDonald  
Christopher Steele  
Nick Crowe

**Manager**  
Training Co-ordinator  
Scotgrad Social Media  
Re-store Tutor  
Recycling Assistant  
ReStore Development Officer

**Staff Part-time**

Catherine MacInnes  
Sheena MacMillan  
Julia MacLeod  
Morag MacKinnon  
Caroline MacInnes  
Paula MacInnes  
Jessie MacPhee  
Rebecca Steele

Natalie Matheson  
Thomas Fisher  
Helen MacKinnon

Blair Martin  
Margaret MacDonald  
Sue MacDonald

Allan Morrison  
Jeanne Wightman  
Rose Blaney  
Theresa MacDonald  
Fiona Bateman  
James Mitchell

**Freelance Staff**

Janice Mackay  
Mary Morrison  
Catherine MacInnes  
Adina Andrei  
Susan Walker  
Marion MacInnes

**Nursery Relief Staff**

Catherine Beaton  
Sandra MacBeth

Finance Administrator  
Community Learning Administrator (7th March 2018)  
Modern Apprentice Admin (March 2017)  
Deputy Nursery Manager (to December 2017)  
Nursery Manager (October 2017)  
Nursery Assistant  
Nursery Assistant  
Nursery Assistant  
Modern Apprentice Nursery Assistant (to 30th June 2017)  
Nursery Assistant (23rd August 2017)  
Young Start Project Leader (to 16th February 2018)  
Adult Learning Tutor  
Organisational Development Office (6th March 2017 - 31st January 2018)  
Horticulture Tutor  
Horticulture Tutor  
Modern Apprentice Horticulture (December 2016 to September 2017)  
Health and Social Care Tutor  
Cleaner  
Adult Learning Tutor  
Enterprise Mentor/Adult Learning Tutor (March 2018)  
Support Worker (March 2018)

**Volunteers**

Iain Dingwall  
Tom Rankin  
Roddy Bowie  
Robert MacIntyre  
Sylvia Norton  
Drew Bainbridge  
Cat Sinclair  
Mary Walker  
Chris Campbell Lycett



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

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of Cothrom 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).

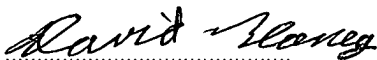
Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that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

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

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

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

Approved by order of the board of trustees on ~~27th September 2018~~ and signed on its behalf by:



D Blaney - Trustee

**Independent Examiner's Report to the Trustees of  
Cothrom (Registered number: SC142456)**

I report on the accounts for the year ended 31 March 2018 set out on pages nine to twenty two.

**Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under Section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

**Basis of the independent examiner's report**

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

**Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
- to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
  - to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Faye MacLeod  
Member of ICAS  
Campbell Stewart MacLennan & Co  
Chartered Accountants  
8 Wentworth Street  
Portree  
Highland  
IV51 9EJ

Date: 4/10/18

**Cothrom**

**Statement of Financial Activities  
(Incorporating an Income and Expenditure Account)  
for the Year Ended 31 March 2018**

	Notes	Unrestricted funds £	Restricted funds £	31.3.18 Total funds £	31.3.17 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies		626	-	626	-
<b>Charitable activities</b>					
Adult Learning		54,565	3,180	57,745	73,225
National Programmes		37,600	2,594	40,194	56,343
Business Training		32,312	13,159	45,471	15,708
Cothrom Og		87,782	-	87,782	83,387
Re-store		39,418	74,745	114,163	68,076
Community Development		17,597	385	17,982	20,680
Other activities		87	-	87	-
Health & Social Care		29,478	-	29,478	29,573
Horticulture		-	-	-	68,623
Restore Build		-	68,033	68,033	789,635
Other trading activities	2	14,707	-	14,707	14,171
Investment income	3	82	-	82	278
<b>Total</b>		<b>314,254</b>	<b>162,096</b>	<b>476,350</b>	<b>1,219,699</b>
<b>EXPENDITURE ON</b>					
Raising funds		(446)	-	(446)	(994)
<b>Charitable activities</b>					
Adult Learning		63,721	4,960	68,681	77,250
National Programmes		45,085	2,594	47,679	42,392
Business Training		44,513	11,096	55,609	29,305
Cothrom Og		79,862	-	79,862	73,883
Re-store		51,216	80,276	131,492	70,673
Community Development		21,039	5,451	26,490	19,253
Other activities		839	-	839	-
Health & Social Care		21,107	-	21,107	18,852
Horticulture		-	-	-	65,944
Depreciation		28,777	27,655	56,432	31,295
<b>Total</b>		<b>355,713</b>	<b>132,032</b>	<b>487,745</b>	<b>427,853</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>(41,459)</b>	<b>30,064</b>	<b>(11,395)</b>	<b>791,846</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>1,179,824</b>	<b>928,463</b>	<b>2,108,287</b>	<b>1,316,441</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>1,138,365</b>	<b>958,527</b>	<b>2,096,892</b>	<b>2,108,287</b>

The notes form part of these financial statements

**Balance Sheet**  
**At 31 March 2018**

	Notes	Unrestricted funds £	Restricted funds £	31.3.18 Total funds £	31.3.17 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	8	1,059,394	933,688	1,993,082	1,989,043
<b>CURRENT ASSETS</b>					
Stocks	9	3,700	-	3,700	3,254
Debtors	10	33,044	28,330	61,374	64,119
Cash at bank and in hand		78,716	64,020	142,736	197,695
		<u>115,460</u>	<u>92,350</u>	<u>207,810</u>	<u>265,068</u>
<b>CREDITORS</b>					
Amounts falling due within one year	11	(15,490)	(67,510)	(83,000)	(121,824)
<b>NET CURRENT ASSETS</b>		<u>99,970</u>	<u>24,840</u>	<u>124,810</u>	<u>143,244</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,159,364	958,528	2,117,892	2,132,287
<b>CREDITORS</b>					
Amounts falling due after more than one year	12	(21,000)	-	(21,000)	(24,000)
<b>NET ASSETS</b>		<u>1,138,364</u>	<u>958,528</u>	<u>2,096,892</u>	<u>2,108,287</u>
<b>FUNDS</b>	15				
Unrestricted funds				1,138,364	1,179,824
Restricted funds				958,528	928,463
<b>TOTAL FUNDS</b>				<u>2,096,892</u>	<u>2,108,287</u>

Balance Sheet - continued  
At 31 March 2018

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

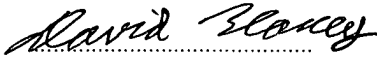
The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2018 in accordance with Section 476 of the Companies Act 2006.

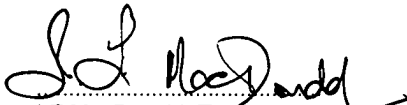
The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on ~~27th September 2018~~ 27th September 2018 and were signed on its behalf by:

  
D Blaney - Trustee

  
I F MacDonald - Trustee

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

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income from grants, whether 'capital' or revenue grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grant have been met, it is probable that income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of a services rendered by the charity, is deferred until the criteria for income recognition are met.

**Donated goods for resale**

Donated goods for resale consist of furniture which has been donated by members of the public and then restored by the charity for resale. It would be impractical to quantify the value of each item of furniture when it is originally donated to the charity; therefore donations are recognised upon the sale of goods once the furniture has been restored.

Restore furniture sales amounted to £26,681 during the year (2017 - £14,390) and income relating to these sales has been disclosed within charitable activities, rather than income from other trading activities, as the restore project formed part of the core activities of the charity.

**Donations in kind**

The charity has agreed a lease of 15 years for the use of the Walled Garden at St. Peter Church, South Uist. No consideration is payable for the lease and the value attributable to the garden is unknown and therefore has not been included as a donation in kind in the financial statements.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**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	-2% on cost
Plant and machinery etc	-25% on reducing balance and 20% on cost
Leasehold improvements	-over the lifetime of the lease, due to expire in 2028

Assets under construction are not depreciated until they are brought into use.

**Stocks**

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

Stock consists of furniture that has been restored for sale to the general public. Donated stock yet to be restored is not included within stock

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

**1. ACCOUNTING POLICIES - continued****Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

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

A designated fund is that part of the charity's unrestricted funds that the charity trustees have decided to earmark or designate, for a particular purpose.

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 charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Lease commitments**

Rentals paid under operating leases are charged to the SOFA as incurred. Lease obligations are disclosed in the notes to the financial statements.

**Public Benefit Entity Concessionary Loans**

Loan classified as Public Benefit Entity Concessionary Loans are initially measured at the amount received, with the carrying amount subsequently adjusted to reflect any accrued interest payable.

**2. OTHER TRADING ACTIVITIES**

	31.3.18	31.3.17
	£	£
Hire of rooms	8,055	11,453
Renewable generation income	3,740	2,568
Broadband mast income	150	150
Other fundraising events	2,762	-
	<u>14,707</u>	<u>14,171</u>

**3. INVESTMENT INCOME**

	31.3.18	31.3.17
	£	£
Deposit account interest	82	278
	<u>82</u>	<u>278</u>

**4. NET INCOME/(EXPENDITURE)**

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

	31.3.18	31.3.17
	£	£
Auditors' remuneration	-	4,800
Depreciation - owned assets	56,435	31,296
Fees for accountancy and other services	6,141	5,100
Independent Examination	2,460	-
Defined contribution pension	1,859	2,383
	<u>66,895</u>	<u>43,579</u>

**Cothrom**

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

**5. TRUSTEES' REMUNERATION AND BENEFITS**

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

**Trustees' expenses**

One trustee was paid £45 (2017 - £50) for travelling expense.

The trustees have taken out trustee liability insurance. The annual premium is £443 (2017 - £440).

**6. STAFF COSTS**

	31.3.18 £	31.3.17 £
Wages and salaries	300,125	262,230
Social security costs	14,375	12,157
Other pension costs	1,859	2,383
	<u>316,359</u>	<u>276,770</u>

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

	31.3.18	31.3.17
Cothrom staff members - full time	6	5
Cothrom staff members - part time	21	21
	<u>27</u>	<u>26</u>

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

A breakdown of staff members, freelance tutors, volunteers and nursery relief staff is provided in the trustees report.

Key management compensation amounted to £32,551 (2017 - £32,269) during the year.

**7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
<b>Charitable activities</b>			
Adult Learning	61,838	11,387	73,225
National Programmes	56,343	-	56,343
Business Training	4,043	11,665	15,708
Cothrom Og	83,387	-	83,387
Re-store	31,207	36,869	68,076
Community Development	-	20,680	20,680
Health & Social Care	29,573	-	29,573
Horticulture	206	68,417	68,623
Restore Build	-	789,635	789,635
Other trading activities	14,171	-	14,171
Investment income	278	-	278
	<u>281,046</u>	<u>938,653</u>	<u>1,219,699</u>
<b>Total</b>	<b>281,046</b>	<b>938,653</b>	<b>1,219,699</b>



**Cothrom**

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

**7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted funds £	Restricted funds £	Total funds £
<b>EXPENDITURE ON</b>			
Raising funds	(994)	-	(994)
<b>Charitable activities</b>			
Adult Learning	65,862	11,388	77,250
National Programmes	42,392	-	42,392
Business Training	17,640	11,665	29,305
Cothrom Og	73,883	-	73,883
Re-store	41,113	29,560	70,673
Community Development	85	19,168	19,253
Health & Social Care	18,852	-	18,852
Horticulture	2,714	63,230	65,944
Depreciation	28,002	3,293	31,295
<b>Total</b>	<b>289,549</b>	<b>138,304</b>	<b>427,853</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>(8,503)</b>	<b>800,349</b>	<b>791,846</b>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	<b>1,188,328</b>	<b>128,113</b>	<b>1,316,441</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>1,179,825</b>	<b>928,462</b>	<b>2,108,287</b>

**Cothrom**

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

**8. TANGIBLE FIXED ASSETS**

	Freehold property £	Restore building £	Improvements to property £
<b>COST</b>			
At 1 April 2017	1,284,149	879,566	14,588
Additions	-	48,104	-
At 31 March 2018	<u>1,284,149</u>	<u>927,670</u>	<u>14,588</u>
<b>DEPRECIATION</b>			
At 1 April 2017	220,253	-	1,878
Charge for year	25,071	18,553	1,155
At 31 March 2018	<u>245,324</u>	<u>18,553</u>	<u>3,033</u>
<b>NET BOOK VALUE</b>			
At 31 March 2018	<u>1,038,825</u>	<u>909,117</u>	<u>11,555</u>
At 31 March 2017	<u>1,063,896</u>	<u>879,566</u>	<u>12,710</u>

	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 April 2017	86,665	18,000	13,547	2,296,515
Additions	5,848	-	6,522	60,474
At 31 March 2018	<u>92,513</u>	<u>18,000</u>	<u>20,069</u>	<u>2,356,989</u>
<b>DEPRECIATION</b>				
At 1 April 2017	57,630	17,240	10,471	307,472
Charge for year	8,721	190	2,745	56,435
At 31 March 2018	<u>66,351</u>	<u>17,430</u>	<u>13,216</u>	<u>363,907</u>
<b>NET BOOK VALUE</b>				
At 31 March 2018	<u>26,162</u>	<u>570</u>	<u>6,853</u>	<u>1,993,082</u>
At 31 March 2017	<u>29,035</u>	<u>760</u>	<u>3,076</u>	<u>1,989,043</u>

Included in freehold property and restore building is freehold land of £32,656 (2017 - £32,656).

An area of ground extending to 85 meters at 15 Ormiclate, South Uist, Western Isles has been granted as security to a grant funder of the charity.

**9. STOCKS**

	31.3.18 £	31.3.17 £
Finished goods	<u>3,700</u>	<u>3,254</u>

**Cothrom**

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

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.18	31.3.17
	£	£
Trade debtors	38,062	33,573
Accrued income	23,111	30,109
Prepayments	201	437
	<u>61,374</u>	<u>64,119</u>

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.18	31.3.17
	£	£
Bank loans and overdrafts (see note 13)	2,069	-
Other loans (see note 13)	3,172	3,192
Trade creditors	1,167	3,823
Credit card	582	1,027
Pension creditor	-	3
Other creditors	25,080	-
Deferred grants	22,295	70,963
Accruals and deferred income	28,635	42,816
	<u>83,000</u>	<u>121,824</u>

Grants totalling £22,295 (2017 - £70,963) were deferred at the year end. The expenditure associated with this income had yet to be incurred or related to projects which commenced after the year end.

**12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.3.18	31.3.17
	£	£
Other loans (see note 13)	<u>21,000</u>	<u>24,000</u>

**13. LOANS**

An analysis of the maturity of loans is given below:

	31.3.18	31.3.17
	£	£
Amounts falling due within one year on demand:		
Bank overdraft	2,069	-
Other loans	3,172	3,192
	<u>5,241</u>	<u>3,192</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>3,000</u>	<u>3,000</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>9,000</u>	<u>9,000</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Other loans more 5yrs instal	<u>9,000</u>	<u>12,000</u>

Loans include a public benefit entity concessionary loan, repayable over a period of ten year with interest payable at 0.5% above base rate.

**Cothrom**

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

**14. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.18 £	31.3.17 £
Within one year	2,033	3,037
Between one and five years	-	2,033
	<u>2,033</u>	<u>5,070</u>

**15. MOVEMENT IN FUNDS**

	At 1.4.17 £	Net movement in funds £	At 31.3.18 £
<b>Unrestricted funds</b>			
General fund	138,238	(16,422)	121,816
Designated Fund - New Restore Building	11,184	(323)	10,861
Designated Fund - Cothrom Centre	1,030,402	(24,715)	1,005,687
	<u>1,179,824</u>	<u>(41,460)</u>	<u>1,138,364</u>
<b>Restricted funds</b>			
Enterprise on the Edge	305	(76)	229
Big Lottery Fund Grant - Restore development	12,797	(256)	12,541
Robertson Trust	2,760	(2,760)	-
Landaid Charitable Trust Ltd	40,000	(1,001)	38,999
People Postcode Trust	7,955	(723)	7,232
Big Lottery Fund Grant - New restore building	443,894	21,256	465,150
CNES Community Capital Grant	95,410	3,105	98,515
Scottish Government Regeneration Capital Grant	169,397	5,840	175,237
Big Lottery Fund Grant - Young Start	5,065	(5,065)	-
HIE - New restore building	115,654	3,984	119,638
Climate Challenge Fund	10,676	(1,939)	8,737
Storas Uibhist	10,000	10,800	20,800
Western Isles Development Trust - renewables	10,000	(200)	9,800
Refurbishment of textile banks	4,550	(4,550)	-
SCVO Digital	-	1,650	1,650
	<u>928,463</u>	<u>30,065</u>	<u>958,528</u>
<b>TOTAL FUNDS</b>	<u>2,108,287</u>	<u>(11,395)</u>	<u>2,096,892</u>

**Cothrom**

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

**15. MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	314,254	(330,676)	(16,422)
Designated Fund - Cothrom Centre	-	(24,715)	(24,715)
Designated Fund - New Restore Building	-	(323)	(323)
	<u>314,254</u>	<u>(355,714)</u>	<u>(41,460)</u>
<b>Restricted funds</b>			
Robertson Trust	7,570	(10,330)	(2,760)
People Postcode Trust	-	(723)	(723)
Alcohol & Drugs Partnership	18,244	(18,244)	-
Big Lottery Fund Grant - New restore building	63,990	(42,734)	21,256
CNES Community Capital Grant	5,608	(2,503)	3,105
Scottish Government Regeneration Capital Grant	10,549	(4,709)	5,840
Big Lottery Fund Grant - Young Start	-	(5,065)	(5,065)
HIE - New restore building	7,190	(3,206)	3,984
Climate Challenge Fund	-	(1,939)	(1,939)
Storas Uibhist	11,000	(200)	10,800
Western Isles Development Trust - renewables	-	(200)	(200)
Refurbishment of textile banks	-	(4,550)	(4,550)
Henry Smith	19,400	(19,400)	-
Lloyds TSB Foundation	5,000	(5,000)	-
ScotGrad	11,096	(11,096)	-
SCVO Digital	2,063	(413)	1,650
Princes Trust	386	(386)	-
Enterprise on the Edge	-	(76)	(76)
Big Lottery Fund Grant - Restore development	-	(256)	(256)
Landaid Charitable Trust Ltd	-	(1,001)	(1,001)
	<u>162,096</u>	<u>(132,031)</u>	<u>30,065</u>
<b>TOTAL FUNDS</b>	<u><u>476,350</u></u>	<u><u>(487,745)</u></u>	<u><u>(11,395)</u></u>

Cothrom

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

15. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.16 £	Net movement in funds £	Transfers between funds £	At 31.3.17 £
<b>Unrestricted Funds</b>				
General fund	132,236	16,497	(10,495)	138,238
Designated Fund - New Restore Building	852	(163)	10,495	11,184
Designated Fund - Cothrom Centre	1,055,240	(24,838)	-	1,030,402
	<u>1,188,328</u>	<u>(8,504)</u>	<u>-</u>	<u>1,179,824</u>
<b>Restricted Funds</b>				
Enterprise on the Edge	382	(77)	-	305
Big Lottery Fund Grant - Restore development	12,797	-	-	12,797
Robertson Trust	-	2,760	-	2,760
Landaid Charitable Trust Ltd	40,000	-	-	40,000
People Postcode Trust	8,678	(723)	-	7,955
Big Lottery Fund Grant - New restore building	30,071	413,823	-	443,894
CNES Community Capital Grant	5,984	89,426	-	95,410
Scottish Government Regeneration Capital Grant	11,266	158,131	-	169,397
Big Lottery Fund Grant - Young Start	3,552	1,513	-	5,065
HIE - New restore building	7,487	108,167	-	115,654
Climate Challenge Fund	7,896	2,780	-	10,676
Storas Uibhist	-	10,000	-	10,000
Western Isles Development Trust - renewables	-	10,000	-	10,000
Refurbishment of textile banks	-	4,550	-	4,550
	<u>128,113</u>	<u>800,350</u>	<u>-</u>	<u>928,463</u>
<b>TOTAL FUNDS</b>	<u>1,316,441</u>	<u>791,846</u>	<u>-</u>	<u>2,108,287</u>

**Cothrom**

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

**15. MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	281,046	(264,549)	16,497
Designated Fund - Cothrom Centre	-	(24,838)	(24,838)
Designated Fund - New Restore Building	-	(163)	(163)
	<u>281,046</u>	<u>(289,550)</u>	<u>(8,504)</u>
<b>Restricted funds</b>			
Enterprise on the Edge	-	(77)	(77)
Robertson Trust	8,190	(5,430)	2,760
People Postcode Trust	-	(723)	(723)
Alcohol & Drugs Partnership	21,834	(21,834)	-
Big Lottery Fund Grant - New restore building	427,593	(13,770)	413,823
CNES Community Capital Grant	89,426	-	89,426
Scottish Government Regeneration Capital Grant	158,131	-	158,131
Big Lottery Fund Grant - Young Start	20,681	(19,168)	1,513
HIE - New restore building	108,167	-	108,167
Climate Challenge Fund	68,416	(65,636)	2,780
Storas Uibhist	10,000	-	10,000
Western Isles Development Trust - renewables	10,000	-	10,000
Transport Scotland	10,000	(10,000)	-
Comic Relief	1,665	(1,665)	-
Refurbishment of textile banks	4,550	-	4,550
	<u>938,653</u>	<u>(138,303)</u>	<u>800,350</u>
<b>TOTAL FUNDS</b>	<u><u>1,219,699</u></u>	<u><u>(427,853)</u></u>	<u><u>791,846</u></u>

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

**15. MOVEMENT IN FUNDS - continued**

<b>Name of restricted fund(s)</b>	<b>Description, nature and purpose of the fund</b>
Enterprise on the Edge	The Enterprise on the Edge fund is a program designed to help young people across the Outer Hebrides explore enterprising opportunities in their own communities and provide support in setting up their own enterprises. The fund balance carried forward consists of fixed assets.
Big Lottery Fund Grant - Restore Development, Landaidd Charitable Trust, Big Lottery Fund Grant - New restore building, CNES Community Capital Grant, Scottish Government Regeneration Capital Grant, HIE - New restore building, Storas Uibhist Renewables, Western Isle Development Trust - Renewables, Henry Smith Charity, Robertson Trust and Lloyds TSB.	For the planning, design, purchase of land and construction of the charity's new restore building. The Big Lottery Fund Grant - New restore building, Henry Smith Charity, Robertson Trust and Lloyds TSB, provide funding towards the salary costs of a full time Development Co-ordinator for the Restore project.
People Postcode Trust	For the charity's walled garden project. The fund balance carried forward consists of funds held as fixed assets.
Big Lottery Fund Grant - Young Start	Two year project starting October 2015 to provide mentoring for 70 young people aged 16-24 on Uist and Barra. This has now been completed.
Refurbishment of textile bank	For the refurbishment of the textile bank. This project has now been completed.
Climate Challenge Fund	The project will create new community growing space for local produce to reduce food miles and run cooking and meal planning sessions to reduce food waste. Additional activities include food waste collections and composting stations, plus horticultural training and employment opportunities. The fund balance carried forward consists of funds held as fixed assets.
The Prince's Trust	For the charity's mentorprise project, which provides local businesses with advice and mentoring support.
SCVO Digital	For the charity's project to built digital skills in the local community.
ScotGrad	For a social media and marketing graduate programme.

**16. RELATED PARTY DISCLOSURES**

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

**17. ULTIMATE CONTROLLING PARTY**

The company is limited by guarantee and is controlled by its board of directors.



**Cothrom**

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

	31.3.18 £	31.3.17 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Donations	626	-
<b>Other trading activities</b>		
Hire of rooms	8,055	11,453
Renewable generation income	3,740	2,568
Broadband mast income	150	150
Other fundraising events	2,762	-
	<hr/> 14,707	<hr/> 14,171
<b>Investment income</b>		
Deposit account interest	82	278
<b>Charitable activities</b>		
Cornhairle nan Eilean Siar	108,952	130,790
Grants	198,116	938,654
Childcare Partnership	5,488	9,542
Get Ready for Work	13,178	22,355
ESOL	3,874	3,874
Other income	19,779	20,184
Cothrom Og fees	55,146	33,997
Reimbursed expenses	2,347	-
Modern Apprenticeships	5,026	8,149
Textile Bank income	963	2,275
Fees charged and sales	30,202	18,006
Community Jobs Scotland	5,457	8,846
Training income	410	3,300
Mum's group income	-	5,278
Evening classes	570	-
NHS Health Promotion	1,440	-
UFI Charitable Trust	9,987	-
	<hr/> 460,935	<hr/> 1,205,250
<b>Total incoming resources</b>	476,350	1,219,699
<b>EXPENDITURE</b>		
<b>Other trading activities</b>		
Opening stock	6,508	2,260
Closing stock	(6,954)	(3,254)
	<hr/> (446)	<hr/> (994)
<b>Charitable activities</b>		
Wages	246,078	212,251
Social security	10,295	8,883
Pensions	1,514	2,383
Rent, rates and water	4,673	9,489
Light and heat	7,831	8,701
Staff travel	10,644	7,365
Course materials, fees	2,292	3,172
Tutor payments	10,893	15,294
Consumable supplies	5,234	3,718
Care costs	775	1,539
Carried forward	300,229	272,795

**Cothrom**

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

	31.3.18 £	31.3.17 £
<b>Charitable activities</b>		
Brought forward	300,229	272,795
Staff Uniform	758	-
Trainee payments and travel	13,367	16,381
Repairs	12,131	4,452
Staff training	2,425	877
Disclosures and inspections	1,385	906
Motor expenses	2,506	3,184
Staff/student events	3,173	4,064
EV Feasibility	-	9,500
Mentoring provision	-	31
Freehold property	43,623	25,070
Improvements to property	1,155	1,155
Depn of equipment	8,721	3,377
Depn of vehicles	190	253
	<hr/> 389,663	<hr/> 342,045
<b>Support costs</b>		
<b>Management &amp; administration</b>		
Wages	54,047	49,979
Social security	4,080	3,274
Pensions	345	-
Insurance	6,046	4,448
Telephone	5,952	5,739
Postage and stationery	5,124	4,053
Advertising	639	850
Sundries	-	2
Memberships and subscriptions	851	1,077
Water cooler	341	373
Computer support	572	82
Bad debt	-	511
Sundry expenses	1,689	329
Software licences	629	656
Cleaning	3,153	2,099
Computer equipment	2,744	1,439
	<hr/> 86,212	<hr/> 74,911
<b>Finance</b>		
Bank charges	1,922	396
Loan	147	128
	<hr/> 2,069	<hr/> 524
<b>Human resources</b>		
HR Mentoring	1,282	1,332
<b>Governance costs</b>		
Auditors' remuneration	-	4,800
Accountancy fees	8,601	5,100
Companies House fee	13	14
Director expenses & AGM	351	122
	<hr/> 8,965	<hr/> 10,036
<b>Total resources expended</b>	<hr/> 487,745	<hr/> 427,853
<b>Net (expenditure)/income</b>	<hr/> <hr/> (11,395)	<hr/> <hr/> 791,846