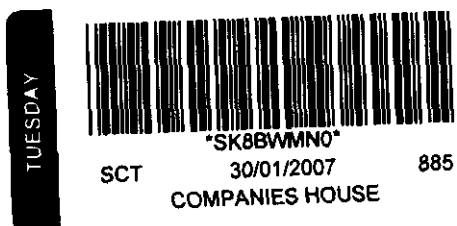


REGISTERED NUMBER: 160308 (Scotland)

CHARITY NUMBER: SC024080

**Report of the Directors and
Unaudited Financial Statements for the Year Ended 31 March 2006
for
Urachadh Uibhist**



Urachadh Urbhist

**Contents of the Financial Statements
for the Year Ended 31 March 2006**

	Page
Company Information	1
Report of the Directors	2
Statement of Financial Activities incorporating an Income and Expenditure Account	4
Balance Sheet	5
Notes to the Financial Statements	6
Report of the Accountants	12

Urachadh Uibhist
Company Information
for the Year Ended 31 March 2006

DIRECTORS

H MacAulay
Mrs A Campbell
W Marshall
U Robertson
Mrs C Rintoul
J Harrison
M Hocine

SECRETARY:

Mrs A Campbell

REGISTERED OFFICE

Claddach Kirkibost Centre
Lochmaddy
North Uist
HS6 5EP

REGISTERED NUMBER.

160308 (Scotland)

CHARITY NUMBER

SC024080

ACCOUNTANTS

Campbell Stewart MacLennan & Co
Chartered Accountants
8 Wentworth Street
Portree
Isle of Skye
IV51 9EJ

BANKERS

Bank of Scotland
Balivanich
Isle of Benbecula
HS7 5LA

Urachadh Uibhist
Report of the Directors
for the Year Ended 31 March 2006

The directors present their report with the financial statements of the company for the year ended 31 March 2006. The directors form the trustees of the charitable company (the company) for the purposes of charitable law and are collectively referred to as directors throughout this report and the financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Urachadh Uibhist was incorporated under the Companies Act 1985 on 12 September 1995 and is recognised as a Scottish Charity by the Inland Revenue under reference SC024080. It is governed by its Memorandum and Articles of Association.

Recruitment and Appointment of Directors

The company is managed by a board of directors who are appointed in general meeting by the members, except that the directors have power to appoint further directors (as appointed directors), including one individual nominated by Western Isles Enterprise. All members and directors are entitled to one vote at general meetings. No person is entitled to an additional or casting vote.

Risk Management

The directors actively review on a regular basis the major risks that the company faces and have internal control policies and procedures in place which provide reasonable, but not absolute, assurance against material misstatement or loss.

Organisation Structure

Following the resignation of the centre manager in June 2005, the directors currently manage the day to day affairs of the company with the assistance of a part time administrator.

The directors in office during the period under review were as follows:

H MacAulay	
Mrs A Campbell	
W Marshall	
U Robertson	
Mrs C Rintoul	
J Harrison	
K Watt	resigned 20 June 2005
M Hocine	appointed 20 May 2006

OBJECTIVES AND ACTIVITIES

Objects

The company's principal objective is to relieve poverty and advance the education of the residents of Uist by the following means:

- the provision of education and training in skills of all kinds, particularly such as will assist the residents of Uist in obtaining paid employment, and
- the promotion of the implementation of schemes of industry and commerce for the benefit of the public in Uist.

ACHIEVEMENTS AND PERFORMANCE

Activities in the period

In the period under review the company continued to fulfil its objectives through the provision of nursery care and the organisation of various events and classes for the residents of Uist.

The company succeeded in securing grant income of £53,700 (2005: £76,613) but noted net resources expended of £18,784 (2005: £18,593). The directors believe that the continued development of a financial management and reporting system has proved effective for raising necessary funds to achieve its charitable objectives. Core revenue funding remains the central focus for the directors and management.

The future plans of the company remain to improve the quality of life for the community by providing local access to services and opportunities to facilitate self help. Directors and management are working on plans for a significant capital project in order to extend the building to provide additional rooms for increased childcare provision and a wider range of support services establishing a multi use 'Family Centre' within the local community. An extension to the premises will also create the opportunity for increased employment and training within the community. Directors and management will be focusing on the funding bids to achieve these goals.

The directors are grateful for the support of volunteers who actively encourage and aid the development of the organisation to the benefits of the residents of North Uist.

**Report of the Directors
for the Year Ended 31 March 2006**

FINANCIAL REVIEW

Reserves policy

The company is currently considering its policy in relation to the retention of free reserves which are those unrestricted funds not invested in fixed assets, designated to a specific purpose or otherwise committed. As indicated in the balance sheet at 31 March 2006, unrestricted funds stood at £38,850 (2005 £47,320) and this is considered by the directors to be adequate to fund continuing operations for the foreseeable future.

Investment policy

The Memorandum and Articles of Association place no restrictions upon the investment powers of the directors.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Charities Commission for England and Wales Accounting and Reporting by Charities Statement of Recommended Practice, issued March 2005. The company does not exceed the statutory audit threshold and has therefore taken advantage of the SORP concessions available to small charities.

ON BEHALF OF THE BOARD:



Mrs A Campbell Secretary

Date 24 January 2007

Urachadh Uibhist

**Statement of Financial Activities incorporating and Income and Expenditure Account
for the Year Ended 31 March 2006**

			31 3 06			31 3 05
	Notes	Unrestricted funds £	Restricted income funds £	Restricted capital funds £	Total funds £	Total funds £
INCOMING RESOURCES						
Incoming resources from generating funds						
Voluntary income	2	7,831			7,831	324
Activities for generating funds		972				1,157
Incoming resources from charitable activities	3	49,765	44,332	1,500	95,597	117,115
Other incoming resources		<u>643</u>	<u> </u>	<u> </u>	<u>643</u>	<u>1,082</u>
Total incoming resources		<u>59,211</u>	<u>44,332</u>	<u>1,500</u>	<u>105,043</u>	<u>119,678</u>
RESOURCES EXPENDED						
Charitable activities	4	52,642	43,018	13,128	108,788	133,828
Governance costs	5	1,710			1,710	1,230
Other resources expended	7	<u>13,329</u>	<u> </u>	<u> </u>	<u>13,329</u>	<u> </u>
Total resources expended		<u>67,681</u>	<u>43,018</u>	<u>13,128</u>	<u>123,827</u>	<u>138,271</u>
Net income / (expenditure) for year		(8,470)	1,314	(11,628)	(18,784)	(18,593)
Reconciliation of funds.						
Total funds brought forward		<u>47,320</u>	<u>65</u>	<u>348,314</u>	<u>395,699</u>	<u>414,292</u>
Total funds carried forward		<u>38,850</u>	<u>1,379</u>	<u>336,686</u>	<u>376,915</u>	<u>395,699</u>

This statement includes all gains and losses in the year
All income and expenditure is derived from continuing activities

Urachadh-Uibhist

Balance Sheet
31 March 2006

	Notes	31 3 06 £	£	31 3 05 £	£
FIXED ASSETS					
Tangible assets	10		345,382		357,755
Investments	11				
			<u>345,382</u>		<u>357,755</u>
CURRENT ASSETS					
Debtors	12	14,876		28,662	
Cash at bank		<u>20,471</u>		<u>14,649</u>	
		35,347		43,311	
CREDITORS					
Amounts falling due within one year	13	<u>3,814</u>		<u>5,367</u>	
NET CURRENT ASSETS			<u>31,533</u>		<u>37,944</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>376,915</u>		<u>395,699</u>
RESERVES					
Restricted income funds	16		1,379		65
Restricted capital funds	17		336,686		348,314
Unrestricted funds			<u>38,850</u>		<u>47,320</u>
			<u>376,915</u>		<u>395,699</u>

The company is entitled to exemption from audit under Section 249A(2) of the Companies Act 1985 for the year ended 31 March 2006

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2006 in accordance with Section 249B(2) of the Companies Act 1985

The directors acknowledge their responsibilities for

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

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

The financial statements were approved by the Board of Directors on 24 January 2007 and were signed on its behalf by


H MacAulay Director

The notes form part of these financial statements

Urachadh Uibhist

Notes to the Financial Statements for the Year Ended 31 March 2006

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements set out the results of the company's activities for the year and its financial position at the balance sheet date. Consolidated financial statements have not been prepared as the group qualifies for exemption, as a small group, in terms of section 248 of the Companies Act 1985 and paragraph 383 (b) of the Statement of Recommended Practice issued by the Charities Commission in England and Wales in October 2005 (the "SORP")

The results of the company's wholly owned subsidiary, U U Trading Limited, are included by use of the equity method of accounting whereby, provided that the net assets of the subsidiary undertaking are not in deficit, a one-line entry is included in the Statement of Financial Activities in order to reflect the profit or loss of the subsidiary for each accounting period

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), the Companies Act 1985 and the SORP. The company does not exceed the statutory audit threshold and has therefore taken advantage of the SORP concessions available to small charities

Incoming resources

All income is specified as restricted or unrestricted and is included in the Statement of Financial Activities (SOFA) in the period in which the Company is entitled to its receipt and when the amount can be measured with reasonable certainty

Voluntary income includes donations, grants which provide core funding or are of a general nature together with membership fees

Income from charitable activities includes grants for specific purposes, nursery fees, including contractual payments from public authorities, and other fees and income raised from activities carried out in furtherance of the charitable objectives

Other incoming resources consists non invested bank interest received

Resources expended and basis of allocation

Resources expended are accounted for on an accruals basis and have been classified under headings, to which they are directly attributable, in accordance with the SORP. Liabilities are recognised when there is a constructive obligation to pay for expenditure. Urachadh Uibhist is VAT registered all expenditure is therefore included in the SOFA net of VAT where applicable

Charitable expenditure comprises those costs incurred by the company in the delivery of its activities and services to beneficiaries. It includes both costs that can be directly allocated 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 company and include accountancy fees and costs relating to the strategic management of the company

Tangible fixed assets

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

Long leasehold	2% on cost
Fixtures and fittings	15% on reducing balance
Computer equipment	25% on reducing balance

Fund accounting

Funds are held as

Unrestricted general funds these are funds that can be used in accordance with the charitable objectives at the discretion of the directors

Restricted funds these are funds that can only be used for particular revenue or capital expenditure restricted purposes within the objectives of the charity. Restrictions arise when specified by a donor or when funds are raised for a particular restricted purpose

Urachadh Urbhist

**Notes to the Financial Statements continued
for the Year Ended 31 March 2006**

2 INCOMING RESOURCES. VOLUNTARY INCOME

			31 3 06		31 3 05
	Notes	Unrestricted funds	Restricted income funds	Restricted capital funds	Total funds
		£	£	£	£
NUP contribution		7,500			7,500
Membership		331			331
Total		<u>7,831</u>			<u>7,831</u>
					<u>324</u>

3 INCOMING RESOURCES CHARITABLE ACTIVITIES

Sales		550		550	1,012
Nursery fees & grants		37,481	18,135	55,616	57,803
Events		2,509	3,000	5,509	5,252
Classes		770		770	1,495
Out of School					460
Transport grants			750	750	631
Other grants		7,868	22,447	1,500	50,452
Miscellaneous income		587		587	10
Total		<u>49,765</u>	<u>44,332</u>	<u>1,500</u>	<u>117,115</u>

4 RESOURCES EXPENDED CHARITABLE EXPENDITURE

Events expenses		785	3,065	3,850	3,965
Administrative wages	6	2,659	13,621	16,280	29,693
Tutor fees		400	400	800	450
Carriage		25		25	15
Nursery wages	6	30,754	23,871	54,625	62,817
Donations					500
Rates & water		778		778	757
Insurance		3,085	50	3,135	3,372
Light & heat		3,483		3,483	2,453
Rent		446	293	739	553
Telephone		1,850	119	1,969	2,335
Post & stationery		845	119	964	1,192
Advertising		727	75	802	799
Travelling		674	295	969	608
Classes travel expenses					25
Classes hire		20		20	16
Classes miscellaneous		100		100	838
Repairs & renewals		767		767	1,424
Nursery repairs & renewals		70		70	166
Cleaning & household		1,161		1,161	1,019
Nursery resources		429	196	625	1,484
Subscriptions		30		30	488
Sundry expenses		1,426		1,426	1,227
Nursery sundry expenses		1,432	672	2,104	2,313
CNES management fee			242	242	180
Bank charges		22		22	49
Training					60
Depreciation – buildings		273		6,601	6,874
Depreciation – fixtures & fittings		227		6,056	7,354
Depreciation – computer equipment		174		471	802
Total		<u>52,642</u>	<u>43,018</u>	<u>13,128</u>	<u>108,788</u>
					<u>133,828</u>

Urachadh Uibhist

Notes to the Financial Statements continued for the Year Ended 31 March 2006

5 RESOURCES EXPENDED: GOVERNANCE COSTS

	31 3 06				31 3 05
	Unrestricted funds	Restricted income funds	Restricted capital funds	Total funds	Total funds
	£	£	£	£	£
Accountancy	1,680			1,680	1,215
Companies House fee	30			30	15
Total	1,710			1,710	1,230

The accountants Campbell Stewart MacLennan & Co were remunerated for the following services

	31 3 06	31 3 05
	£	£
Annual accounts preparation	1,450	1,215
Maintenance of payroll records	230	
Total accountancy	1,680	1,215

6 STAFF COSTS

	31 3 06	31 3 05
	£	£
Nursery wages and salaries	51,130	58,944
Nursery employers' National Insurance	3,495	3,873
	54,625	62,817
Other gross administration wages and salaries	15,218	27,464
Other employers' National Insurance	1,062	2,229
	16,280	29,693
Gross administration wages and salaries	66,348	86,408
Employers National Insurance administration wages	4,557	6,102
	70,905	92,510

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

	31 3 06	31 3 05
Centre	1	2
Nursery	5	5
	6	7

None of the employees of the company earned in excess of £60,000 per annum

7 OTHER RESOURCES EXPENDED

At 31 March 2006 £15,243 was receivable from the company's trading subsidiary. Negotiations are in progress to raise a commercial loan to repay this debt but as this has not yet been finalised the directors consider it prudent at the present time to make appropriate provision for non recovery of this debt.

8 TAXATION

Urachadh Uibhist is recognised by the Inland Revenue as a Scottish Charity under reference SC024080 and therefore is not normally liable to taxation. No liability to UK corporation tax arose on ordinary activities for the year under review nor for the preceding year.

Urachadh-Uibhist

**Notes to the Financial Statements continued
for the Year Ended 31 March 2006**

9 DIRECTORS' REMUNERATION AND EXPENSES

No director was remunerated in either the year under review or the preceding period. No directors received expenses in the year to 31 March 2006 (£150 – 2005).

10 TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 April 2005	343,699	79,775	5,561	429,035
Additions	<u>1,040</u>	<u>214</u>	<u>175</u>	<u>1,429</u>
At 31 March 2006	<u>344,739</u>	<u>79,989</u>	<u>5,736</u>	<u>430,464</u>
DEPRECIATION				
At 1 April 2005	30,021	38,105	3,154	71,280
Charge for year	<u>6,874</u>	<u>6,283</u>	<u>645</u>	<u>13,802</u>
At 31 March 2006	<u>36,895</u>	<u>44,388</u>	<u>3,799</u>	<u>85,082</u>
NET BOOK VALUE				
At 31 March 2006	<u>307,844</u>	<u>35,601</u>	<u>1,937</u>	<u>345,382</u>
At 31 March 2005	<u>313,678</u>	<u>41,670</u>	<u>2,407</u>	<u>357,755</u>

11 FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 April 2005 and 31 March 2006	<u>2</u>
PROVISIONS	
At 1 April 2005 and 31 March 2006	<u>2</u>
NET BOOK VALUE	
At 31 March 2006	<u> </u>
At 31 March 2005	<u> </u>

The company's investments at the balance sheet date in the share capital of companies include the following

U U Trading Limited

Nature of business café and shop operators

Class of shares	% holding		
Ordinary	100.00	31.3.06	31.3.05
		£	£
Aggregate capital and reserves		(13,329)	(10,733)
Profit / (Loss) for the year		<u>(2,596)</u>	<u>(3,249)</u>

The charity incorporated U U Trading Limited, a wholly owned subsidiary undertaking, on 22 May 2002 on which date the operation of the café and shop at the Claddach Kirkibost Centre was transferred to that company.

Urachadh Uibhist

**Notes to the Financial Statements continued
for the Year Ended 31 March 2006**

12 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 3 06	31 3 05
	£	£
Amounts owed by group undertakings	15,243	15,271
Less provision against amount owed by group undertakings	(13,329)	
Other debtors	<u>12,962</u>	<u>13,391</u>
	<u>14,876</u>	<u>28,662</u>

See note 7 regarding the provision against amount owed by group undertakings

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 3 06	31 3 05
	£	£
Trade creditors	816	1,712
Taxation and social security	1,356	2,228
Other creditors	<u>1,642</u>	<u>1,427</u>
	<u>3,814</u>	<u>5,367</u>

14 RESERVES

Movement in reserves is shown on the face of the SOFA and restricted income and capital funds are detailed in notes 16 and 17 respectively

15 RELATED PARTY DISCLOSURES

There were no related party transactions in the year under review (2005 £300 paid to one director for services rendered) No balance remained outstanding at 31 March 2006 (2005 – £nil)

There were no amounts written off in the year under review

16 RESTRICTED INCOME FUNDS

	Funds brought forward £	Incoming resources £	Resources expended £	Funds carried forward £
Manager / Admin wages (see note below)		15,000	13,621	1,379
SPPA conference		275	275	
Parents' classes		400	400	
Events	65	3,000	3,065	
Transport		750	750	
Nursery		<u>24,907</u>	<u>24,907</u>	
Total at 31 March 2006	<u>65</u>	<u>44,332</u>	<u>43,018</u>	<u>1,379</u>

Esme Fairbairn contributed £15,000 towards the employment costs of a centre manager. The centre manager resigned in June 2005 and, with permission of the donor, funds were used to employ a part time administrator. Surplus funds were carried over to the next year for this purpose.

17 RESTRICTED CAPITAL FUNDS

	Funds brought forward £	Incoming resources £	Resources expended £	Funds carried forward £
Buildings	305,905		6,601	299,304
Furniture & fittings	40,525	1,500	6,056	35,969
Computer equipment	<u>1,884</u>		<u>471</u>	<u>1,413</u>
Total at 31 March 2006	<u>348,314</u>	<u>1,500</u>	<u>13,128</u>	<u>336,686</u>

Urachadh Uibhist

**Notes to the Financial Statements continued
for the Year Ended 31 March 2006**

18 NET ASSETS ANALYSED BETWEEN FUNDS

	Unrestricted funds £	Restricted income funds £	Restricted capital funds £	Total £
Fixed assets	10,349		335,033	345,382
Current assets	32,315	1,379	1,653	35,347
Current liabilities	<u>(3,814)</u>	<u>—</u>	<u>—</u>	<u>(3,814)</u>
At 31 March 2006	<u>38,850</u>	<u>1,379</u>	<u>336,686</u>	<u>376,915</u>

19 STATUS

The company is incorporated, under section 30 of the Companies Act 1985, by the guarantee of its members who are obligated to pay up to £1 each in the event of winding up

20 COMPARATIVE AMOUNTS

The financial statements for the year ended 31 March 2006 have been prepared in accordance with the Charities Commission for England and Wales Accounting and Reporting by Charities Statement of Recommended Practice, issued March 2005. Compliance with this statement has required amendments to the presentation format adopted in the preceding year and comparative amounts have therefore been adjusted, where necessary, to conform to the revised requirements.

Urachadh Uibhist

**Report of the Accountants to the Directors of
Urachadh-Uibhist**

We report on the financial statements for the year ended 31 March 2006 set out on pages five to eleven

Respective responsibilities of directors and reporting accountants

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 March 2006 set out on pages five to eleven and you consider that the company is exempt from an audit in accordance with section 249a(2) of the Companies Act 1985

In accordance with our terms of engagement, and in order to assist you to fulfil your duties under the Companies Act 1985, we have prepared the financial statements of the company for the year ended 31st March 2006 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes from the accounting records and information and explanations supplied to us

This report is made to the company's members, as a body, in accordance with the terms of our engagement. Our work has been undertaken to enable us to prepare the accounts on behalf of the company's Board of Directors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our work or for this report

We have carried out this engagement in accordance with best practice guidance issued by the Institute of Chartered Accountants of Scotland and have complied with the ethical guidance laid down by the Institute relating to members undertaking the preparation of accounts. It is our responsibility to carry out procedures designed to enable us to report our opinion

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion

Opinion

In our opinion

- a) the accounts for the financial year in question are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985,
- b) having regard only to, and on the basis of, the information contained in those accounting records
 - i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249c(6) of the Act, and
 - ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in section 249a(4) as modified by subsection (5) of that section and did not fall within section 249b(1) (a) to (f) at any time within the financial year



Campbell Stewart MacLennan & Co
Chartered Accountants
Portree
Isle of Skye
IV51 9EJ

Date 24 January 2007