

Registered Company No: SC209046

Registered Charity No: SC030322

IONAD CHALUIM CHILLE ILE

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2015

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IONAD CHALUIM CHILLE ILE
(A company limited by guarantee)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2015

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IONAD CHALUIM CHILLE ILE
(A company limited by guarantee)

LEGAL AND ADMINISTRATIVE INFORMATION

Charity Name:	Ionad Chaluim Chille Ile
Patron:	Brian Wilson
Registered Office:	An Teanga Sleite Isle of Skye IV44 8RQ
Operational Address:	Garnatra Bowmore Isle of Islay PA43 7LN
Charity Registration Number:	SC 030322
Company Registration Number:	SC 209046
Trustees:	Robin A Currie Dr Dorothy Dennis Catherine Johnston Donnie Munro Professor AG Boyd Robertson Hugh Smith Dr Neil Simco
Secretary:	Iain A Gordon CA
Independent Examiner:	Ross McLauchlan BAcc, CA Wylie & Bisset LLP 168 Bath Street Glasgow G2 4TP
Bankers:	Bank of Scotland Broadford Isle of Skye IV49 9AB

IONAD CHALUIM CHILLE ILE
(A company limited by guarantee)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2015

The directors present their report with the financial statements of the company for the year ended 31 July 2015.

Directors and Trustees

The directors of the charitable company (the charity) 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 were as follows:

Robin A Currie
Dr Dorothy Dennis
Catherine Johnston (Chair)
Donnie Munro
Professor AG Boyd Robertson
Hugh Smith
Dr Neil Simco

Structure, Governance and Management

- **Governing Document**

The organisation is a charitable company limited by guarantee, incorporated on 12 July 2000 and is recognised as a Scottish charity. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed by its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

- **Recruitment and Appointment of Trustees**

The Board of ICCI consists of local Gaelic-speaking Directors and non-local Directors with relevant expertise in key strategic areas such as higher and community education and rural development. As such, new Directors are appointed depending on the skills and expertise required by the company but, being a busy community learning centre, it is preferable if the majority of Directors are Gaelic speakers based on Islay. Suitable candidates are identified and approached in partnership with other local groups involved in Gaelic development.

- **Trustee Induction and Training**

An external Consultant provides periodic training to the Board of Directors as required on their roles and responsibilities. A Director induction process for new Board members has been developed by the Manager.

- **Risk Management**

The Trustees have examined the major business and operational risks which the Trust faces and have established systems to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks

IONAD CHALUIM CHILLE ILE

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2015

- **Organisational Structure**

ICCI is run by a Board of Directors which meets quarterly. The local Board members meet in between meetings of the full Board, as and when necessary, to deal with operational matters. The Board of Directors is chaired by Catherine Johnston. The maximum composition of the Board is 10 members including representatives from Sabhal Mòr Ostaig and UHI.

In addition to Board members, HIE have observer status.

The Centre employs three full time and three part-time staff, with additional project staff on short term contract arrangements.

Objectives and Activities

The principal objective of the company is to advance education and in particular the Gaelic language, heritage, culture, traditions, arts, crafts and music. This is achieved through the operation of a Gaelic Community and Education facility on the Isle of Islay. This provides facilities for the local community along with part-time and summer courses in Gaelic language, song and traditional music.

Main Achievements

The principal activities of Ionad Chaluim Chille Ìle (ICCI) in pursuance of its charitable objects in the year 2014-15 were as follows:

Education

During 2014-15 ICCI staff delivered a very full programme of teaching at Adult Learner, High School, Out of School clubs, Primary School and Nursery levels.

In total, more than 200 students across the age spectrum on Islay, Jura, Colonsay and in Lochgilphead benefitted from these services.

Culture and Language

There was a steady programme of Music, Drama and Cultural Events throughout the Year. A Gaelic language policy and Gaelic language plan have been developed and are in operation.

Commercial Activities

- **Room Rental.**

ICCI continues to be widely used by Community Groups, Public Bodies and Businesses at a satisfactory level

- **Cafe and Shop**

The franchise arrangement continued successfully during the year.

Strategy and Business Planning

Existing services and new proposals for the stabilisation and development of Gaelic language and culture on Islay are constantly under consideration by the staff and Board of Ionad Chaluim Chille Ìle.

IONAD CHALUIM CHILLE ILE
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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2015

Financial Review

National budgeting pressures meant that core funding secured at the same level from Bòrd na Gàidhlig for the financial year 2014-15 reduced by £4,000, however ICCI were able to adapt accordingly and contain costs with a satisfactory outcome and a further strengthening of its finances at the end of the year.

The buildings depreciation charge of £32,423 (2014: £35,509) in the year has contributed significantly to the overall deficit of £25,994 made by the charity in the year. It should however be noted that, were it not for the requirement under Charity Accounting rules (the SORP), the depreciation charge would be largely offset by deferred grant credit (which is recognised in the Charity's Management Accounts) which would then result in an operating surplus, excluding restricted funds, of £6,429 for the year. The buildings depreciation charge has accordingly been shown separately in the Statement of Financial Activities under Designated Funds.

- **Principal Funding Sources**

The main core funders of the charity are Bòrd na Gàidhlig and Argyll & Bute Council.

In addition the charity receives funding from Comunn Na Gàidhlig and Highlands and Islands Enterprise for specific activities, and consultancy and advisory support is also received from Highlands & Islands Enterprise as a managed client.

- **Reserves Policy**

It is the intention of the charity to build up reserves sufficient to cover six months' charitable expenditure. At current levels of expenditure this would equate to approx. £90,000. The charity currently has free reserves of approx. one third of that target.

Plans for Future Periods

The Manager continues to develop and implement the agreed management plan which it is intended to include:

- increased provision and uptake of courses, including introduction of approved FE courses
- increased community involvement and activities
- increased services to the Council and other clients
- identification of new business opportunities
- development of links with Ireland

IONAD CHALUIM CHILLE ILE
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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2015

Trustees' Responsibilities

The trustees (who are also directors of Ionad Chaluim Chille Ile for the purposes of company law) are responsible for preparing the Trustees' Annual 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 that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. 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: Catherine Johnston
Trustee



Date: 28 March 2016

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES AND MEMBERS OF IONAD CHALUIM CHILLE IIE FOR THE YEAR ENDED 31 JULY 2015

I report on the accounts of the charitable company for the year ended 31 July 2015 which are set out on pages 9 to 17.

Respective Responsibilities of Trustees and Examiner

The charitable company'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 charitable company's trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulation 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 Independent Examiner's Statement

My examination is 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 charitable company and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the 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 the course of 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 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.

Ross McLauchlan BAcc CA
Wylie & Bisset LLP
Chartered Accountants
168 Bath Street
Glasgow
G2 4TP

Date: 28 March 2016

IONAD CHALUIM CHILLE ILE
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)

FOR THE YEAR ENDING 31 JULY 2015

	Notes	Unrestricted General £	Designated £	Restricted £	2015 Total £	2014 Total £
Incoming Resources						
Incoming resources from voluntary funds:						
Incoming resources from charitable activities	3	145,218	-	-	145,218	158,045
Activities for generating funds	4	34,108	-	-	34,108	43,931
Total Incoming Resources		<u>179,326</u>	<u>-</u>	<u>-</u>	<u>179,326</u>	<u>201,976</u>
Resources expended						
Costs of generating funds:						
Charitable activities	5	171,277	32,423	-	203,700	229,284
Governance costs	6	1,620	-	-	1,620	1,246
Total Resources Expended		<u>172,897</u>	<u>32,423</u>	<u>-</u>	<u>205,320</u>	<u>230,530</u>
Net incoming/outgoing resources before transfers		6,429	(32,423)	-	(25,994)	(28,554)
Transfers		-	-	-	-	-
Net incoming resources		<u>6,429</u>	<u>(32,423)</u>	<u>-</u>	<u>(25,994)</u>	<u>(28,554)</u>
Net movement in funds		6,429	(32,423)	-	(25,994)	(28,554)
Reconciliation of Funds						
Total funds brought forward	15	52,180	1,626,534	-	1,678,714	1,707,268
Total funds carried forward	15	<u>58,609</u>	<u>1,594,111</u>	<u>-</u>	<u>1,652,720</u>	<u>1,678,714</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.

IONAD CHALUIM CHILLE ILE
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BALANCE SHEET AT 31 JULY 2015

	Notes	£	2015 £	2014 £
FIXED ASSETS				
Tangible Assets	10		1,616,496	1,652,005
CURRENT ASSETS				
Debtors	11	20,797		21,968
Cash at bank and in hand		38,852		56,425
		<u>59,649</u>		<u>78,393</u>
Creditors: amounts falling due within one year	12	<u>23,425</u>		<u>51,684</u>
NET CURRENT ASSETS			36,224	26,709
NET ASSETS			<u>1,652,720</u>	<u>1,678,714</u>
Unrestricted Funds				
Designated Funds	14		1,594,111	1,626,534
General Funds			58,609	52,180
Restricted Funds	13		-	-
TOTAL FUNDS			<u>1,652,720</u>	<u>1,678,714</u>

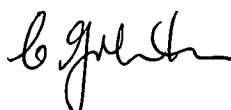
This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the provisions applicable to companies' subject to the small companies' regime of the Companies Act 2006.

For the year ended 31 July 2014 the company was entitled to exemption under section 477 of the Companies Act 2006. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The Directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing finance statements which give a true and fair view of the state of affairs of the company and its deficit for the financial year in accordance with sections 394 and 395.

Approved by the Trustees and signed on their behalf.

Name: Catherine Johnston



Name: Hugh Smith



Date: 28 March 2016

IONAD CHALUIM CHILLE ILE
(A company limited by guarantee)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2015

1. Accounting Policies

a) Basis of preparation

The financial statements have been prepared under the historic cost convention. The financial statements have been prepared 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) 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.

c) 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.
- 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.

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.

IONAD CHALUIM CHILLE ILE

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2015

1. Accounting Policies (continued)

d) 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 including the charity's shop.
- 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.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examiner's 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.

e) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £500 are capitalised including any incidental expenses of acquisition.

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

Property	-	2% reducing balance
Fixtures, fittings & equipment	-	10% reducing balance
Library books	-	5% reducing balance
Video conference equipment	-	25% reducing balance

f) Operating leases

Rentals paid under operating leases are charged to the statement of financial activities. The obligation to pay future rentals on operating leases is shown by way of a note to the Accounts.

g) 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.

IONAD CHALUIM CHILLE ILE
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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2015

1. Accounting Policies (continued)

h) 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.

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. Incoming Resources from Charitable Activities

	Unrestricted £	Restricted £	2015 Total £	2014 Total £
Training and education	145,218	-	145,218	158,045
	<u>145,218</u>	<u>-</u>	<u>145,218</u>	<u>158,045</u>

4. Activities for generating funds

	Unrestricted £	Restricted £	2015 Total £	2014 Total £
Room hire	33,843	-	33,843	43,688
Fundraising income	265	-	265	243
	<u>34,108</u>	<u>-</u>	<u>34,108</u>	<u>43,931</u>

5. Resources Expended- Charitable Activities

	Direct Costs £	Support Costs £	2015 Total £	2014 Total £
Training and education	203,700	-	203,700	229,284
	<u>203,700</u>	<u>-</u>	<u>203,700</u>	<u>229,284</u>

IONAD CHALUIM CHILLE ILE**(A company limited by guarantee)****NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 JULY 2015****6. Resources Expended – Governance Costs**

	Direct Costs £	Support Costs £	2015 Total £	2014 Total £
Independent Examination Fee	1,620	-	1,620	1,246
	<u>1,620</u>	<u>-</u>	<u>1,620</u>	<u>1,246</u>

7. Net Incoming Resources for the Year

This is stated after charging:

	2015 £	2014 £
Depreciation	<u>35,506</u>	<u>36,531</u>

8. Staff Costs and Numbers

Staff costs were as follows:

	2015 £	2014 £
Salaries and wages	104,765	119,618
Social security costs	6,875	7,991
Other pension costs	-	-
Total	<u>111,641</u>	<u>127,609</u>

No employee received emoluments of more than £60,000

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

	2015 Number	2014 Number
Total	<u>4</u>	<u>4</u>

IONAD CHALUIM CHILLE ILE
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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2015

9. Trustees' Remuneration and Related Party Transactions

No Trustees received any remuneration during the year. One Trustee (2014 – one) was reimbursed expenses totalling £753 (2014- £508).

There were no accrued expenses included this year (2014 – £Nil) due to any trustee for trust expenditure paid personally.

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 (2014 – None).

10. Tangible Fixed Assets

	Freehold Property £	Fixtures, fittings and equipment £	Library Books £	Total £
Cost or valuation				
At 1 August 2014	2,059,617	84,334	2,107	2,146,058
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 July 2015	<u>2,059,617</u>	<u>84,334</u>	<u>2,107</u>	<u>2,146,058</u>
Depreciation				
At 1 August 2014	439,404	53,688	961	494,053
On disposals	-	-	-	-
Charge for the year	32,423	3,029	57	35,509
At 31 July 2015	<u>471,827</u>	<u>56,717</u>	<u>1,018</u>	<u>529,562</u>
Net book values				
At 31 July 2015	<u>1,587,790</u>	<u>27,617</u>	<u>1,089</u>	<u>1,616,496</u>
At 31 July 2014	<u>1,620,213</u>	<u>30,646</u>	<u>1,146</u>	<u>1,652,005</u>
The net book value at 31 July 2015 represents fixed assets used for:				
	£	£	£	£
Direct charitable purposes	1,587,790	27,617	1,089	1,616,496
	<u>1,587,790</u>	<u>27,617</u>	<u>1,089</u>	<u>1,616,496</u>

IONAD CHALUIM CHILLE ILE
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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2015

11. Debtors

	2015	2014
	£	£
Trade debtors	9,010	10,683
Other debtors	11,787	11,285
	<u>20,797</u>	<u>21,968</u>

12. Creditors: Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	2,473	3,973
Other creditors	2,408	3,325
Deferred income	7,648	24,948
Accrued expenses	10,896	19,438
	<u>23,425</u>	<u>51,684</u>

13. Restricted Funds

At the balance sheet date the company has no restricted funds (2014: £nil).

IONAD CHALUIM CHILLE ILE
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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2015

14. Unrestricted Funds

	Balance at 1 August 2014 £	Movement in funds		Transfers £	Balance at 31 July 2015 £
		Incoming resources £	Expenditure (gains)/losses £		
General charitable funds	52,180	179,326	172,897	-	58,609
Designated funds:					
Property	1,612,253	-	32,423	-	1,579,830
Gaelic language development	14,281	-	-	-	14,281
	<u>1,678,714</u>	<u>179,326</u>	<u>205,320</u>	<u>-</u>	<u>1,652,720</u>

The property fund represents the property held at Gartnatra, Bowmore, Isle of Islay which was conveyed at £nil consideration to the charity by Argyll and Bute Council on 20 March 2001. The value in the balance sheet represents monies expended in converting the property into the current educational establishment. Under the terms of the agreement with Argyll and Bute Council, in the event that the property is no longer used as an educational establishment, the charity will first offer to dispose the property back to Argyll and Bute Council for no consideration.

In addition, should the premises no longer be used as an educational establishment, the Millennium Commission may claw back £304,000 grant funding that they provided the charity for the conversion of the charity into the current educational establishment.

The Gaelic language development fund represents money raised by the charity from a dinner dance held in November 2011, which has been designated for this purpose.

15. Analysis of Net Assets between Funds

	Tangible fixed assets £	Net current assets £	Total £
Restricted funds	-	-	-
Unrestricted funds	1,616,496	36,224	1,652,720
Total funds	<u>1,616,496</u>	<u>36,224</u>	<u>1,652,720</u>