

Registered Company No: SC 166766 (Scotland)

Registered Charity No: SCO 25026

COMHAIRLE NAN LEABHRAICHEAN

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

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COMHAIRLE NAN LEABHRAICHEAN

(A company limited by guarantee)

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

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COMHAIRLE NAN LEABHRAICHEAN

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LEGAL AND ADMINISTRATIVE INFORMATION

Charity Name:	Comhairle nan Leabhraichean
Registered Office and Operational Address:	32 Mansfield Street Glasgow G11 5QP
Charity Registration Number:	SCO 25026
Company Registration Number:	SC 166766
Trustees:	D-I Brown (Chair) A MacDonald J Carmichael D T McComb C S Ross D MacQuarrie M Sinclair U MacDonald
Secretary:	Rosemary Ward
Manager:	Rosemary Ward
Core Projects	Support of Gaelic writers and publishers Development of Gaelic Literature Literary events Bookselling
Auditors:	Wylie & Bisset LLP Chartered Accountants 168 Bath Street Glasgow G2 4TP
Bankers:	Bank of Scotland 258/262 Dumbarton Road Glasgow G11 6TU
Solicitors:	Mitchells Robertson George House 36 North Hanover Street Glasgow G1 2AD

COMHAIRLE NAN LEABHRAICHEAN

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2011

The Trustees are pleased to present their report together with the financial statements of Comhairle nan Leabhraichean for the year ended 31 March 2011. The legal and administrative information on page one forms part of this report.

Directors and Trustees

The directors of the charitable company Comhairle nan Leabhraichean are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees who served during the year and since the year-end unless otherwise stated were as follows:

M Wringe (Resigned 02/09/10)
A MacDonald
J Carmichael
D T McComb
C S Ross
D MacQuarrie
M Sinclair
D I Brown (Appointed 28/05/10)
U MacDonald (Appointed 28/05/10)

Principal Activity

The principal activity of the company is to encourage and promote the study, teaching, knowledge and appreciation of Gaelic writing and the public performance of creative works in Gaelic.

Structure, Governance and Management

- **Governing Document**
 - Comhairle nan Leabhraichean is a company limited by guarantee and is governed by its Memorandum and Articles of Association dated 2 July 1996 and updated on 23 February 2011.
 - Company Number SC166766
- **Recruitment and Appointment of Trustees**
 - Trustees (i.e. Council members) are appointed by the existing Council or Board, on which Creative Scotland is represented as a funding body. Trustees are invited to apply for the position through national advertisement and are selected on the grounds of their ability to advise the staff on how best to progress the work of the charity. They are unpaid and receive only travel and subsistence expenses. Trustees are appointed for three years in the first instance but may serve another two if that is agreed on both sides.
- **Trustee Induction and Training**
 - Background material is provided in writing and induction work is carried out at the first meeting attended. Board meetings are held four times a year, in line with Creative Scotland guidelines. A sub-committee (the Grants Committee) meets four times a year to respond to applications from publishers and writers for grant assistance.

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- Every effort is made to recruit and appoint Trustees from a cross section of the Gaelic community with a breadth of skills and knowledge relevant to the work of the charity. Meetings on such matters called by outside bodies are normally attended by staff, but the Chair and other members also do so when it is appropriate.
- Staff appraisal meetings are held annually, with discussion on performance and agreement on performance targets and measures going forward. A staff training and development programme is in place and training requirements are approved as part of the annual appraisal programme. While there is no Remuneration Committee in place, the Trustees conduct an annual salary review as part of normal business. Comhairle nan Leabhraichean operates an Equal Opportunities Policy and is committed to addressing the new Equalities agenda .

- Risk Management

Risk management is an important, ongoing responsibility for Comhairle nan Leabhraichean due to budgetary constraints and the requirement to achieve efficiencies and demonstrate best value at all times. A risk register has been established and is formally reviewed on an annual basis.

- Financial Governance

Comhairle nan Leabhraichean has produced a Financial Procedures Manual which sets out, in detail, how it complies with statutory requirements and meets its financial responsibilities. Delegated financial authority limits have been agreed and are applied consistently. There are clearly defined budgetary responsibilities and controls in place. New financial management software is in place and a monthly financial report is issued to members with a more detailed report being discussed at quarterly meetings. Detailed quarterly reports are produced by the Secretary for Creative Scotland and Bòrd na Gàidhlig.

New policy advice and guidance for the disbursement of commission and publication grants has been established and these appear on the Comhairle nan Leabhraichean website. The policy clearly defines the funding and assessment criteria that is applied to all applications for support. In the case of commission grants, some monies, such as a first instalment towards a writing project, may be disbursed before the work begins, but a final instalment is forwarded only on completion of the work. In the case of publication grants, no monies are paid until a book appears, as stated in the letter of offer given to publishers, but there is a firm offer of grant made that is conditional on the publication of the book.

- Organisational Structure

2010-11 has been a year of monumental change for the Gaelic Books Council. The Director for some 30 or more years retired in December 2010 and the new Director took up the reins from 1 December 2010.

The organisation has undergone a comprehensive re-structuring process that has resulted in the a new organisational structure and the establishment of new clear Governance and Operating procedures.

The Director has responsibility for providing clear, strategic direction and maintaining effective financial controls and providing good governance and guidance to staff and Trustees.

A new Literature and Publishing team has been established to reflect the importance of this core function of the organisation. The Head of Literature and Publishing has day-to-day responsibility for supporting authors and publishers to increase and improve the range and quality of Gaelic literature. The Literature and Publishing Officer provides support to Head of department in respect of awards for writers and publishers, provides administrative support to the Trustees and the various sub-committees.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 March 2011

A new Sales and Marketing Officer has been appointed to raise the profile of all Gaelic literature and publications and to increase the sale and reach of Gaelic books and this individual works under the guidance of the Director.

The Administration and Distribution Officer has specific responsibility for stock control, distribution and administrative support and reports directly to the Director.

A new staff training and development process has been established. Additionally, each member of staff has been given detailed appraisals with stretching, but achievable, performance targets.

The Board meetings have detailed and clear agendas and sub-groups have been established to manage business between the quarterly board meetings. A new board member was recruited and the risk register has highlighted a specific skills deficit within the Board and the Trustees are intent on recruiting at least one more member with the necessary skills.

The focus of the Chair and the Trustees in the coming years is to ensure the good governance of the organisation and to ensure that the skills and budget of the organisation are maximised to deliver a quality service to our consumers and to understand their needs.

Objectives and Activities

- The company's objectives are to encourage and promote the study, teaching, knowledge and appreciation of Gaelic writing and the public performance of creative works in Gaelic.
- The charity's aim this year, as in every year, was to enable writers and publishers to produce books through the provision of funding, editorial services, general advice and any other necessary assistance, and to bring these before the public, either in written form or as part of a public performance or both. This was achieved through a well-established framework of co-operation with the appropriate parties, consisting of discussion, applications, awards, contracts and the bringing of projects to fruition.

2010-11 saw the planned restructuring of the organisation finally brought to fruition and resulted in the appointment of a new Chairperson, Director, and Sales and Marketing Officer, taking the staff complement to five in total. The restructuring proposal recommended the appointment of a Head of Sales and Marketing but the Board agreed to defer any such appointment in the longer term to afford the new Director time to settle existing staff into their new roles and develop new creative and artistic plans for the organisation.

Ian MacDonald retired from his post as Director on 31 December 2010. Since then the new Director, supported by the Chairperson, has been addressing the organisation's evident governance issues. A new electronic financial management system has been introduced. New operational policies and procedures have been established and appropriate budget planning and monitoring procedures have been applied. All developmental priorities have been reviewed and contact has been made with new and existing collaborative partners from a wide range of national arts organisations.

In November 2010, the Books Council received confirmation that Creative Scotland would maintain revenue commitments to all Foundation Organisations in 2011-12 at the same level as 2010-11. Subsequent to this announcement, the Books Council received confirmation from our other principal funder, Bòrd na Gàidhlig, that they too would be maintaining core support to key service providers in 2011-12 at the same level as 2010-11.

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As has become the pattern, several book launches and readings took place – at the Word festival in Aberdeen, in Edinburgh at different venues, including the Edinburgh International Book Festival, and in Glasgow. An all-day conference on and celebration of Gaelic literature was held at the CCA in Glasgow on 26 March 2011, in collaboration with the *Ceòl 's Craic* initiative and under the title *Leabhar 's Craic*. It included discussions, workshops and a book launch, and a subsequent survey of audience reactions yielded very positive results. Bookselling at selected venues continued steadily throughout the year.

2010-11 saw the establishment of *Duais Dhòmhnaill Meek*, a Gaelic literary award in honour of the well-known Tìree scholar and long time supporter of Comhairle nan Leabhraichean. The award was presented for the first time in August 2010 as part of the Edinburgh International Book Festival.

Initiatives made possible by Bòrd na Gàidhlig grants for its Gaelic Language Act Implementation Fund (GLAIF) made good progress, these being *Sgrìobhadh sa Sgìre* (guidance and support for writers), a mentoring scheme, a market research project and the creation of a wide-ranging Gaelic literature website, *litreachas.com*.

Comhairle nan Leabhraichean supported literary events at the Glasgow *Aye Write* festival in March 2011, one of which provided a showcase for new Gaelic writing talent. The Stanza festival in St. Andrew's in March 2011 provided an opportunity to showcase and promote Gaelic poetry.

In 2010-11, Comhairle nan Leabhraichean paid out a total of thirteen publication grants and eight commission grants.

Achievements and Performance

Outcomes	Indicators of Achievement	Evidence of Achievement or Impact
Publication grants for 13 books allocated	Number of titles published	22 titles were published by 31st March 2011 and many of those received additional sales and marketing support from Comhairle nan Leabhraichean.
8 commission grants allocated	Progress of books being written	Three of the commissions were for substantial works of fiction which could not be expected until 2011-12 at the earliest.
Literary events	Successful completion of events and positive feedback	These events have been referred to above, with all of them having been considered successful and resulting in sales and a good reaction from those who attended. On the international scene, Gaelic books were sent to the EIBF and Comhairle nan Leabhraichean successfully negotiated a collaboration between an Irish and a Gaelic publishing house which will result in co-editions of children's picture books..

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2011

Financial Review

The results for the year are set out in the Statement of Financial Activities on page 10. The charity made a deficit of £10,331 for the year (2010: surplus £8,720) and has funds carried forward at 31 March 2011 of £11,056.

The Board acknowledges and accepts that this deficit was a direct result of a number of factors:

- A protracted transition period that resulted in the payment of salary costs to the outgoing manager for six months (£11,250)
- An overspend on a managed project as a result of a failure to carry-forward the required project costs from the previous year (£15,000)

Both of the above are non-recurring costs.

• Principal Funding Sources

The charity has two main funding bodies, Creative Scotland and Bòrd na Gàidhlig. The monies from these bodies are in the form of revenue grants.

• Reserves Policy

The Board adopted a formal reserve policy:-

- To provide six months charitable running costs with a target date of 10 years. At current levels of expenditure this would equate to £200,000. This will be to cover staff costs, rent, telephone, postage and other liabilities of the projects being run by Comhairle nan Leabhraichean
- Currently reserves stand at £11,056 which is considerably less than the target.

Plans for Future Periods

In 2010-11, Creative Scotland undertook a major review of all their Foundation Funded organisations, of which Comhairle nan Leabhraichean is one. Retention of Foundation Funding provides a degree of financial stability for organisations and Comhairle nan Leabhraichean was happy to engage fully with the review process and provide evidence of the organisation's ability to increase the impact and benefit of all funded creative projects. The charity has received confirmation from Creative Scotland that Foundation Funding status with a standstill budget has been approved for a further three year period. Bòrd na Gàidhlig has also confirmed standstill funding for 2011-12 with the expectation that a three year contract will be negotiated once they have received confirmation of their own award as part of the Spending Review.

The charity also very willingly become involved in Bòrd na Gàidhlig's plans for the establishment of a Gaelic Hub on Mansfield Street which would see a total of five Gaelic organisations working collaboratively from one central location. The development was completed in November 2010 and thereafter, Bòrd na Gàidhlig requested that Comhairle nan Leabhraichean assume the role of key tenant within the development and take responsibility for the day to day running of the shared services. The charity was happy to perform this function for the Bòrd.

After a lengthy period of re-structuring and re-organisation and the establishment of appropriate corporate governance structures and procedures, the charity can look forward to concentrating on developing a more outward facing focus and develop new and exciting creative and artistic projects that will increase the impact, reach and accessibility of Gaelic literature.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2011

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Comhairle nan Leabhraichean for the purposes of company law) are responsible for preparing the Trustees' Report 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 the year. 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 operation.

The Trustees are responsible for keeping adequate 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. 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

This report has been prepared in accordance with the Statement of Recommended Practice; Accounting and Reporting by Charities (issued in March 2005) and in accordance with the provisions applicable to companies subject to the small companies regime of the Companies Act 2006.

Approved by the Trustees and signed on their behalf by:

Name: D-I Brown

Signature:



Date: 24 August 2011

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF COMHAIRLE NAN LEABHRAICHEAN FOR THE YEAR ENDED 31 MARCH 2011

We have audited the financial statements of Comhairle Nan Leabhraichean for the year ended 31 March 2011 which comprise of the Statement of Financial Activities, the Balance Sheet, and the related notes. 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).

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, 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 auditor under section 44(1)(c) of the Charities and Trustees 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.

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 Trustees Annual Report 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.

Basis of qualified opinion on financial statements

With respect to the opening balance of stock at 1 April 2010 having a carrying value of £30,463, the audit evidence available to us was limited because we did not observe the counting of the physical stock as at 31 March 2010, since that date was prior to our appointment as auditor of the company. Owing to the nature of the company's records, we were unable to obtain sufficient appropriate audit evidence regarding the stock quantities by using other audit procedures.

Qualified opinion on financial statements

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2011 and of its 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 regulation 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 Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF COMHAIRLE NAN LEABHRAICHEAN FOR THE YEAR ENDED 31 MARCH 2011 (continued)

Matters on which we are required to report by exception

In respect solely of the limitation of our work relating to stock described above:

- we have not received all the information and explanations we require for our audit; and
- we were unable to determine whether adequate accounting records had been kept.

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:

- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made.

Signature: *Wylie + Bisset LLP*

Jenny Simpson Senior Statutory Auditor:

For and on behalf of Wylie & Bisset LLP, Statutory Auditors

Wylie & Bisset LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

168 Bath Street

Glasgow

G2 4TP

Date: 29 August 2011

COMHAIRLE NAN LEABHRAICHEAN
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STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)

FOR THE YEAR ENDING 31 MARCH 2011

	Notes	Unrestricted £	Restricted £	2011 Total	2010 Total £
Incoming Resources					
Incoming resources from voluntary funds					
Voluntary income	3	424,108	-	424,108	442,135
Incoming resources from charitable activities	4	79,855	-	79,855	89,416
Total Incoming Resources		<u>503,963</u>	<u>-</u>	<u>503,963</u>	<u>531,551</u>
Resources expended					
Costs of generating voluntary income	5	4,263	-	4,263	-
Charitable activities	6	497,429	-	497,429	519,776
Governance costs	7	12,602	-	12,602	3,055
Total Resources Expended		<u>514,294</u>	<u>-</u>	<u>514,294</u>	<u>522,831</u>
Net (deficit)/surplus for the year		(10,331)	-	(10,331)	8,720
Reconciliation of Funds					
Total funds brought forward	17	21,387	-	21,387	12,667
Total funds carried forward	17	<u>11,056</u>	<u>-</u>	<u>11,056</u>	<u>21,387</u>

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

COMHAIRLE NAN LEABHRAICHEAN**(A company limited by guarantee)****BALANCE SHEET AT 31 MARCH 2011**

	Notes	£	2011 £	2010 £
FIXED ASSETS				
Tangible assets	12		29,701	17,496
CURRENT ASSETS				
Stocks	13	23,749		30,463
Debtors	14	6,291		33,148
Cash at bank and in hand		95,581		37,284
		<u>125,621</u>		<u>100,895</u>
Creditors: amounts falling due within one year	15	<u>(144,266)</u>		<u>(97,004)</u>
NET CURRENT (LIABILITIES)/ASSETS			(18,645)	3,891
TOTAL ASSETS less current liabilities			<u>11,056</u>	<u>21,387</u>
Unrestricted Funds				
General Funds	17		11,056	21,387
TOTAL FUNDS	17		<u>11,056</u>	<u>21,387</u>

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Trustees and signed on their behalf.



Name: D-I Brown



Name: M Sinclair

Date: 24 August 2011

COMHAIRLE NAN LEABHRAICHEAN
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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2011

1. Accounting Policies

a) Basis of preparation

The financial statements have been prepared under the historic cost convention and in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005 applicable UK Accounting Standards and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

b) Taxation

The company is a charitable company within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only.

c) Fund accounting

- Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.
- Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

d) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is 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 gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Donated items for resale are included at 50% of the anticipated sale price.
- Investment income is included when receivable.
- Incoming resources from charitable trading activities are accounted for when earned.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2011

1. Accounting Policies (continued)

Income is only deferred when:

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

e) Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Grants in respect of the commission of new works are not recognised as a liability until the manuscript has been produced and approved by the council. Grants in respect of the publication of materials are awarded on condition that publication occurs within 12 months. Such grants are recognised as liabilities to extent that they are paid or expected to be paid within that timescale
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the external scrutiny fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SOFA 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.

f) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	20% Reducing balance
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g) Stock

Stock is valued at the lower of cost and net realisable value. Items donated for resale are included at 50% or less of anticipated sale price.

COMHAIRLE NAN LEABHRAICHEAN**(A company limited by guarantee)****NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 MARCH 2011****h) Pension scheme**

The company operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are administered by Trustees in a fund independent from those of the company.

The pension costs charged against profits represent the amount of employer's contributions payable to the scheme in respect of the accounting period.

2. Legal Status

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

3. Voluntary Income

	Unrestricted £	Restricted £	2011 Total £	2010 Total £
Scottish Arts Council	191,900	-	191,900	191,900
Bord na Gaidhlig	214,208	-	214,208	200,000
Other grants	18,000	-	18,000	50,235
	<u>424,108</u>	<u>-</u>	<u>424,108</u>	<u>442,135</u>

4. Incoming Resources from Charitable Activities

	Unrestricted £	Restricted £	2011 Total £	2010 Total £
Sale of Books	<u>79,855</u>	<u>-</u>	<u>79,855</u>	<u>89,416</u>

5. Resources Expended – Costs of Generating Voluntary Income

	Direct Costs £	Support Costs £	2011 Total £	2010 Total £
Staff costs	-	4,263	4,263	-
	<u>-</u>	<u>4,263</u>	<u>4,263</u>	<u>-</u>

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2011

6. Resources Expended- Charitable Activities

	Direct Costs £	Support Costs £	2011 Total £	2010 Total £
Sale of Books	58,538	29,167	87,705	115,192
Literature and Publishing	155,751	253,973	409,724	404,584
	<u>214,289</u>	<u>283,140</u>	<u>497,429</u>	<u>519,776</u>

Included within resources expended on Gaelic Book Activities are the commissioning and publication grants payable totalling £58,756 (2009: £42,400):

7. Resources Expended – Governance Costs

	Direct Costs £	Support Costs £	2011 Total £	2010 Total £
Audit fees	3,339	-	3,339	3,055
Chairman's honorarium	5,000	-	5,000	-
Staff costs	-	4,263	4,263	-
	<u>8,339</u>	<u>4,263</u>	<u>12,602</u>	<u>3,055</u>

8. Support Costs – Breakdown by Activity

	Fundraising £	Sale of Books £	Literature and Publishing £	Governance £	Basis of Allocation
Staff Costs	4,263	18,194	155,220	4,263	Time spent
Premises Costs	-	6,435	57,912	-	Time spent
Telephone/website	-	826	7,441	-	Time spent
Printing, Postage and Stationery	-	1,834	16,502	-	Time spent
Miscellaneous expenses	-	448	4,028	-	Time spent
Travelling expenses	-	407	3,660	-	Time spent
Depreciation	-	699	6,289	-	Time spent
Accountancy fees	-	118	1,061	-	Time spent
Professional fees/courses etc	-	206	1,860	-	Time spent
	<u>4,263</u>	<u>29,167</u>	<u>253,973</u>	<u>4,263</u>	

COMHAIRLE NAN LEABHRAICHEAN

(A company limited by guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2011

9. Net Incoming Resources for the Year

This is stated after charging:

	2011	2010
	£	£
Auditors remuneration	3,339	3,055
Other accountancy fees	1,179	697
Depreciation	<u>6,988</u>	<u>4,375</u>

10. Staff Costs and Numbers

Staff costs were as follows:

	2011	2010
	£	£
Salaries and wages	149,641	118,455
Social security costs	15,208	12,329
Other pension costs	17,090	14,970
Total	<u>181,939</u>	<u>145,754</u>

No employee received emoluments of more than £60,000

The average number of employees during the year, calculated on the basis of full time equivalents,
was as follows:

2011	2010
Number	Number
<u>4</u>	<u>4</u>

11. Trustees' Remuneration and Related Party Transactions

The chairman, Mr D I Brown, was paid an honorarium of £5,000 for his services to the Board (2010 – Nil).

No other Trustees received any remuneration during the year. During the year travel expenses totalling £766 (2010 - £312) were reimbursed to 3 (2010 – 3) Trustees.

No Trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2010 – Nil).

COMHAIRLE NAN LEABHRAICHEAN**(A company limited by guarantee)****NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 MARCH 2011****12. Tangible fixed assets**

	Furniture, fittings and equipment £
Cost	
At 1 April 2010	57,019
Additions	19,193
At 31 March 2011	<u>76,212</u>
Depreciation	
At 1 April 2010	39,523
Charge for the year	6,988
At 31 March 2011	<u>46,511</u>
Net book value	
At 31 March 2011	<u>29,701</u>
At 31 March 2010	<u>17,496</u>

13. Stock

	2011 £	2010 £
Goods for sale	23,749	30,463
	<u>23,749</u>	<u>30,463</u>

14. Debtors

	2011 £	2010 £
Trade debtors	6,291	5,648
Grants receivable	-	27,500
	<u>6,291</u>	<u>33,148</u>

COMHAIRLE NAN LEABHRAICHEAN**(A company limited by guarantee)****NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 MARCH 2011****15. Creditors: Amounts falling due within one year**

	2011	2010
	£	£
Trade creditors	19,526	7,628
Taxation and Social Security costs	4,275	2,890
Other creditors	23,840	35,786
Deferred income (Note 16)	96,625	50,000
	<u>144,266</u>	<u>96,304</u>

16. Deferred Income

	£
Deferred income at 1 April 2010	50,000
Released during the year	(50,000)
Received during the year	96,625
Deferred income at 31 March 2011	<u>96,625</u>

Deferred income comprises £96,625 of advance funding from Bord na Gaidhlig for the year 2011/12.

17. Unrestricted Funds

	Balance at 1 April 2010	Incoming Resources	Expenditure (gains)/losses	Transfers	Balance at 31 March 2011
	£	£	£	£	£
General charitable funds	21,387	503,963	(514,294)	-	11,056

18. Financial Commitments

At 31 March 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2012:-

	Land and Buildings
	£
Operating leases which expire:	
Between two and five years	<u>28,800</u>