

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

**Report of the Trustees and
Financial Statements for the Year Ended 31 March 2023
for
AN LANTAIR LIMITED**



Mann Judd Gordon Ltd
Chartered Accountants
& Statutory Auditors
26 Lewis Street
Stornoway
Isle of Lewis
HS1 2JF

AN LANNTAIR LIMITED

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for the Year Ended 31 March 2023**

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**Report of the Trustees
for the Year Ended 31 March 2023**

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 2023. 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 2019).

OBJECTIVES AND ACTIVITIES

An Lanntair Vision Statement

"Together we will carry a torch for creativity and the arts in the Outer Hebrides."

The vision encompasses the charity's three main areas of activity:-

- Visual Arts
- Performing Arts and Cinema
- Education, Outreach and Artist Support

It frames a commitment to excellence, diversity, access, inclusion, participation and cultural identity. It declares an intention to provide a better, more varied arts programme, accessed by more people, more often, to greater and deeper benefit.

Objectives and aims

The main objectives of the charity are:-

- To promote the study, practice and knowledge of the arts for the public benefit; and
- To present, promote, organise, provide, manage and produce exhibitions, films, recordings, broadcasts and entertainments whether on any premises of the organisation or elsewhere as are conducive to the promotion, maintenance, improvement and advancement of education or to the encouragement of the arts.

The charity aims to:-

- Present and represent the best of the visual and performing arts - locally, nationally and internationally.
- Provide variety and diversity, with an emphasis on quality.
- Provide opportunities to participate in the arts.
- Provide a forum and support infrastructure for local artists/artistes.
- Promote traditional and contemporary Gaelic culture.
- Educate, illuminate and inform.
- Challenge, inspire and entertain.
- Deliver an integrated education and outreach programme across a range of art forms.
- Engage and develop audiences.

Significant activities

The charity's efforts over recent years have resulted in it being awarded Regular Funding status by Creative Scotland.

Employment

An Lanntair Ltd is a major employer on the Isle of Lewis, with the charitable company employing an average of 30 staff in 2022-23.

**Report of the Trustees
for the Year Ended 31 March 2023**

STRATEGIC REPORT

Achievement and performance

Charitable activities

The words 'An Lanntair' mean 'The Beacon' in Scottish Gaelic, which directly connects with our vision and organisational objectives, which are:

Objective 1 - Programme - Producing and presenting a programme of excellence :

- To produce exciting, and ambitious artistic programmes cohesively connected across artforms, which engage, illuminate and inspire.
- To be an artistic bridge to and from diverse communities and cultures.
- To celebrate and illuminate our Hebridean uniqueness.
- To celebrate, promote and facilitate the growth of contemporary and traditional Gaelic arts, language, culture and creative industries.
- To embrace and deploy digital media and new technologies across our work, programme and wider practice.

Objective 2 - People - Successfully engaging diverse audiences and participants.

- To foster talent, nurture potential, and showcase artistic excellence and creative entrepreneurship.
- To listen to our audiences, engage them in dialogue and grow their loyalty and attendance.
- To create diverse opportunities for people to experience the richness of the arts.

Objective 3 - Place - Creating an inclusive community hub for creativity.

- To facilitate, energise and showcase the social, cultural, linguistic, environmental and unique mix of values that co-exist across these islands, to the benefit of everyone.
- To be a hub for creativity that feeds, actively supports and facilitates high quality outreach and community programmes that grow capacity across the Outer Hebrides.
- To offer an inclusive and welcoming environment that is valued by all, enhancing the sense of well-being of local people and visitors alike.

Objective 4 - Partnerships and Sustainability - Working in close partnership across the sector to grow our business and create new growth across the creative industries and the Gaelic arts.

- To seek mutually beneficial partnerships that create added value for the artistic, economic and social well-being of Outer Hebrides.
- To provide leadership and support for the wider arts community in the Outer Hebrides.
- To continuously strengthen and support the business model and diversify income streams.

Collectively, these objectives fully embrace An Lanntair's mission statement, which is:

"To connect and inspire people in producing extraordinary, creative programmes, uniquely rooted in the place and reflecting the arts and ideas of our time".

An Lanntair delivers wide reaching education and outreach programmes across the local community, creating long term opportunities for local children, young people and families to connect with the arts and creative practice and, for some, grow their own careers and enterprises in the cultural sector. The charity's activities and future plans confirm its vital place in the economic as well as the cultural life on the Outer Hebrides. It is a significant employer and provides a resource for all the community. An Lanntair is a multi-arts venue - at one and the same time a contemporary art gallery, a theatre, a cinema, a concert hall, a platform for poetry and literature, a studio - every space is stretched to showcase the arts in multiple forms. Encompassing it all, we pride ourselves in presenting an inspirational programme of excellence that engages and illuminates our audiences.

Our work stretches across a national and indeed international platform, yet our distinctiveness lies in being 'of the place', rooted in who we are, and the creativity of Gaelic and the Outer Hebrides takes centre stage. Our magnificent, nationally significant arts centre on the Stomoway waterfront includes a 200-seat auditorium, world-class gallery spaces, office space, shop, and café bar facilities. The building was one of the largest ever arts developments in the Highlands and Islands and is of key strategic importance nationally for the arts and culture of the Outer Hebrides.

From March to the end of June 2022 the senior team, supported by members of the board, managed the organisation on a day-to-day basis, with regular reports to, and strong support from, the board. At the beginning of July, 2022, the new CEO, Séan Paul O'Hare, took up post.

**Report of the Trustees
for the Year Ended 31 March 2023**

We started the 2022-23 year with a healthy cash position, thanks to Government Covid-related support schemes and the continuing support of funders, including Creative Scotland, Comhairle nan Eilean Siar, Bòrd na Gàidhlig, and various charities and organisations, including VisitScotland/EventScotland, Caledonian MacBrayne, the Scottish Government's Aspiring Communities Fund, SCVO Adapt and Thrive. We have had great support from April 2022 from Bank of Scotland Foundation for our Stepping Stones programme.

This support, together with our own accumulated reserves, allowed us to enter the financial year with some confidence. The board took a principled and pragmatic decision to maintain its operations at pre-Covid levels to put it in the best position for application for multi-year funding in the future, and best serve its community.

Careful scrutiny of all uses of our funds, together with cost-savings, left us in a strong position, so that our out-turn for 2022/23, a year in which many arts organisations in Scotland had to make very major cuts in order to survive, showed a small surplus.

Our cash position during this period allowed us to make two substantial capital expenditures, for a complete refurbishment of the lift, and for a new digital projector system for the cinema, totalling over £70k, and also to repay a large long-term loan to Comhairle nan Eilean Siar, which came with a high interest charge.

We continued the slow process of building back our business and our audiences over the year. There was still considerable uncertainty in planning our programme. Performers were still wary about committing to tours and travel. We focused on rebuilding our education and outreach activity and on restoring services in the building.

Following the departure of our catering partner, Elmor UK, in September 2022 we have cautiously continued to develop an offer for food and drink at our own hand. We are confronting the same difficulties as the hospitality industry everywhere at the present time, with increased costs for energy, staff and food and drink supplies and a limit on how much can be passed on to the customer as the cost-of-living crisis affects disposable income.

We are first and foremost an arts organisation, but we are also an employer, a consumer of energy and other resources, and are uniquely placed to enable the arts to inform public opinion and behaviour in our community. We are committed to Equality, Diversity and Inclusion, Environmental Sustainability and Fair Work. Our actions to contribute to public benefit in these areas are exemplified below.

We continued to offer a wide range of activities across our programme, and especially to our Education and Outreach activity, to support, for example, young people, disadvantaged and vulnerable people, elderly people and those with dementia.

We are committed to paying the Real Living Wage, signed up to the Scottish Government's Fair Work Convention in May 2022, and paid small percentage increases in salaries/wages during this time, most recently in April 2023.

In 2022 we completed our Creative Beacon project linked to COP26 in Glasgow and continued to work with local and national partners on its legacy, including the Làn Thide website. We have engaged with many organisations to improve our use of energy and develop sustainable services across the organisation, from performance to the café-bar. This is led by the Head of Building and Technology and has been ongoing for some years.

Actions have included replacement of all high energy consuming light bulbs, monitoring energy usage, factoring energy efficiency into procurement, replacing single-use plastic consumables with recyclable in the auditorium and café-bar. We have also provided a bike shelter and shower/changing facilities to encourage the use of bicycles to, from and at work, in partnership with Cycling Scotland. We report regularly to Creative Carbon Scotland on progress with our action plan and have taken advice as appropriate from local agencies.

We have recently secured funding, from The Wolfson Trust, Point and Sandwick Trust and Comhairle nan Eilean Siar's Crown Estates Revenue Fund, to procure a 15Kw solar photo-voltaic array, with associated battery storage. This was installed and became operational in October 2023. It will reduce our electricity costs and contribute greatly to our efforts towards Net Zero.

During 2023 we have continued to plan the implementation of our £2.2million Islands Deal capital build project. New dedicated studio/performance/accommodation space is currently on track for a 2027-28 start. It will provide much-needed space for creatives in all artforms, based on sustainability principles in planning, procurement, build, lifecycle and operationally at all levels.

**Report of the Trustees
for the Year Ended 31 March 2023**

The Articles of Association, Scheme of Delegation, Board Handbook and terms of reference of the finance committee were all reviewed and amended as necessary in 2023. The Articles of Association were last updated (by the Company Secretary, TC Young) and approved by the membership in 2015, at which time they were amended to allow attendance (Article 38.7) and voting (Article 39.1) at all meetings by electronic means. The Board conducted its biennial review, updated its register of interests, and is developing an action plan from the review.

We continue to develop, to incorporate new skills into our programme, learned of necessity during the pandemic, to rebuild our whole programme as circumstances allow and to serve the public as effectively as we can in difficult circumstances.

Investment performance

The market value of the charity's equity investments has decreased by £160 during the year to 31 March 2023 (2022 - £60 decrease).

Internal and external factors

Risk assessment policies and procedures have been agreed and implemented to mitigate the impact of factors which are outside the charity's control. A detailed Risk Register has been developed, assessing risk against a number of criteria, including operational, strategic and external. Specific Covid-19 risk assessment and resilience plans are in place, and they continue to be monitored and updated as circumstances change.

The corporate governance structures of the charity continue to be scrutinised regularly, with input as required from external sources. Systems and procedures for reporting Financial Information and Health and Safety have been upgraded to reflect the increased activity levels of the organisation, and reports on these key matters are standing items at all Board meetings.

Financial review

Principal funding sources

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

	£
Creative Scotland	403,333
Comhairle nan Eilean Siar	56,741
	<hr/>
	460,074
	<hr/>

Our principal stakeholder and funder, Creative Scotland, is undergoing a full review of its multi-year funding programme for 2025-28, having signalled that there will be major changes to the number of organisations it supports as a result of reducing government funding support. At the time of writing of this report, in October 2023, we have submitted our Stage 1 application. The outcome of this will be known in February 2024, at which time Stage 2 will open, with a closing date of 24th April. We will not know until the end of October 2024 if we have been successful in our application for multi-year funding from April 2025.

The results for the year and financial position of the charity are as shown in the annexed financial statements and further details can be found in the notes to the financial statements.

Investment policy and objectives

The historical financial constraints under which the charity has operated have not generated funds available for long-term investment. Surplus funds when available are placed on deposit with the charity's bankers.

The existing fixed asset investments represent funds received by way of a legacy and comprise equity stocks and shares listed on a recognised stock exchange.

**Report of the Trustees
for the Year Ended 31 March 2023**

STRATEGIC REPORT

Financial review

Reserves policy and going concern

The board has established a policy that revenue expenditure each year should not exceed income. An Lannfair Ltd is dependent upon the continuing support of its principal funders (Creative Scotland and Comhairle nan Eilean Siar) to continue the activities of the charity.

The charity's programme and funding historically have made it difficult in past years to establish any surplus on general reserves. However, the surplus achieved in the prior year has allowed the organisation to achieve this, and the trustees are focused on securing funds in reserve for the long term.

The Board has examined the charity's requirements for reserves in light of the main risks to the charity. It considers that three to six months of the budgeted expenditure should be carried in unrestricted reserves which would equate to £183,000 to £366,000. The strategy is to further build reserves through planned operating surpluses and the board is aware that the maintenance of the current level of reserves and further accumulation towards the higher target require a long-term strategy.

In addition to the continued support of Creative Scotland and Comhairle nan Eilean Siar and organisations and charities listed above, Creative Scotland's Recovery Fund for Cultural Organisations has allowed us to rebuild activity and audiences from the beginning of April 2022.

The trustees continue to closely monitor financial performance and forecasts. Financial projections are updated regularly reflecting additional information on income streams and grant applications. The trustees recognise the importance of prudent management of the charity's resources during this challenging period. Following consideration of the cash flow projections, the trustees are satisfied that the charity can continue to meet its future liabilities as they fall due.

**Report of the Trustees
for the Year Ended 31 March 2023**

STRATEGIC REPORT

Future plans - linked to our objectives set out on pages 2 and 3

We have four major objectives that encapsulate our ambitions. These are:

Amas 1 - Prògram - A' cruthachadh is a' taisbeanadh prògram de shàr-mhathas.

Objective 1 - Programme - Producing and presenting a programme of excellence.

Our visual, performing arts and literature programmes will demonstrate excellence, as well as support for and celebration of artists taking new and sometimes extraordinary next steps in their personal development, showcasing well-produced experimentation.

Amas 2 - Daoine - A' toirt luchd-amhairc is luchd-compàirt an sàs.

Objective 2 - People - Successfully engaging diverse audiences and participants.

Engaging people, whether their interest is in growing their own creative practice, experiencing fine art, watching a film, dancing, weaving or just great coffee, is our highest priority. Here at An Lanntair, we believe it is our responsibility to provide a safe, inclusive space, and a vibrant and creative space for everyone to explore their own creativity, and to feel wanted and welcome. We will continue to offer a vast range of learning opportunities, classes, talks and resources to help our audiences to engage as fully as they wish to with our performing arts and visual arts programmes. Packages of activities will be tailored to each exhibition and many of our performances and projects to enable people of all ages and abilities to learn, be inspired and create. Programmes will address barriers to participation with practical support, highlighting 'routes in' throughout our work to enjoying the arts.

Amas 3 - Àite - A' cruthachadh ionad coimhearsnachd cruthachail dha na h-uile.

Objective 3 - Place - Creating an inclusive community hub for creativity.

We will continue to take our responsibility as a place-maker very seriously. An Lanntair sits at the heart of our community; we work with partners across our locality to develop new and imaginative ways to engage people with community life through the arts.

Amas 4 - Com-pàirteachasan agus Seasmhachd - Ag obair ann an co-bhuinn air feadh na roinne ach an tig fàs air a' ghnòthachas againn fhìn agus gun tig fàs ùr air na gnìomhachasan cruthachail agus ealain Ghàidhlig.

Objective 4 - Partnerships and Sustainability - Working in close partnership across the sector to grow our business and create new growth across the creative industries and the Gaelic arts.

We will continue to develop and grow multiple new strategic and delivery partnerships.

We will also be leading on important development and growth of the Gaelic arts workforce and sector, and have recently recruited a Gaelic Officer. We are committed to sourcing ways to extend this as a permanent role, growing a strong network of Gaelic arts venues and organisations working together into the future.

We will be enhancing our role as a support provider for the creative industries. Our support programme for artists and creative practitioners will offer mentoring from industry specialists, workshops and a social network for creative businesses and artists to connect with each other, support each other and create new joint ventures. A major new initiative will be developed, to provide a Creative Hub in Stornoway, a physical shared space for artists and creatives, part of the Islands Deal.

Importantly, we are committed to continuing to grow a strong and sustainable organisation of our own here at An Lanntair, diversifying our income generation activity across a range of grant funding, private funders, programme income and trading, and providing a supportive and developmental work environment for our staff, partners and everyone who works with us.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 27 December 1984. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

**Report of the Trustees
for the Year Ended 31 March 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association the directors are appointed at the Annual General Meeting. One third of the directors must retire by rotation at each Annual General Meeting.

The board aims to ensure that the challenges of a large organisation delivering an arts programme in a modern venue are met through the recruitment of directors with an interest in the arts who bring a broad range of skills and contacts within education, finance and local and national politics.

The charity intends to operate through a fit-for-purpose Board with committed and motivated staff resulting in significantly enhanced corporate governance.

Organisational structure

The Board consists of voluntary directors who manage the affairs of the charity through regular meetings. In 2015-16 The charity reviewed its corporate governance structure and articles of association, making it compliant with the Companies Act 2006. Decisions from the Board are implemented by the senior management, comprising the Chief Executive with Heads of services and programme areas, under the terms of a Scheme of Delegation.

The commercial trading activities of An Lantair Limited were previously undertaken by a wholly-owned subsidiary, An Lantair Trading Limited. This company ceased trading on 16th March 2020, and was dissolved on 21st December 2021. The shop and merchandising activities of An Lantair Trading Ltd were transferred to the charity at this time. Food and drink offers in the arts centre were delivered through a contract with an external specialist catering company, Elior UK Ltd, from August 2020 to October 2022, when Elior chose to exit the contract. An Lantair Ltd now operates the food and drink offer, as of October 2022.

Induction and training of new trustees

The charity undertakes training for trustees to ensure awareness and understanding of:-

- the responsibilities of directors;
- the organisational structure of the charity;
- the financial position of the charity;
- the future plans and objectives of the charity; and
- the artistic programme of the charity.

Key management remuneration

Day to day management of the charity is delegated to the Chief Executive.

The pay of the Chief Executive is considered annually as part of an overall review of pay in the organisation.

Wider network

The charity has established links with other organisations and agencies to foster the aims and objectives of the organisation.

Risk management

The trustees have a duty to identify and manage the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The financial, people, programme and operational risks facing the charity are detailed in the Risk Register.

The systems of financial control, which are designed to provide reasonable assurance against material misstatement or loss, currently include the following:

- a business plan and an annual budget approved by the trustees;
- regular consideration by the trustees of actual results compared with budgets and forecasts; and
- identification and management of financial risks by the Board and line management.

During the year, the trustees were heavily involved in these control systems as part through their regular activities, which included: monitoring the quarterly management information, reviewing proposed budgets and reviewing high level risks.

AN LANNTAIR LIMITED (REGISTERED NUMBER: SC091075)

**Report of the Trustees
for the Year Ended 31 March 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Principal Risks and Uncertainties

The charity is a complex organisation, providing services to a very wide range of individuals and organisations, with the principal areas of business being Education and Outreach, Performing Arts, Visual Arts and Literature. It relies on grants and awards to deliver its aims and objectives to the benefit of the community it serves in the Isles of Lewis and Harris and more widely. In a normal year, this is challenging and increasingly competitive, as arts organisations all compete for reducing funds, and key grants are, in effect, pegged at the cash values established at the time of the financial crash in 2008.

The principal risks facing the charity continue to be those posed by the global pandemic, which has hit arts, entertainment and hospitality particularly hard, along with cost increases in energy, wages, supplies and services. Throughout the pandemic key stakeholders were able to honour existing commitments and to provide additional funding to help arts organisations make good the income lost through trading, including ticket receipts and other commercial activity. Subsequently, An Lanntair continues to slowly rebuild its activities and audiences, but remains a long way from the levels of participation achieved in 2019/20, especially for performance, film, visual arts and literature events.

Creative Scotland have announced that the planning assumption for 2023/24 Regular Funding programme is that the charity will continue to be funded on the basis of the original three year award in 2018. This means that in 2023-24 the charity should continue to receive the current annual level of funding of £403,333.

Other uncertainties include those relating to when arts organisations will be able to operate as planned to secure commercial income to augment grant income, and the behaviour and appetite of potential customers of the arts centre in the future, particularly for audiences in the auditorium, for live entertainment and cinema. The financial projections prepared for 2023-24 assume that audiences will be slow to build, and cost-of-living increases will continue to impact on income generated by the charity during the year.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
SC091075 (Scotland)

Registered Charity number
SC003287

Registered office
TC Young
7 West George Street
Glasgow
G2 1BA

Trustees
D R Green
V Hutchison
I Macleod
M M Macleod
U Macleod
A M Morrison
A Rennie
L E L Skaer
C B Thompson

**Report of the Trustees
for the Year Ended 31 March 2023**

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

Mann Judd Gordon Ltd
Chartered Accountants
& Statutory Auditors
26 Lewis Street
Stornoway
Isle of Lewis
HS1 2JF

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of An Lanntair Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records 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.

In so far as the trustees are aware:

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 20 November 2023 and signed on the board's behalf by:



D R Green - Trustee

**Report of the Independent Auditors to the Trustees and Members of
An Lanntair Limited**

Opinion

We have audited the financial statements of An Lanntair Limited (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Trustees and Members of
An Lanntair Limited**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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:

- adequate and proper accounting records have not been kept or 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; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Trustees and Members of An Lanntair Limited

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined that the most significant are the 2011 PVG scheme, those relating to the sale of food and alcohol, those that relate to employment matters and those relating directly to the preparation of the financial statements, that is FRS102, Charities SORP and the Companies Act 2006.

We assessed the risks of material misstatement in respect of fraud as follows:

As part of our audit team discussion, we identified if any particular area was more susceptible to misstatement. A list of the known related parties was compiled along with an expectation of transactions between them. We then made fraud enquires of those charged with governance and confirmed our related party list.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above. We corroborated our enquiries of those charged with governance by a review of the board minutes to date, a review of the bank statements to date, a review of the service organisation's payroll for the year and a review of legal fees charged in the year for any evidence of legal or regulatory issues. Our considerations at planning were corroborated and no further legal or regulatory issues were noted.

We considered the risk of fraud through management override and, in response, we incorporated testing of manual journal entries throughout the year into our audit approach. A review of the year of bank statements was undertaken, to identify any large or unusual transactions. No transactions outside the normal course of business were identified.

Given the size of the entity, segregation of duties is limited, so we designed our audit procedures to identify and to address any material misstatements arising from this. Appropriate approval controls were found to be in place.

The engagement partner's assessment of whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations concluded that the overall risk was of fraud and misstatement was low and the experience of the audit team assigned was sufficient and no specialists were required. An appropriate level of materiality has been calculated in consideration of the inherent difficulty in detecting irregularities along with the perceived level of risk.

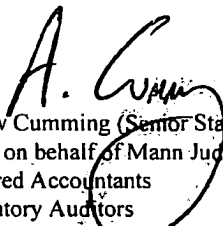
There are inherent limitations in the audit procedures described above that result in an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with International Standards on Auditing (UK). The further removed non-compliance with laws and regulations is from the events and financial transactions in the financial statements, the less likely the auditor is to become aware of it or recognise non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment through forgery, collusion, omission or misrepresentation. The primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Trustees and Members of
An Lanntair Limited**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Cumming (Senior Statutory Auditor)
for and on behalf of Mann Judd Gordon Ltd
Chartered Accountants
& Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
26 Lewis Street
Stornoway
Isle of Lewis
HS1 2JF

20 November 2023

Note:

The maintenance and integrity of the An Lanntair Limited website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AN LANNTAIR LIMITED

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 March 2023

	Notes	Unrestricted funds £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	4,536	-	4,536	1,565
Charitable activities	6				
Arts programme		637,030	376,780	1,013,810	1,129,664
Other trading activities	4	112,638	-	112,638	66,140
Investment income	5	1,083	(1)	1,082	74
Total		<u>755,287</u>	<u>376,779</u>	<u>1,132,066</u>	<u>1,197,443</u>
EXPENDITURE ON					
Raising funds	7	42,503	-	42,503	23,746
Charitable activities	8				
Arts programme		659,695	428,210	1,087,905	1,019,293
Depreciation		6,560	295,693	302,253	292,518
Total		<u>708,758</u>	<u>723,903</u>	<u>1,432,661</u>	<u>1,335,557</u>
Net gains/(losses) on investments		-	(160)	(160)	(90)
NET INCOME/(EXPENDITURE)		<u>46,529</u>	<u>(347,284)</u>	<u>(300,755)</u>	<u>(138,204)</u>
Transfers between funds	23	(18,223)	18,223	-	-
Net movement in funds		<u>28,306</u>	<u>(329,061)</u>	<u>(300,755)</u>	<u>(138,204)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		365,324	2,263,903	2,629,227	2,767,431
TOTAL FUNDS CARRIED FORWARD		<u><u>393,630</u></u>	<u><u>1,934,842</u></u>	<u><u>2,328,472</u></u>	<u><u>2,629,227</u></u>

The notes form part of these financial statements

AN LANNTAIR LIMITED (REGISTERED NUMBER: SC091075)

**Balance Sheet
31 March 2023**

	Notes	Unrestricted funds £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total funds £
FIXED ASSETS					
Tangible assets	15	214,455	1,729,480	1,943,935	2,200,048
Investments	16	-	620	620	780
		<u>214,455</u>	<u>1,730,100</u>	<u>1,944,555</u>	<u>2,200,828</u>
CURRENT ASSETS					
Stocks	17	14,558	-	14,558	10,670
Debtors	18	43,601	-	43,601	62,079
Cash at bank and in hand		<u>273,000</u>	<u>210,992</u>	<u>483,992</u>	<u>512,833</u>
		<u>331,159</u>	<u>210,992</u>	<u>542,151</u>	<u>585,582</u>
CREDITORS					
Amounts falling due within one year	19	(151,985)	(6,249)	(158,234)	(150,933)
NET CURRENT ASSETS		<u>179,174</u>	<u>204,743</u>	<u>383,917</u>	<u>434,649</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>393,629</u>	<u>1,934,843</u>	<u>2,328,472</u>	<u>2,635,477</u>
CREDITORS					
Amounts falling due after more than one year	20	-	-	-	(6,250)
NET ASSETS		<u>393,629</u>	<u>1,934,843</u>	<u>2,328,472</u>	<u>2,629,227</u>
FUNDS	23				
Unrestricted funds				393,629	365,324
Restricted funds				<u>1,934,843</u>	<u>2,263,903</u>
TOTAL FUNDS				<u>2,328,472</u>	<u>2,629,227</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 20 November 2023 and were signed on its behalf by:



D R Green - Trustee

AN LANNTAIR LIMITED

**Cash Flow Statement
for the Year Ended 31 March 2023**

	Notes	31.3.23 £	31.3.22 £
Cash flows from operating activities			
Cash generated from operations	1	42,464	263,801
Interest paid		(646)	(2,607)
Finance costs paid		(7,378)	(3,217)
Net cash provided by operating activities		<u>34,440</u>	<u>257,977</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(46,140)	(42,823)
Interest received		1,058	54
Dividends received		24	20
Net cash used in investing activities		<u>(45,058)</u>	<u>(42,749)</u>
Cash flows from financing activities			
Loan repayments in year		(18,223)	(56,166)
Net cash used in financing activities		<u>(18,223)</u>	<u>(56,166)</u>
Change in cash and cash equivalents in the reporting period		<u>(28,841)</u>	<u>159,062</u>
Cash and cash equivalents at the beginning of the reporting period		<u>512,833</u>	<u>353,771</u>
Cash and cash equivalents at the end of the reporting period		<u><u>483,992</u></u>	<u><u>512,833</u></u>

The notes form part of these financial statements

AN LANN TAIR LIMITED

Notes to the Cash Flow Statement for the Year Ended 31 March 2023

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.23 £	31.3.22 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(300,755)	(138,204)
Adjustments for:		
Depreciation charges	302,253	292,518
Losses on investments	160	90
Loss on disposal of fixed assets	-	8,414
Interest received	(1,058)	(54)
Interest paid	646	2,607
Finance costs	7,378	3,217
Dividends received	(24)	(20)
Increase in stocks	(3,888)	(1,181)
Decrease in debtors	18,478	45,017
Increase in creditors	19,274	51,397
Net cash provided by operations	<u>42,464</u>	<u>263,801</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank and in hand	<u>512,833</u>	<u>(28,841)</u>	<u>483,992</u>
	<u>512,833</u>	<u>(28,841)</u>	<u>483,992</u>
Debt			
Debts falling due within 1 year	(18,223)	11,973	(6,250)
Debts falling due after 1 year	(6,250)	6,250	-
	<u>(24,473)</u>	<u>18,223</u>	<u>(6,250)</u>
Total	<u>488,360</u>	<u>(10,618)</u>	<u>477,742</u>

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 March 2023

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 2019)', 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, with the exception of investments which are included at market value.

The financial statements are prepared in sterling which is the functional currency of the charity and are rounded to the nearest £.

Going concern

The activities of the charity have been affected by the impact of the COVID-19 pandemic and the Trustees have assessed the Charity's ability to continue as a going concern.

The management team have prepared projections which reflect the financial impact of the coronavirus crisis on the charity for the period to March 2024. A Resilience Plan has been prepared detailing how the charity's activities will be delivered going forward and how the risks from COVID-19 will be managed. The Trustees have reviewed the projections and Resilience Plan and, based on this review, have a reasonable expectation that the charity has adequate resources to continue in operation for a period of at least 12 months from the approval of the financial statements. The period of management's going concern assessment is the period to 31 March 2024. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably. Income received in advance is deferred until the criteria for income recognition are met.

Grants receivable are credited to the Statement of Financial Activities when receivable where entitlement is not conditional on the delivery of a specific performance by the charity. Grants related to performance and specific activities are accounted for when the charity has completed the related undertakings. Grants received which are related to capital expenditure are held within restricted funds and are utilised to fund the future depreciation of the related capital expenditure.

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. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Raising funds

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

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its objects and activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. The allocation of direct and support costs are analysed in the notes to the financial statements.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

1. ACCOUNTING POLICIES - continued

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. estimated usage.

Tangible fixed assets

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

Freehold land	- not provided
Arts Centre	- 4% depreciation on cost
Fixtures and fittings	- 20% depreciation on cost
Office equipment	- 20% depreciation on cost

Tangible fixed assets are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £100 are not capitalised.

Finance costs incurred during the construction phase of the Arts Centre are capitalised and amortised over the useful life of the asset.

Heritage Assets

Heritage assets are recognised on the balance sheet and initially measured at cost when purchased or if donated, their valuation. Assets are subsequently stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Fair values for donated assets are estimated by reference to market prices.

Where information on the cost or valuation of heritage assets is not available or the cost of providing such information significantly outweighs any benefit to the users of the accounts then heritage assets are not recognised on the balance sheet.

Acquisitions only arise when donated to the charity or if it is believed that they will further the charity's objectives. Once acquired they will be preserved by the charity in order to keep their historical, artistic, scientific, technological, geophysical or environmental qualities to such a high level as to contribute to knowledge and culture. A register of all assets held by the charity is available and the assets themselves are accessible to the public with prior agreement. Heritage assets are to be held for the foreseeable future.

Stocks

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

Taxation

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

Fund accounting

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

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

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

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

AN LANNTAIR LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 March 2023

1. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable for the year are charged in the Statement of Financial Activities.

Investments

Investments held as fixed assets are revalued at the balance sheet date and any gains or losses are taken to the Statement of Financial Activities.

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

2. SIGNIFICANT JUDGEMENTS AND ESTIMATES

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions that affect the amounts reported for assets, liabilities, income and expenditure.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods should it affect future periods.

Depreciation and net book value of fixed assets are the areas of the financial statements which are affected by significant judgements and estimates. The trustees exercise judgement in determining the useful economic life and the likely residual value of charity's assets. The judgement affects the rate and charge for depreciation in the financial statements for the year and consequently the net book value of assets in the balance sheet.

3. DONATIONS AND LEGACIES

	31.3.23	31.3.22
	£	£
Donations	2,807	42
Membership fees	1,729	1,523
	<u>4,536</u>	<u>1,565</u>

AN LANNTAIR LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 March 2023

4. OTHER TRADING ACTIVITIES

	31.3.23	31.3.22
	£	£
Shop income	46,320	46,140
Sponsorships	10,400	20,000
Cafe/Bar income	55,918	-
	<u>112,638</u>	<u>66,140</u>

5. INVESTMENT INCOME

	31.3.23	31.3.22
	£	£
Listed investments	24	20
Deposit account interest	1,058	54
	<u>1,082</u>	<u>74</u>

All investment income arises from assets held within the UK.

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.3.23	31.3.22
		£	£
Events	Arts programme	172,529	81,769
Commission	Arts programme	12,546	1,896
Service fees	Arts programme	15,860	28,299
Grants	Arts programme	812,709	1,014,807
An Lanntair Records	Arts programme	19	10
Miscellaneous income	Arts programme	147	2,883
		<u>1,013,810</u>	<u>1,129,664</u>

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

	31.3.23	31.3.22
	£	£
Creative Scotland	403,333	452,856
Creative Scotland - Education and Outreach	-	1,487
Creative Scotland - Screen Scotland	851	3,640
Comhairle nan Eilean Siar	56,741	152,742
Northern Periphery and Arctic Programme - ERDF	6,716	9,674
Highlands and Islands Enterprise	3,660	28,884
Bord na Gaidhlig	11,100	9,980
Youthlink Scotland	-	4,828
The Gannochy Trust	-	21,175
Hebridean Celtic Festival	1,000	-
Arts & Business Scotland	2,000	8,000
Visit Scotland - EventScotland	3,750	21,250
Aspiring Communities Fund	-	104,310
Coronavirus Job Retention Scheme	-	6,226
Inspiring Scotland - Creative Communities	854	22,534
Creative Carbon Scotland	-	27,906
Shetland Arts Development Agency	28,400	34,850
Scops Arts Trust	-	9,000
	<u>518,405</u>	<u>919,342</u>
Carried forward	518,405	919,342

AN LANTAIR LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 March 2023

6. INCOME FROM CHARITABLE ACTIVITIES - continued

	31.3.23	31.3.22
	£	£
Brought forward	518,405	919,342
Film Hub Scotland	5,003	6,877
Bank of Scotland Foundation	96,897	88,088
Bright Club Glasgow	-	500
Creative Scotland - Recovery Fund	171,129	-
Scottish Contemporary Arts Network	1,275	-
Theatres Trust	20,000	-
	<u>812,709</u>	<u>1,014,807</u>

7. RAISING FUNDS

Other trading activities

	31.3.23	31.3.22
	£	£
Purchases	<u>42,503</u>	<u>23,746</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9) £	Support costs (see note 10) £	Totals £
Arts programme	893,188	194,717	1,087,905
Depreciation	302,253	-	302,253
	<u>1,195,441</u>	<u>194,717</u>	<u>1,390,158</u>

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.3.23	31.3.22
	£	£
Staff costs	542,342	531,460
Exhibitions	12,072	22,994
Events	39,758	121,716
Cinema rental and costs	42,264	33,686
Projects	87,778	24,650
Education & outreach projects	116,144	97,406
Marketing	6,865	6,790
Repairs and maintenance	33,908	28,171
Legal and professional fees	4,033	7,613
Depreciation	302,253	292,518
Loss on sale of assets	-	8,414
Interest payable and similar charges	8,024	5,824
	<u>1,195,441</u>	<u>1,181,242</u>

AN LANNTAIR LIMITED

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

10. SUPPORT COSTS

	Premises	Administration	Governance	Totals
	£	£	costs £	£
Arts programme	<u>147,923</u>	<u>37,577</u>	<u>9,217</u>	<u>194,717</u>

Support costs, included in the above, are as follows:

	31.3.23	31.3.22
	Arts programme £	Total activities £
Rates and water	3,326	2,717
Insurance	17,386	16,010
Light and heat	65,865	44,222
Telephone, fax and internet	8,596	8,128
Cleaning expenses	52,750	45,519
Operating leases	766	1,369
Post, stationery and adverts	3,101	1,792
Recruitment expenses	1,543	1,280
Travel expenses	1,478	-
Training costs	-	1,915
Computer expenses	13,661	9,527
Equipment hire	-	2,000
Bad debts	1,375	158
Irrecoverable VAT-current year	6,296	8,795
Irrecoverable VAT-prior years	-	(25,908)
Interest and penalties	5,827	-
Sundry expenses	3,530	2,818
Auditors' remuneration	4,500	4,000
Auditors' remuneration for non audit work	4,717	6,227
	<u>194,717</u>	<u>130,569</u>

11. NET INCOME/(EXPENDITURE)

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

	31.3.23	31.3.22
	£	£
Auditors' remuneration	4,500	4,000
Other non-audit services	4,717	6,227
Depreciation - owned assets	302,253	292,518
Other operating leases	766	1,369
Deficit on disposal of fixed assets	<u>-</u>	<u>8,414</u>

AN LANNTAIR LIMITED

Notes to the Financial Statements continued for the Year Ended 31 March 2023

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

13. STAFF COSTS

	31.3.23 £	31.3.22 £
Wages and salaries	502,859	488,464
Social security costs	29,651	33,066
Other pension costs	9,832	9,930
	<u>542,342</u>	<u>531,460</u>

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

	31.3.23	31.3.22
Charitable activities	<u>30</u>	<u>31</u>

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

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,565	-	1,565
Charitable activities			
Arts programme	639,517	490,147	1,129,664
Other trading activities	66,140	-	66,140
Investment income	74	-	74
Total	<u>707,296</u>	<u>490,147</u>	<u>1,197,443</u>
EXPENDITURE ON			
Raising funds	23,746	-	23,746
Charitable activities			
Arts programme	560,523	458,770	1,019,293
Depreciation	5,415	287,103	292,518
Total	<u>589,684</u>	<u>745,873</u>	<u>1,335,557</u>
Net gains/(losses) on investments	-	(90)	(90)
NET INCOME/(EXPENDITURE)	<u>117,612</u>	<u>(255,816)</u>	<u>(138,204)</u>

AN LANNTAIR LIMITED
**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**
14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	247,712	2,519,719	2,767,431
TOTAL FUNDS CARRIED FORWARD	<u>365,324</u>	<u>2,263,903</u>	<u>2,629,227</u>

15. TANGIBLE FIXED ASSETS

	Freehold land £	Arts Centre £	Fixtures and fittings £	Office equipment £	Totals £
COST					
At 1 April 2022	122,386	5,944,187	552,786	95,414	6,714,773
Additions	-	-	43,467	2,673	46,140
At 31 March 2023	<u>122,386</u>	<u>5,944,187</u>	<u>596,253</u>	<u>98,087</u>	<u>6,760,913</u>
DEPRECIATION					
At 1 April 2022	-	4,021,731	404,948	88,046	4,514,725
Charge for year	-	237,767	62,279	2,207	302,253
At 31 March 2023	<u>-</u>	<u>4,259,498</u>	<u>467,227</u>	<u>90,253</u>	<u>4,816,978</u>
NET BOOK VALUE					
At 31 March 2023	<u>122,386</u>	<u>1,684,689</u>	<u>129,026</u>	<u>7,834</u>	<u>1,943,935</u>
At 31 March 2022	<u>122,386</u>	<u>1,922,456</u>	<u>147,838</u>	<u>7,368</u>	<u>2,200,048</u>

In 2016, the charity was donated a collection of original artworks from the 2003 Leabhar Mor exhibition. The charity considers this to be a heritage asset. As the artworks were donated there is no cost, and the trustees consider the cost of a valuation to significantly outweigh any benefits to the users of the accounts. As such the heritage assets are not recognised on the balance sheet.

16. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 April 2022 and 31 March 2023	<u>11,463</u>
PROVISIONS	
At 1 April 2022	10,683
Provision for year	160
At 31 March 2023	<u>10,843</u>
NET BOOK VALUE	
At 31 March 2023	<u>620</u>
At 31 March 2022	<u>780</u>

AN LANNTAIR LIMITED

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

16. FIXED ASSET INVESTMENTS - continued

There were no investment assets outside the UK.

17. STOCKS

	31.3.23	31.3.22
	£	£
Stocks	14,558	10,670

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Trade debtors	16,068	10,422
Other debtors	4,905	579
Grants receivable	22,325	44,437
VAT	-	4,092
Prepayments and accrued income	303	2,549
	<u>43,601</u>	<u>62,079</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Other loans (see note 21)	6,250	18,223
Trade creditors	32,782	13,849
Social security and other taxes	21,355	21,104
VAT	17,031	-
Other creditors	18,744	17,136
Accrued expenses	62,072	80,621
	<u>158,234</u>	<u>150,933</u>

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

	31.3.23	31.3.22
	£	£
Other loans (see note 21)	-	6,250

21. LOANS

An analysis of the maturity of loans is given below:

	31.3.23	31.3.22
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>6,250</u>	<u>18,223</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>-</u>	<u>6,250</u>

AN LANNTAIR LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 March 2023

22. SECURED DEBTS

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

A standard security over the Louise Carnegie site, Kenneth Street, Stornoway, Isle of Lewis has been granted to Creative Scotland (formally The Scottish Arts Council) as part of the funding agreement for the new Arts Centre.

Comhairle nan Eilean Siar have provided loan funds to the charity. The funds advanced in this regard at 31 March 2023 were £6,250 (2022 - £24,473) and this balance is included in Other Loans. An Lantair Limited has provided a disposition to Comhairle nan Eilean Siar in respect of 1/5 of the land on which the arts centre is built.

23. MOVEMENT IN FUNDS

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General fund	365,324	46,528	(18,223)	393,629
Restricted funds				
Projects fund	262,423	(71,431)	-	190,992
Capital and development fund	2,001,480	(275,852)	18,223	1,743,851
	<u>2,263,903</u>	<u>(347,283)</u>	<u>18,223</u>	<u>1,934,843</u>
TOTAL FUNDS	<u>2,629,227</u>	<u>(300,755)</u>	<u>-</u>	<u>2,328,472</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	755,287	(708,759)	-	46,528
Restricted funds				
Projects fund	356,779	(428,210)	-	(71,431)
Capital and development fund	20,000	(295,692)	(160)	(275,852)
	<u>376,779</u>	<u>(723,902)</u>	<u>(160)</u>	<u>(347,283)</u>
TOTAL FUNDS	<u>1,132,066</u>	<u>(1,432,661)</u>	<u>(160)</u>	<u>(300,755)</u>

AN LANNTAIR LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 March 2023

23. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	247,712	117,612	365,324
Restricted funds			
Projects fund	228,124	34,299	262,423
Capital and development fund	2,291,595	(290,115)	2,001,480
	<u>2,519,719</u>	<u>(255,816)</u>	<u>2,263,903</u>
TOTAL FUNDS	<u>2,767,431</u>	<u>(138,204)</u>	<u>2,629,227</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	707,296	(589,684)	-	117,612
Restricted funds				
Projects fund	484,655	(450,356)	-	34,299
Capital and development fund	5,492	(295,517)	(90)	(290,115)
	<u>490,147</u>	<u>(745,873)</u>	<u>(90)</u>	<u>(255,816)</u>
TOTAL FUNDS	<u>1,197,443</u>	<u>(1,335,557)</u>	<u>(90)</u>	<u>(138,204)</u>

FUNDS

General fund - Arts Programme

The general fund represents unrestricted funds which the trustees are free to use in accordance with the charitable objects.

General fund - Special Projects

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

General fund - Equipment and Fittings

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

Projects fund

This represents grants received from public funding agencies and trusts to assist with specified revenue and project costs.

Capital and development fund

AN LANNTAIR LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 March 2023

23. MOVEMENT IN FUNDS - continued

This represents the funds raised from various organisations to assist in the building of a new arts centre. The recent tranches of funding agreed included a recognition of the costs of establishing the bar and catering functions. The support provided by the charity is charged to restricted funds. The funds are also utilised to fund the future depreciation of the capital expenditure.

24. EMPLOYEE BENEFIT OBLIGATIONS

The charity operates a defined contribution pension scheme. At the balance sheet date unpaid contributions of £2,082 (2022 - £2,070) were due to the scheme and are included in other creditors.

25. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2023.

26. LIMITED BY GUARANTEE

The company is limited by guarantee and has no share capital. The liability of each member in the event of the company being wound up is restricted to £1.

27. PERMANENT ENDOWMENTS

The charity does not have any permanent endowments.

28. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.