

Bòrd na Gàidhlig

Report and Accounts

Year Ended 31 March 2010

**The Accountable Officer authorised these
financial statements for issue on
24 June 2010**

CONTENTS

Management Commentary	3
Statutory Background	3
Principal Activities	3
Financial Performance	3
Capital Investments in Year	5
Gifts and Charitable Donations	5
Losses, Special Payments and Write Offs	5
Personal Data Related Incidents	5
Sickness Absence	5
Supplier Payment Policy	6
Financial Targets	6
European Monetary Union	6
Appointment of Auditors	6
Disclosure of Information to Auditors	7
Corporate Governance Matters	7
Conflicts of Interest Procedures	7
Bòrd Members	7
Management Team	8
Bòrd Committees	8
Remuneration Report	9
Statement of Accountable Officer's Responsibilities	12
Statement on Internal Control	13
Independent Auditor's Report	16
Operating Cost Statement	19
Statement of Financial Position	20
Statement of Cash Flows	21
Statement of Changes in Taxpayers' Equity	22
Notes to the Accounts	23
Accounts Direction	43

MANAGEMENT COMMENTARY

Bòrd na Gàidhlig presents its annual report and accounts for the year from 1 April 2009 to 31 March 2010. The accounts have been prepared in a form directed by the Scottish Ministers in accordance with Section 8 of the Gaelic Language (Scotland) Act 2005.

STATUTORY BACKGROUND

Bòrd na Gàidhlig was established and is regulated primarily by the relevant sections of the Gaelic Language (Scotland) Act 2005 (“the Act”).

PRINCIPAL ACTIVITIES

Bòrd na Gàidhlig’s principal activities are:

- (a) promoting, and facilitating the promotion of—
 - the use and understanding of the Gaelic language; and
 - Gaelic education and Gaelic culture,
- (b) advising (either on request or when it thinks fit) the Scottish Ministers, public bodies and other persons exercising functions of a public nature on matters relating to the Gaelic language, Gaelic education and Gaelic culture,
- (c) advising (on request) other persons on matters relating to the Gaelic language, Gaelic education and Gaelic culture,
- (d) monitoring, and reporting to the Scottish Ministers on, the implementation of the European Charter for Regional or Minority Languages dated 5 November 1992 in relation to the Gaelic language.

The functions conferred on the Bòrd by the Act are to be exercised with a view to securing the status of the Gaelic language as an official language of Scotland commanding equal respect to the English language through—

- 1) increasing the number of persons who are able to use and understand the Gaelic language,
- 2) encouraging the use and understanding of the Gaelic language, and
- 3) facilitating access, in Scotland and elsewhere, to the Gaelic language and Gaelic culture.

FINANCIAL PERFORMANCE

Overview of the Year

Bòrd na Gàidhlig had a surplus of £135,299 (2009 – surplus £33,138) for the year. This is the difference between the net cost for the year of £5,323,701 (2009- £5,488,362) as shown in the Operating Cost Statement and the funding received from Scottish Government of £5,459,000 (2009 - £5,521,500).

Financial Reporting Manual (*FReM 2009/10*) issued by Treasury sets out the format of the annual accounts. Grant-in-Aid (“GIA”) is included in the General Fund in the statement of financial position rather than included in the Operating Cost Statement for the year. All other income and all expenditure is included in the Operating Cost Statement.

The main operational costs incurred during the year related to Language Acquisition £1.002m (2009 - £1.003m), Language Usage £1.471m (2009 £1.519m), Language Status £1.462m (2009 - £1.517m) and Language Corpus £0.324m (2009 - £0.333m).

Other expenditure by the Bòrd included Bòrd Member fees £0.075m (2009 - £0.082m), Staff Costs £0.504m (2009 - £0.422m) and Office Running Costs £0.147m (2009 - £0.145m). Depreciation charged in the year was £0.007m (2009 - £0.016m).

The statement of financial position shows net liabilities of £0.015m (2009 – net liabilities of £0.016m). This is the result of the deficit on the Pension Reserve £0.321m (2009 - £0.179m) exceeding the balance in the General Fund £0.306m (2009 - £0.163m).

Funding

Treasury instructions to non departmental public bodies are to show Grant in Aid as financing income that is taken straight to the General Fund in the statement of financial position. The GIA allocated for the year was £5,459,000 (2009 - £5,521,500). The whole amount allocated was drawn down in cash during the year.

Sponsor Division Targets

Bòrd na Gàidhlig is expected to manage its budget, including GIA and other income, in accordance with the Financial Memorandum and Scottish Public Finance Manual. Bòrd na Gàidhlig is expected to ensure that, taking one year with another, income from Grant in Aid equals expenditure. Bòrd na Gàidhlig expenditure in 2009-10 was within the allocation approved by Scottish Government.

Trends

At the end of the fourth period of accounts for Bòrd na Gàidhlig, the trend is one of stability in both income and expenditure. Funding, comprising Grant-in-Aid awarded under the Spending Review 2007, continued at the same level as the previous year. There has been a corresponding stability in expenditure, and in both years concerned there has been a surplus, small in relation to total funding.

Future

Implementation of the National Plan for Gaelic commenced in 2007-08, and the Gaelic Language Plans of 9 public bodies have been approved by the Bòrd to 31 March 2010. The number of Public Body Language Plans currently in preparation is 17. Further notices requiring the preparation of plans will be issued in 2010-11 to 14 further public bodies.

During the coming year, the Bòrd will carry out a wide range of developmental activities to to deliver the National Plan for Gaelic and the Scottish Government's objectives for the language, working with Gaelic organisations and public bodies. The Bòrd will also actively engage with all major education organisations, parents and key stakeholders to ensure that the priorities set out in the National Gaelic Education Strategy are progressed.

In April 2010, the Bòrd published a new Action Plan "Ginealach Ùr na Gàidhlig" – a plan to create a new generation of Gaelic speakers with a focus on early years, Gaelic-medium education and adult learning. This Plan reprioritises resources and actions with the aim of achieving an incremental increase in language learning and will act as a bridge between the current National Plan and the next one. Delivering it will be Bòrd na Gàidhlig's priority from now until March 2012

Bòrd na Gàidhlig has been advised by its sponsor division, the Scottish Government Culture, External Affairs and Tourism Directorate, that the current level of support will continue in 2010-11. Funding levels for the three years after 2010-11 have still to be determined, and will become known once the Comprehensive Spending Review is completed later in 2010.

Bòrd na Gàidhlig, like every other government body, is expected to deliver best value and contribute to the efficient government targets. The Bòrd has instigated a number of reviews to identify efficiency savings and is also working in partnership with other government bodies to provide shared support services at the Inverness office. It is also working to develop, where appropriate, joint working and information exchange in operational areas.

In order to meet its operational obligations, the Bòrd successfully conducted an operational restructuring at 1 October 2009, and additional staff have been recruited to fill the new posts created. The re-structuring has been completed with the recruitment of a Ceannard who is expected to take up the post in September 2010.

CAPITAL INVESTMENTS IN YEAR

Bòrd na Gàidhlig invested £12,965 (2009 - £3,544) in fixed assets during the year. The main additions in year were:

	2010	2009
	£	£
Office Equipment	1,633	Nil
Fixtures and Fittings	1,341	Nil
Computer Equipment	9,991	3,544

GIFTS AND CHARITABLE DONATIONS

There have been no gifts or charitable donations made to Bòrd na Gàidhlig for the year (2009 – Nil).

LOSSES, SPECIAL PAYMENTS AND WRITE OFFS

There were no losses, special payments, or write offs in the year (2009 – Nil).

PERSONAL DATA RELATED INCIDENTS

There were no personal data related incidents during the year (2009 – Nil).

SICKNESS ABSENCE

Sickness absence during the year to 31 March 2010 was 85 days (2009 – 31 days), representing 3.41% (2009 - 1.29%) of the total number of working days.

SUPPLIER PAYMENT POLICY

It is Bòrd na Gàidhlig policy to pay all suppliers no later than 30 working days from receipt of invoice in accordance with its policy, which is made known to the staff that handle payments to suppliers and is made known to suppliers on request. Bòrd na Gàidhlig meets the requirements laid down by Scottish Government in respect of payments to small companies, which stipulates a payment target no later than 10 days. The average time taken to pay creditors during the year was 2 days (2009 – 8 days).

FINANCIAL TARGETS

Bòrd na Gàidhlig is required to operate within the financial allocation determined by Scottish Ministers for the year. In 2009-10 the position was as follows:

Grant in Aid	2009-10		
	Outturn £m	Allocation £m	Variance £m
Core Grant in Aid (revenue grant)	1.065	1.100	-0.035
Funds for Gaelic development	3.069	2.959	0.110
Gaelic Language Implementation Fund	1.190	1.400	-0.210
Total	5.324	5.459	-0.135

The position in 2008-09 was as follows:

	2008-09		
	Outturn £m	Allocation £m	Variance £m
Core Grant in Aid (revenue grant)	1.105	1.212	-0.107
Funds for Gaelic development	3.098	2.909	0.189
Gaelic Language Implementation Fund	1.274	1.400	-0.126
Total	5.477	5.521	-0.044

Variances from allocation were discussed with the sponsor division (Scottish Government Culture, External Affairs and Tourism Directorate) during the financial year and approval obtained as necessary for any variances.

EUROPEAN MONETARY UNION

Bòrd na Gàidhlig's financial system currently has the capability to function in the event that a standard currency is introduced as a requirement of European Monetary Union legislation.

APPOINTMENT OF AUDITORS

Under the Public Finance and Accountability (Scotland) Act 2000, Bòrd na Gàidhlig's auditors are appointed by the Auditor General and Audit Scotland was appointed in 2006 as Bòrd na Gàidhlig's external auditor for the financial years ending 2007 - 2011.

The auditors were remunerated to the sum of £13,840 (2009 - £13,620) in respect of statutory audit services for the financial year 2009-10.

DISCLOSURE OF INFORMATION TO AUDITORS

As Accountable Officer, as far as I am aware, there is no relevant audit information of which the Bòrd's auditors are unaware. I have taken all reasonable steps that ought to be taken to make myself aware of any relevant audit information and to establish that the Bòrd's auditors are aware of the information.

CORPORATE GOVERNANCE MATTERS

Bòrd na Gàidhlig aims for the highest standards in corporate governance and the Cabinet Office Guidance on Codes of Practice for Public Bodies has been adopted. The Bòrd's Corporate Office is at Darach House, Stoneyfield Business Park, Inverness, IV2 7PA.

CONFLICTS OF INTEREST PROCEDURES

Bòrd na Gàidhlig operates strict and comprehensive procedures to deal with potential conflicts of interest. A register of interests, covering Bòrd members and staff, is held and updated on an annual basis. This is available for examination by any member of the public wishing to do so, and is included on the Bòrd's website.

At Bòrd and Committee meetings, interests have to be declared at the start of the meeting. In the event that a Bòrd member or member of staff has an interest in any matter, they are required to declare that interest and leave the meeting, thereafter taking no part in any discussion of that matter. These declarations are recorded in the minutes of the meeting.

BÒRD MEMBERS

Arthur Cormack (Cathraiche)
Rob Dunbar
Michael Foxley
John A MacKay
Alasdair Macleod
Annie MacSween
Christina Allon
Sandaidh Jones (to 7 January 2010)
Kenneth MacKinnon
Murdo MacLennan

Audit Committee

Murdo MacLennan
Christina Allon
Alasdair Macleod

Remuneration Committee

John A MacKay
Rob Dunbar
Michael Foxley

MANAGEMENT TEAM 2009-10

Rosemary Ward (Acting Ceannard to 24 June 2009)

Donald Martin (Interim Senior Support Team from 7 July 2009
and Accountable Officer from 21 July 2009)

Hugh D MacLennan (Interim Senior Support Team from 7 July 2009)

Jo MacDonald (Interim Senior Support Team from 7 July 2009)

David Boag (Leasaiche Cànan Gàidhlig from 11 January 2010)

Sandaìdh Jones (Leasaiche Sheirbheisean Corporra from 25 January 2010)

During the year the Interim Senior Support Team was appointed to increase the Bòrd's capacity to implement the National Plan for Gaelic and to supervise planned changes in its structure and operations. The Team comprised three members, Donald Martin (Accountable Officer), Hugh D MacLennan, and Jo MacDonald.

On 14 June 2010 it was announced that John A MacKay, a current Bòrd member, had been appointed as Ceannard and he is expected to take up the post on 1 September 2010.

BÒRD COMMITTEES

The Bòrd comprises the Cathraiche and up to 11 other members and meets regularly throughout the year. Members of the Bòrd are appointed by the Scottish Ministers. The normal term of office for a non-executive Bòrd member is three years, although lengths of appointments may be varied to ensure continuity of Bòrd membership. In March 2009 the Cathraiche was appointed for a period of four years until 1 March 2013.

The Bòrd has established a Delegated Financial Authority policy which requires officers to seek approval for matters/awards outwith the Ceannard's approved delegated powers.

The Bòrd has an Audit Committee which meets at least four times a year. It comprises three Bòrd members, and was chaired by Murdo MacLennan throughout the year. The external and internal auditors attend all Audit Committee meetings. The external and internal auditors are given the opportunity to speak confidentially to the Committee members. The purpose of the Audit Committee is to monitor and review risk, control and corporate governance. It operates independently and reports to the Bòrd.

The Bòrd has a Remuneration Committee, which comprises three Bòrd members and is chaired by John A Mackay. It meets as determined by its Chairperson and meetings are set so as to complement the operational timetables of Bòrd na Gàidhlig. Members of Bòrd na Gàidhlig staff are asked to attend meetings when subjects of particular relevance are discussed. The purpose of the Committee is to provide advice to the Bòrd on issues relating to finance, policy, and staff remuneration.

Donald Martin
Accountable Officer
22 June 2010

REMUNERATION REPORT

Unaudited

John A Mackay chairs the Remuneration Committee. The committee members are Rob Dunbar and Michael Foxley.

The Remuneration Committee approves the salary increases of the Ceannard in line with the Senior Salaries Review Body. It further determines the performance pay of the Ceannard and senior management team. No performance awards were made in 2009-10 because there is no scheme currently operational.

Bòrd na Gàidhlig staff were previously remunerated on spot points determined when appointed in post. A re-structuring proposal was submitted to the sponsor division which included a performance related pay scheme, and approval was obtained during 2009-10. The revised structure and pay scales were implemented with effect from 1 October 2009.

Audited

	2010 Total £'000	2009 Total £'000
Remuneration of Bòrd Members		
Remuneration/ Fees:		
Cathraiche – A Cormack (from 1 July 2008)	19	14
Cathraiche – M Maclver (to 30 June 2008)	-	3
Other members	54	63
	<hr/> 73	<hr/> 80

Arthur Cormack was appointed as Interim Cathraiche from 1 July 2008 and confirmed as Cathraiche from 1 March 2009.

Bòrd Member	2010 £	2009 £
Arthur Cormack	18,600	1,550
Rob Dunbar	6,200	6,200
Michael Foxley	6,200	6,200
John A MacKay	6,200	6,200
Alistair Macleod	6,200	6,200
Faye Macleod (to 7 February 2009)	-	5,405
Annie MacSween	6,200	6,200
Christina Allon	6,200	6,200
Sandaith Jones (to 7 January 2010)	4,769	6,200
Kenneth MacKinnon	6,200	6,200
Murdo MacLennan	6,200	6,200
	<hr/> 72,969	<hr/> 62,755

Bòrd member appointments are not pensionable.

Remuneration of Cathraiche

	2010 Salary £'000	2010 Benefits in Kind £'000	2009 Salary £'000	2009 Benefits in Kind £'000
Cathraiche A Cormack	15 - 20	-	10 - 15	-

Remuneration of Ceannard and Senior Management Team

	2010 Salary £'000	2010 Benefits in kind (to nearest £100)	2009 Salary £'000	2009 Benefits in kind (to nearest £100)
Ceannard Rosemary Ward (Acting Ceannard to 24 June 2009)	10 - 15 (55 – 60 full year equivalent)	£4,000 (motor car)	35 - 40 (55 – 60 full year equivalent)	£5,600 (motor car)
Donald Martin (Accountable Officer from 21 July 2009)	35 – 40	-	-	-

There was no Ceannard in post during the year. An Interim Senior Support Team was appointed on 7 July 2009 to increase the Bòrd's capacity to implement the National Plan for Gaelic and to supervise planned changes in its structure and operations. The Team comprised three members, Donald Martin, Hugh D MacLennan, and Jo MacDonald.

Donald Martin was appointed Accountable Officer and his remuneration is disclosed above.

Hugh D MacLennan and Jo MacDonald were engaged on a contract basis and payments made to them in respect of Interim Senior Support Team duties were as follows:

	2010 Fees and Expenses £'000	2009 Fees and Expenses £'000
Hugh D MacLennan	45 - 50	-
Jo MacDonald	35 - 40	-

The Interim Senior Support Team members are remunerated on a daily rate, and the rates applicable during the year were as follows:

Donald Martin: £400 per day
 Hugh D MacLennan: £500 + VAT per day
 Jo Macdonald: £400 per day

Pension entitlements of, Bòrd Members, Ceannard and Senior Management Team

The Bòrd operates a defined benefit scheme as an admitted body under the Highland Council Pension Fund, the assets of which are held in a separate trustee administered fund (note 13 to the financial statements).

The FReM requires the disclosure of the information regarding the pension entitlements of the Bòrd Members, Ceannard and Senior Management Team.

Bòrd Members do not have any pension entitlement.

As at 31 March 2010 there was no Ceannard in post. The duties of that post were incorporated within the remit of members of the Interim Senior Support Team, none of whom was a member of the pension scheme during the year. Donald Martin, who served as Accountable Officer from 21 July 2009 was not a member of the pension scheme. Hugh D MacLennan and Jo MacDonald were not members of the pension scheme.

Approved by the Bòrd on 22 June 2010.

Signed on behalf of the Bòrd

Donald Martin
Accountable Officer
22 June 2010

STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES

Under Section 8 of the Gaelic Language (Scotland) Act 2005, Bòrd na Gàidhlig is required to prepare financial statements for each financial year in the form and on the basis determined by the Scottish Ministers. The financial statements are prepared on an accruals basis and must give a true and fair view of the state of affairs of Bòrd na Gàidhlig as at the end of the financial year and of the income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the financial statements, the Accountable Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the financial statements direction issued by the Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- Prepare the financial statements on a going concern basis.

In addition the Bòrd has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Bòrd and to prevent and detect fraud and other irregularities.

The Accountable Officer of the Scottish Government Culture, External Affairs and Tourism designated Donald Martin as Accountable Officer for the Bòrd with effect from 21 July 2009.

His relevant responsibilities as Accountable Officer for the Bòrd are set out in the Memorandum to Accountable Officers issued by Scottish Ministers. The Accountable Officer has responsibility for the propriety and regularity of the public finances for which they are answerable, for keeping proper records and for safeguarding the Bòrd's assets.

STATEMENT ON INTERNAL CONTROL

Scope of Responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, set by Scottish Ministers, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

The previous Accountable Officer resigned on 24 June 2009. I commenced my appointment as Accountable Officer on 21 July 2009.

The Scottish Public Finance Manual (SPFM) is issued by the Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. It is mainly designed to ensure compliance with statutory and Parliamentary requirements, promote value for money and high standards of propriety, and secure effective accountability and good systems of internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control in place during the year was mainly based on a process designed to identify and prioritise the risks to the achievement of the organisation's policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically.

The system of internal control has been in place for the year ended 31 March 2010, and up to the date of approval of the annual report and accounts, and accords with guidance from Scottish Ministers provided in the SPFM.

The risk and control framework

All bodies subject to the requirements of the SPFM must operate a risk management strategy in accordance with relevant guidance issued by the Scottish Ministers.

The Risk Management process is outlined above. To manage and control significant risks, action plans, timescales and responsible managers are agreed. Risks Registers, including action plans, are maintained and periodically reviewed. Implementation of action plans to manage risk is reported regularly to the Audit Committee. A section on Risks is included in all significant plans and proposals submitted to the Bòrd for decision/approval.

A Risk Management Strategy and a Risk Management Register which were approved by the Audit Committee and the Bòrd in 2008-09 have been reviewed, updated, and approved in 2009-10.

The Bòrd is committed to a process of continuous development and improvement by developing systems in response to any relevant reviews and developments in best practice in this area. In particular, we have built on the outcomes from the risk management work done in 2009-10 to:

- ensure that Risk Management principles are embedded as part of normal management process;
- regularly update the Risk Register;
- continue risk awareness training, including partner organisations;
- receive periodic reports from the Chair of the organisation's Audit Committee to the Bòrd, concerning internal control; and
- ensure that systems continue to incorporate risk management into the Bòrd's funding awards and into its overall corporate planning process.

The Bòrd is committed to continuous development of best practice in information risk management in line with emerging guidance. Information Security and Management were reviewed by Internal Audit and Audit Scotland, and action continues to be taken to minimise risks in these areas. We will continue to keep information risks and management under review, and further improvements are planned.

The internal audit function is an integral part of the internal control system. The contract for provision of an internal audit service for the financial year was carried out by TirArd MacKenzie. TirArd MacKenzie undertook work based on an analysis of the risk to which the Bòrd was exposed. Reports have been produced which covered the Bòrd's Financial Controls Creditor Payments, Payroll, Expenses, Performance Measurement and Reporting, Information Security and Management, Grant Payments, Risk Management and external reviews of three partner organisations. These include an opinion on the adequacy and effectiveness of the system of internal control, together with recommendations for improvements, which are being implemented by management.

Review of effectiveness

A follow-up review was carried out in 2009-10 of the Best Value in Financial Management which was carried out in 2008-09 by Internal Audit based on the Audit Scotland Best Value audit toolkit. which concluded that the majority of the action points in the 2008-09 Review had been implemented successfully and that the priority area for attention was the production of integrated financial and service performance reporting (including Gaelic organisations' services), for Bòrd and Scottish Government information.

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by:

- the Managers within the organisation, who have responsibility for the development and maintenance of the internal control framework;
- the work of internal auditors, who submit regular reports to the Bòrd's Audit Committee (this includes their independent and objective opinion on the adequacy and effectiveness of the Bòrd's systems of internal control together with recommendations for improvement); and
- comments made by the external auditors in their management letter and other reports.

During the year the Bòrd formalised and approved the following documentation:

- Updated the Risk Management Register
- Schedule of Delegated Financial Authority
- Accounting Policies incorporating IFRS requirements

Building on the points made in Internal Audit Reports on performance management and information management, the Bòrd has introduced a robust performance monitoring framework using Key Performance Indicators and an Information Management Strategy and Disaster Recovery Plan are in preparation.

The Bòrd will review the system of internal control to ensure that this continues to provide assurances regarding its responsibilities in respect of the Gaelic Language (Scotland) Act 2005.

Donald Martin
Accountable Officer
22 June 2010

Independent auditor's report to the members of Bòrd na Gàidhlig, the Auditor General for Scotland and the Scottish Parliament

I have audited the financial statements of Bòrd na Gàidhlig for the year ended 31 March 2010 under the Gaelic Language (Scotland) Act 2005. These comprise the Operating Cost Statement, the Statement of Financial Position, the Cash Flow Statement, the Statement of Changes in Taxpayers' Equity, and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 123 of the Code of Audit Practice approved by the Auditor General for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of the Bòrd, Accountable Officer and auditor

The Bòrd and Accountable Officer are responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with the Gaelic Language (Scotland) Act 2005 and directions made thereunder by the Scottish Ministers. The Accountable Officer is also responsible for ensuring the regularity of expenditure and receipts. These responsibilities are set out in the Statement of Accountable Officer's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and with International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland.

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Gaelic Language (Scotland) Act 2005 and directions made thereunder by the Scottish Ministers. I report to you whether, in my opinion, the information which comprises the Management Commentary, Statutory Background, Principal Activities, Financial Performance, Capital Investments in Year, Gifts and Charitable Donations, Losses, Special Payments and Write Offs, Personal Data Related Incidents, Sickness Absence, Supplier Payment Policy, Financial Targets, European Monetary Union, Appointment of Auditors, Disclosure of Information to Auditors, Corporate Governance Matters, Conflict of Interest Procedures, Bòrd Members, Management Team, and Bòrd Committees included in the Annual Report is consistent with the financial statements.

I also report whether in all material respects the expenditure and receipts shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

In addition, I report to you if, in my opinion, the body has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the body's compliance with the Scottish Government's guidance, and I report if, in my opinion, it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the body's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the unaudited part of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the Public Finance and Accountability (Scotland) Act 2000 and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board as required by the Code of Audit Practice approved by the Auditor General for Scotland. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of expenditure and receipts included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the Bòrd and Accountable Officer in the preparation of the financial statements, and of whether the accounting policies are appropriate to the body's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and receipts shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinion

Financial statements

In my opinion

- the financial statements give a true and fair view, in accordance with the Gaelic Language (Scotland) Act 2005 and directions made thereunder by the Scottish Ministers, of the state of affairs of Bòrd na Gàidhlig as at 31 March 2010 and of its net operating cost, changes in taxpayers' equity and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Gaelic Language (Scotland) Act 2005 and directions made under by the Scottish Ministers, and
- information which comprises the Management Commentary, Statutory Background, Principal Activities, Financial Performance, Capital Investments in Year, Gifts and Charitable Donations, Losses, Special Payments and Write Offs, Personal Data Related Incidents, Sickness Absence, Supplier Payment Policy, Financial Targets, European Monetary Union, Appointment of Auditors, Disclosure of Information to Auditors, Corporate Governance Matters, Conflict of Interest Procedures, Bòrd Members, Management Team, and Bòrd Committees included in the Annual Report is consistent with the financial statements.

Regularity

In my opinion in all material respects the expenditure and receipts shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Signature

Stephen O'Hagan
Audit Scotland
7th Floor, Plaza Tower
East Kilbride
G74 1LW

Date

Bòrd na Gàidhlig

Operating Cost Statement For the Year Ended 31 March 2010

	Note	2010 £	2009 £
Income			
Other Income	4	76	1,310
		<u>76</u>	<u>1,310</u>
Expenditure			
Bòrd Members and Staff Costs	5	579,120	504,167
Operational Expenditure	6	4,259,189	4,372,472
Other Operating Costs	7	458,913	585,374
Notional Cost of Capital	8	7,966	5,122
Depreciation	9	6,987	16,522
		<u>5,312,175</u>	<u>5,483,657</u>
Operating deficit		(5,312,099)	(5,482,347)
Bank Interest Received		398	8,985
Expected Return on Pension Assets	13	31,000	28,000
Pension Interest Costs	13	(43,000)	(43,000)
Net operating cost before Scottish Government funding		<u>(5,323,701)</u>	<u>(5,488,362)</u>

The accounting policies and notes on pages 23 to 42 form part of these accounts.

Bòrd na Gàidhlig**Statement of Financial Position
As At 31 March 2010**

	Note	31 March 2010 £	31 March 2009 £	1 April 2008 £
Non-current assets				
Property, plant and equipment	9	11,849	5,871	18,849
Total non-current assets		<u>11,849</u>	<u>5,871</u>	<u>18,849</u>
Current Assets				
Trade and other receivables	10	258,066	116,700	57,082
Cash and cash equivalents	11	92,736	68,825	78,757
Total current assets		<u>350,802</u>	<u>185,525</u>	<u>135,839</u>
Total Assets		<u>362,651</u>	<u>191,396</u>	<u>154,688</u>
Current Liabilities				
Trade and other payables	12	70,413	28,423	24,975
Total current liabilities		<u>70,413</u>	<u>28,423</u>	<u>24,975</u>
Non-current assets plus/less net current assets/liabilities		<u>292,238</u>	<u>162,973</u>	<u>129,713</u>
Non-current Liabilities				
Provisions	13	(307,000)	(179,000)	(1,000)
Total non-current liabilities		<u>(307,000)</u>	<u>(179,000)</u>	<u>(1,000)</u>
Assets less liabilities		<u>(14,762)</u>	<u>(16,027)</u>	<u>128,713</u>
Taxpayers' equity				
General Fund		306,238	162,973	129,713
Pension Reserve		(321,000)	(179,000)	(1,000)
Total taxpayers' equity		<u>(14,762)</u>	<u>(16,027)</u>	<u>128,713</u>

These financial statements were approved by Bòrd na Gàidhlig on 22 June 2010

Signed on behalf of Bòrd na Gàidhlig

Donald Martin
Accountable Officer
22 June 2010

The accounting policies and notes on pages 23 to 42 form part of these accounts.

Bòrd na Gàidhlig

Statement of Cash Flows For the Year Ended 31 March 2010

	Note	2010 £	2009 £
Cash flows from operating activities			
Net operating cost before Scottish Government funding		(5,312,099)	(5,482,347)
<i>Adjustments for non-cash items</i>			
Notional Charges	8	7,966	5,122
Depreciation on tangible fixed assets	9	6,987	16,522
Excess of actual Pension contributions over current service costs		(26,000)	(20,000)
<i>Movements in working capital</i>			
(Increase)/Decrease in Receivables		(141,366)	(59,618)
(Decrease)/Increase in Payables		41,990	3,448
Net cash outflow from operating activities		<u>(5,422,522)</u>	<u>(5,536,873)</u>
Cash flows from investing activities			
Purchase of intangible assets	9	(12,965)	(3,544)
Bank Interest Received		398	8,985
Net cash outflow from investing activities		<u>(12,567)</u>	<u>5,441</u>
Cash flows from financing activities			
Scottish Government funding for year		5,459,000	5,521,500
Scottish Government cash funding for year		<u>5,459,000</u>	<u>5,521,500</u>
Net increase/(decrease) in cash and cash equivalents		<u>23,911</u>	<u>(9,932)</u>
Cash and cash equivalents at start of year	11	68,825	78,757
Cash and cash equivalents at end of year	11	<u>92,736</u>	<u>68,825</u>
Net change in cash and cash equivalent balances		<u>23,911</u>	<u>(9,932)</u>

The accounting policies and notes on pages 23 to 42 form part of these accounts.

Bòrd na Gàidhlig

Statement of Changes in Taxpayers' Equity For the Year Ended 31 March 2010

	Note	General Fund £	Pension Fund Reserve £	Total £
Balance at 31 March 2008		129,713	(1,000)	128,713
Changes in accounting policy - IFRS		0	0	0
Restated balance at 1 April 2008		129,713	(1,000)	128,713
Changes in taxpayers' equity in 2008-09				
Restatement of opening balance		0	(4,000)	(4,000)
Notional charges		5,122		5,122
Net Pension Scheme Expenditure		(5,000)	5,000	0
Actuarial (Loss)/ Gain		0	(179,000)	(179,000)
Net operating cost for the year		(5,488,362)		(5,488,362)
Total recognised income and expense for 2008-09		(5,358,527)	(179,000)	(5,537,527)
Funding from Scottish Government		5,521,500		5,521,500
Balance at 31 March 2009		162,973	(179,000)	(16,027)
Changes in taxpayers' equity in 2009-10				
Notional charges	8	7,966	0	7,966
Net Pension Scheme Expenditure		0	0	0
Actuarial (Loss)/ Gain		0	(142,000)	(142,000)
Net operating cost for the year		(5,323,701)	0	(5,323,701)
Total recognised income and expense for 2009-10		(5,152,762)	(321,000)	(5,473,762)
Funding from Scottish Government		5,459,000	0	5,459,000
Balance at 31 March 2010		306,238	(321,000)	(14,762)

The accounting policies and notes on pages 23 to 42 form part of these accounts.

Bòrd na Gàidhlig

Notes to the Accounts For the Year Ended 31 March 2010

1. Accounting Policies

The accounts are prepared in accordance with the Accounts Direction issued to Bòrd na Gàidhlig by the Scottish Ministers. This Accounts Direction requires compliance with H M Treasury's 2009-10 Finance Reporting Manual (FReM). The accounting policies contained in the manual follow Generally Accepted Accounting Policies as defined in International Financial Reporting Standards (IFRS) as adopted by the European Union and the Companies Act 2006 to the extent that it is meaningful and appropriate in the public sector context. The accounting policies adopted are as described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

IFRS 1 - First Time Adoption

HM Treasury set out the timetable for adoption of IFRS for central government and related agencies in 2008 advising that the date of transition to IFRS was 1 April 2008 with the first set of published IFRS accounts to be for the year ending 31 March 2010. Organisations were also required to prepare shadow accounts for the year ended 31 March 2009 which have been used as comparatives for the first set of published IFRS accounts.

IFRS 1 - First-time adoption of International Financial Reporting Standards, allows entities adopting IFRS for the first time to take certain exemptions from the full requirements of IFRS in the year of transition. Bòrd na Gàidhlig has not made use of any exemptions.

Accounting Convention

The accounts are prepared under the historical cost convention.

Non-current assets

(1) Valuation of non-current assets are recognised in the accounts as follows:

All non-current assets in full use have been valued at historic cost, adjusted in accordance with the asset lives assigned to give a depreciated value which equates to fair value. Only assets costing in excess of £250 are capitalised and items below this amount are treated as revenue expenditure.

(2) Depreciation

Depreciation is provided on all tangible non-current assets on a straight line basis. Asset lives were reviewed during the year ensuring that they continue to represent a reasonable estimate of useful economic life.

Bòrd na Gàidhlig

Notes to the Accounts For the Year Ended 31 March 2010 (continued)

Non-current assets (continued)

Asset Category	Asset Lives
Office Improvements	5
Office Equipment	4
Fixtures & fittings	4
Computer Equipment	3

Non-current assets are depreciated in the year of acquisition but not in the year of disposal.

Reserves

The General Fund represents the excess of expenditure over income on Grant-in-Aid funded activities. The value of assets and liabilities transferred from the predecessor body have been included in the Income & Expenditure Reserve.

Value Added Tax

Irrecoverable VAT is charged in the Operating Cost Statement in the period in which it has been incurred.

Leases

Operating lease rentals are charged to expenditure in equal amounts over the lease term.

Government Grant-in-Aid

Grant-in-Aid received to cover general operating activities and capital projects is shown as financing income and credited directly to the General Fund.

Income

Income represents the total value of income received.

Pension Costs

The Bòrd participates in the Local Government Superannuation Scheme which is a defined benefit scheme. The expected cost of providing staff pensions is recognised on a systematic basis over the expected average remaining lives of members of the pension fund in accordance with Financial Reporting Standard 17 Retirement Benefits, and recognises retirement benefits as the benefits are earned and not when they are due to be paid. The actuary reviews the scheme on a triennial basis and the Bòrd implements the contributions recommended. The contribution charges are recognised in the accounting periods in which they arise.

Bòrd na Gàidhlig

Notes to the Accounts

For the Year Ended 31 March 2010 (continued)

Pension Costs (continued)

Bòrd na Gàidhlig provides in full for the cost of meeting pensions up to normal retirement age in respect of staff taking early retirement programmes and voluntary severances in the current and previous years. Pensions payable after normal retirement age are met by the pension scheme.

Notional Charges

The Operating Cost Statement includes a notional charge for the cost of Government funded capital employed during the year. The charge is calculated at 3.5% of total assets less all liabilities.

Financial Instruments

Bòrd na Gàidhlig is mainly funded by income from the Scottish Government. Therefore it is not subject to significant liquidity risk exposure. Bòrd na Gàidhlig's financial instruments comprise cash and liquid resources. Any cash held on deposit is with highly rated banks and there is no significant interest rate risk.

Going Concern

The accounts have been prepared incorporating the requirements of the accounting standard FRS 17 and include an actuarial valuation of the pension scheme liability as explained in note 14 to the accounts. This reflects the inclusion of liabilities falling due in future years in respect of pension liabilities arising from the application of FRS17 to Bòrd na Gàidhlig. Barnett Waddingham, the actuary to the pension scheme, has calculated the liability arising under FRS 17. The actuary conducts a triennial review of the funding basis of the pension scheme, along with yearly reviews when appropriate. The last formal valuation of the fund was conducted as at 31 March 2008. In preparing the projected pension expense for the year to 31 March 2010, the actuary has assumed employees continue to earn new benefits in line with the regulations as they currently stand and that the pensionable payroll remains stable with new entrants replacing leavers.

To the extent that the pension deficit is not met from the Bòrd's other sources of income it may only be met by future grants or Grant-in-Aid from its sponsor division, the Scottish Government Culture, External Affairs and Tourism Directorate. This is because, under the normal conventions applying to parliamentary control over income and expenditure, such grants may not be paid in advance of need.

The Bòrd has no reason to believe that the department's future sponsorship and future Ministerial approval will not be forthcoming or will only provide a reduced support to Bòrd na Gàidhlig. Given the above it has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

Bòrd na Gaidhlig

Notes to the Accounts

For the Year Ended 31 March 2010 (continued)

Changes in Accounting Policy

These financial statements have been prepared under the International Financial Reporting Standards (IFRS) for the first time and the comparative figures have been restated from UK Generally Accepted Accounting Policies (UK GAAP) where required. The reconciliation to IFRS from the previously published UK GAAP accounts is summarised at Note 2. Bòrd na Gàidhlig has prepared shadow accounts for the year ended 31 March 2009 which have been used as comparatives for this first set of published IFRS accounts.

New Financial Instruments Standards FRS 25, FRS 26 and FRS 29 as interpreted and adapted by the Government Financial reporting Manual (FReM) were adopted under UK GAAP in 2008-09. Prior year comparatives were restated to reflect these standards. These standards are identical to their equivalent IFRS standards, IAS 32, IAS 39 and IFRS 7. Therefore the financial statements have not been restated for financial instruments.

Review of Accounting Policies

In accordance with Financial reporting Standard 18, Review of Accounting Policies, the Bòrd undertook a review of all its accounting policies to ensure their continued relevance.

Changes in Estimation Techniques

There has been no change in estimating techniques in the year.

Bòrd na Gàidhlig

Notes to the Accounts For the Year Ended 31 March 2010 (continued)

2. First Time Adoption of IFRS

	General Fund	Pension Fund Reserve	Total
	£	£	£
Taxpayers' equity at 31 March 2008 under UK GAAP	129,713	(1,000)	128,713
Adjustments for:	0	0	0
Taxpayers' equity at 1 April 2008 under IFRS	<u>129,713</u>	<u>(1,000)</u>	<u>128,713</u>
Taxpayers' equity at 31 March 2009 under UK GAAP	162,973	(179,000)	(16,027)
Adjustments for:	0	0	0
Taxpayers' equity at 1 April 2009 under IFRS	<u>162,973</u>	<u>(179,000)</u>	<u>(16,027)</u>
Net operating cost for 2008-09 under UK GAAP			(5,488,362)
Adjustments for:			0
Net operating cost for 2008-09 under IFRS			<u>(5,488,362)</u>

The accounts for the year ended 31 March 2008 were reviewed in order to identify any items that may require adjustment with the adoption of IFRS. No items requiring adjustment have been identified, and accordingly there was no change in the opening Taxpayers' equity at that date.

The accounts for the year ended 31 March 2009 were also reviewed in order to identify any items that may require adjustment with the adoption of IFRS. No items requiring adjustment were identified for that year.

3. Grant in Aid

	2010	2009
	£	£
Total Grant-in-Aid received credited to the Income & Expenditure Reserve in the balance sheet	<u>5,459,000</u>	<u>5,521,500</u>

The amount of Grant in Aid (GIA) is initially agreed by Ministers, as part of the Scottish Budget process. This figure is then subject to adjustments as agreed with the sponsor department to reflect the Bòrd's programme of work.

Bòrd na Gàidhlig

Notes to the Accounts For the Year Ended 31 March 2010 (continued)

4. Other Income	2010	2009
	£	£
Other	76	1,310

5. Bòrd Members and Staff Costs	2010	2009
Summary	£	£
Bòrd Members	75,184	82,100
Staff	418,484	422,067
Agency staff	85,452	0
	<u>579,120</u>	<u>504,167</u>

Bòrd Members - see Remuneration Report	£	£
Fees	72,969	79,805
Social Security Costs	2,215	2,295
Pension Costs	0	0
	<u>75,184</u>	<u>82,100</u>

Bòrd members' expenses are included in other operating costs (see note 6)

Staff Salaries	£	£
Salaries	358,315	362,886
Social Security Costs	28,246	30,434
Pension Costs (see note 13)	31,923	28,747
	<u>418,484</u>	<u>422,067</u>

Agency Staff	£	£
Members of the Interim Senior Support Team engaged on a contract basis	<u>85,452</u>	<u>0</u>

The average number of employees was as follows:

Senior management	3	5
Administrative & support staff	9	5
Total	<u>12</u>	<u>10</u>

Bòrd na Gàidhlig

Notes to the Accounts

For the Year Ended 31 March 2010 (continued)

6. Operational Expenditure

Bòrd na Gàidhlig operates as single organisation and does not contain components which can be defined as operating segments in terms of IFRS 8. Accordingly it is not possible to provide financial and descriptive information about reportable segments.

The Operational Plan details key targets and milestones that the Bòrd follows in seeking to meet objectives set by the Scottish Government. The Bòrd's operations are guided by four well-established language planning principles and operational expenditure can be apportioned to each of these principles. The variation from prior years reflects amended priorities set out in the 2009-10 Corporate Plan.

	2010	2009
	£	£
Language Acquisition	1,002,284	1,003,000
Language Usage	1,470,931	1,518,716
Language Status	1,462,167	1,517,496
Language Corpus	323,807	333,260
	<u>4,259,189</u>	<u>4,372,472</u>

7. Other Operating Costs

	2010	2009
	£	£
Bòrd and Staff Costs (excluding Salary costs)	120,373	152,792
Office Running Costs	147,214	144,575
PR & Marketing	64,780	84,427
Professional Fees	126,546	203,580
	<u>458,913</u>	<u>585,374</u>

The following expenditure is included in the above costs:

Audit Fees (external audit)	13,840	13,620
Operating Lease Rentals		
- land and buildings	38,549	43,488
- vehicles and office equipment	4,533	5,632

8. Notional Charges

	2010	2009
	£	£
Cost of Capital (calculated at 3.5% of average net assets) (2009 - 3.5%)	<u>7,966</u>	<u>5,122</u>

Bòrd na Gàidhlig

Notes to the Accounts

For the Year Ended 31 March 2010 (continued)

9. Property, plant and equipment

	Leasehold Improve- ments £	Office Equipment £	Fixtures & Fittings £	Computer Equipment £	Total £
Cost					
At 1 April 2009	42,730	45,312	23,193	41,659	152,894
Additions	0	1,633	1,341	9,991	12,965
Disposals	0	(1,545)	0	0	(1,545)
At 31 March 2010	42,730	45,400	24,534	51,650	164,314
Depreciation					
At 1 April 2009	42,730	42,432	22,564	39,297	147,023
Provided in Year	0	1,848	650	4,489	6,987
Relating to Disposals	0	(1,545)	0	0	(1,545)
At 31 March 2010	42,730	42,735	23,214	43,786	152,465
Net Book Value					
At 31 March 2010	0	2,665	1,320	7,864	11,849
Net Book Value					
At 31 March 2009	0	2,880	629	2,362	5,871
Cost					
At 1 April 2008	42,730	45,312	23,193	38,115	149,350
Additions	0	0	0	3,544	3,544
Disposals	0	0	0	0	0
At 31 March 2009	42,730	45,312	23,193	41,659	152,894
Depreciation					
At 1 April 2008	34,184	39,830	22,250	34,237	130,501
Provided in Year	8,546	2,602	314	5,060	16,522
Disposals	0	0	0	0	0
At 31 March 2009	42,730	42,432	22,564	39,297	147,023
Net Book Value					
At 31 March 2009	0	2,880	629	2,362	5,871
Net Book Value					
At 31 March 2008	8,546	5,482	943	3,878	18,849

Bòrd na Gàidhlig

Notes to the Accounts

For the Year Ended 31 March 2010 (continued)

10. Trade and other receivables	2010	2009	2008
	£	£	£
Grants paid in advance	240,158	104,000	50,000
Other Receivables	17,908	12,700	7,082
	<u>258,066</u>	<u>116,700</u>	<u>57,082</u>

There is no intra-government amount included within debtors.

11. Cash and cash equivalents	2010	2009	2008
	£	£	£
Balance at 1 April 2009	68,825	78,757	283,921
Net change in cash and cash equivalent balances	23,911	(9,932)	(205,164)
Balance at 31 March 2010	<u>92,736</u>	<u>68,825</u>	<u>78,757</u>

The following balances at 31 March 2010 were held:

Bank current account	91,187	42,330	55,407
Bank deposit account	1,380	26,415	23,260
Petty cash	169	80	90
	<u>92,736</u>	<u>68,825</u>	<u>78,757</u>

12. Trade and other payables	2010	2009	2008
	£	£	£
Trade Payables	4,348	1,400	617
Payroll Taxes	343	137	7,940
Accruals	43,222	26,886	16,418
Funding received in advance	22,500	0	0
	<u>70,413</u>	<u>28,423</u>	<u>24,975</u>

Included within creditors are the following intra-government balances:

Central Government bodies	<u>915</u>	<u>597</u>	<u>3,287</u>
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13. Pension Commitments

The Bòrd operates a defined benefit scheme as an admitted body under the Highland Council Pension Fund, the assets of which are held in a separate trustee administered fund. The fund was operated by the predecessor body and transferred to Bòrd na Gàidhlig on 3 April 2006. Contributions to the scheme are charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the Bòrd.

Bòrd na Gàidhlig

Notes to the Accounts

For the Year Ended 31 March 2010 (continued)

13. Pension Commitments (continued)

A full actuarial valuation was carried out at 31 March 2008 and updated to 31 March 2010 by Barnett Waddingham. The major assumptions used by the actuary were:

	31.3.10	31.3.09	31.3.08
Rate of increase in salaries	5.4%	4.5%	5.2%
Rate of increase in pensions in payment	3.9%	3.0%	3.7%
Discount rate for scheme liabilities	5.5%	6.7%	6.6%
Inflation assumption	3.9%	3.0%	3.7%

The amendment to FRS17 published in December 2006 changed the method used in valuing the assets. Previously the "mid-market value" was disclosed but this has been amended to "current bid value".

The net liability as at 31 March 2008 has been rebased and used as the starting figure for the year ending 31 March 2009. The projected unit method of valuation has been used to calculate the service costs.

The actuary adopted a set of demographic assumptions consistent with those used for the formal funding valuation as at 31 March 2008. The post-retirement mortality tables adopted were the PA92 series projected to calendar year 2008 for current pensioners and 2018 for non-pensioners, with the future improvement in mortality set at a minimum of 1% per annum.

Life Expectancy from age 65 (years)	Retiring today	Retiring in 20 years
Males	18.87	19.88
Females	21.91	22.98

The assets in the scheme and the expected rate of return were:

	Value at 31.3.10 £	Value at 31.3.09 £	Value at 31.3.08 £
Present value of Funded Obligation	(921,000)	(557,000)	(390,000)
Fair value of Scheme assets (bid value)	688,000	442,000	385,000
Net Liability	(233,000)	(115,000)	(5,000)
Present value of Unfunded Obligation	(74,000)	(63,000)	0
Unrecognised Past Service Cost	0	0	0
Net liability in Statement of Financial Position	<u>(307,000)</u>	<u>(178,000)</u>	<u>(5,000)</u>

Bòrd na Gàidhlig

Notes to the Accounts

For the Year Ended 31 March 2010 (continued)

13. Pension Commitments (continued)

The amounts recognised in the Operating Cost Statement are:

	31.3.10	31.3.09	31.3.08
	£	£	£
Current service cost	34,000	29,000	49,000
Interest on obligation	43,000	43,000	20,000
Expected return on Employer assets	(31,000)	(28,000)	(26,000)
Past service cost	0	0	0
Net return	<u>46,000</u>	<u>44,000</u>	<u>43,000</u>
Actual return on Scheme assets	<u>(190,000)</u>	<u>(126,000)</u>	<u>(20,000)</u>

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

	31.3.10	31.3.09	31.3.08
	£	£	£
Opening Defined Benefit Obligation	621,000	390,000	341,000
Service cost	34,000	29,000	49,000
Interest cost	43,000	43,000	20,000
Actuarial losses (gains)	301,000	175,000	(43,000)
Estimated benefits paid (net of transfers in)	(19,000)	(26,000)	6,000
Contributions by Scheme participants	20,000	15,000	17,000
Unfunded pension payments	(5,000)	(5,000)	0
Closing defined Benefit Obligation	<u>995,000</u>	<u>621,000</u>	<u>390,000</u>

Reconciliation of opening and closing balances of the fair value of Scheme assets:

	31.3.10	31.3.09	31.3.08
	£	£	£
Opening fair value of Scheme assets	442,000	389,000	336,000
Adjustment to opening balance for change of basis of valuation	0	(4,000)	0
Expected return on Scheme assets	31,000	28,000	26,000
Actuarial gains (losses)	159,000	(4,000)	(46,000)
Contributions by employer	60,000	49,000	47,000
Contributions by Scheme participants	20,000	15,000	17,000
Estimated benefits paid (net of transfers in)	(24,000)	(31,000)	6,000
Fair value of Scheme assets at end of period	<u>688,000</u>	<u>442,000</u>	<u>385,000</u>

Bòrd na Gàidhlig

Notes to the Accounts

For the Year Ended 31 March 2010 (continued)

13. Pension Commitments (continued)

Reconciliation of opening and closing deficit

	31.3.10	31.3.09	31.3.08
	£	£	£
Deficit in scheme at start of year	(179,000)	(1,000)	(5,000)
Adjustment to opening balance for change of basis of valuation	0	(4,000)	0
Current service cost	(34,000)	(29,000)	(49,000)
Employer Contributions	55,000	44,000	47,000
Unfunded pension payments	5,000	5,000	0
Past service costs	0	0	0
Experience adjustments on Scheme assets	0	0	0
Other finance income	(12,000)	(15,000)	5,000
Actuarial gains/(Losses)	(142,000)	(179,000)	(3,000)
Surplus/(Deficit) at end of year	<u>(307,000)</u>	<u>(179,000)</u>	<u>(5,000)</u>

Amounts for the current and previous four periods

	31.3.10	31.3.09	31.3.08	31.3.07
	£	£	£	£
Defined Benefit Obligation	(995,000)	(620,000)	(390,000)	(341,000)
Scheme assets	688,000	442,000	385,000	336,000
Surplus/Deficit	(307,000)	(178,000)	(5,000)	(5,000)
Experience adjustments on Scheme liabilities	0	(258,000)	0	0
Experience adjustments on Scheme assets	159,000	(4,000)	(46,000)	0

Statement of total recognised gains and losses

	31.3.10	31.3.09
	£	£
Actual Return less expected return on pension scheme assets	159,000	(154,000)
Experience gains and losses	0	(108,000)
Changes in assumptions underlying the present value of the scheme liabilities	(301,000)	83,000
Actuarial gain/(loss) in pension scheme	<u>(142,000)</u>	<u>(179,000)</u>
Increase/(decrease) in irrecoverable surplus from membership fall and other factors	0	0
Actuarial gain/(loss) recognised	<u>(142,000)</u>	<u>(179,000)</u>

Bòrd na Gàidhlig

Notes to the Accounts

For the Year Ended 31 March 2010 (continued)

13. Pension Commitments (continued)

	Year to 31 March 2011
Projections for the Year to 31 March 2011	£
Service cost	74,000
Interest cost	57,000
Return on assets	<u>(53,000)</u>
Total	<u>78,000</u>
Employer Contributions	<u>62,000</u>

These figures exclude the capitalised cost of any early retirements or augmentations which may have happened after 31 March 2010.

14. Related Party Transactions

The Bòrd is a Non-Departmental Public Body of the Scottish Government. The Bòrd's Sponsoring Department is the Scottish Government Europe, External Affairs and Culture Directorate. The Scottish Government is regarded as a related party with which there have been various material transactions during the year in the normal course of business. In addition the Bòrd has had a number of material transactions with other Government Departments and other Non-Departmental Public Bodies.

We have reviewed transactions during the year and consider the following to have significant related party involvement:

Organisation and purpose of grant(s)	Total Value of Payment(s) in year £	Bòrd Member / Senior Management Team Member and relationship with organisation
The Highland Council Funding for Highland Gaelic Youth Choir (£3,200), Highland Homecoming event (£1,900), and Highland Quality Awards (500)	5,600	M Foxley: Leader of the Administration of the Council
Lews Castle College Support for community initiatives on Gaelic history and heritage and evaluation of Gaelic materials in local and regional archives.	75,000	A MacSween: Head of Gaelic Department of College D Martin: Board Member

Bòrd na Gàidhlig

Notes to the Accounts For the Year Ended 31 March 2010 (continued)

14. Related Party Transactions (continued)

Organisation and purpose of grant(s)	Total Value of Payment(s) in year £	Bòrd Member / Senior Management Team Member and relationship with organisation
Aros Centre Ceòl 's Co-rùn series of Gaelic musical performances	4,000	A Cormack: Shareholder in company
Aros Centre Gaelic initiative in Trotternish area of Skye	9,000	A Cormack: Shareholder in company
Fèisean nan Gàidheal Support for promotion and development of Gaelic music and song tuition	105,000	A Cormack: Chief Executive of organisation
Harris Tweed Authority Rental of office premises for Colm Cille Officer	1,250	D Martin Chair of Harris Tweed Authority
Acair Publication of Gaelic Books	35,518	D Martin Chair

15. Grant approvals involving Bòrd Members and members of the Senior Management Team

In addition to the significant transactions during the year listed in Note 14 above, the following grants were approved to organisations with which Bòrd Members and members of the Senior Management Team had declared an interest. The grants concerned cover periods of up to three years in advance.

Organisation and purpose of grant(s)	Total Value of Grant approvals in year £	Bòrd Member/Senior Management Team Member and relationship with organisation
Acair Publication of Gaelic Books Grant to be paid through Gaelic Books Council under new arrangements	70,000	A MacSween: Board Member D Martin Chair

Bòrd na Gàidhlig

Notes to the Accounts

For the Year Ended 31 March 2010 (continued)

15. Grant approvals involving Bòrd Members and members of the Senior Management Team

Organisation and purpose of grant(s)	Total Value of Grant approvals in year £	Bòrd Member / Senior Management Team Member and relationship with organisation
Cli Gàidhlig Support for Gaelic language learning	130,300	R Dunbar: Ordinary member of Cli Gàidhlig
Stòrlann Nàiseanta na Gàidhlig Preparation and publication of Gaelic educational materials (£287,580) and International Fiction Strategy & training for writers (£12,000)	299,580	A MacSween: Gaelic Database Adviser A Cormack: Wife employed full time by organisation
Lews Castle College Support for enhancement of Gaelic educational opportunities and research.	50,000	A MacSween: Head of Gaelic Department of College Donald Martin: Board Member
An Comunn Gàidhealach Support for National and local Mods, Gaelic tuition for Mod members, and website costs	121,500	A MacSween: Life Member of organisation A Cormack: Life Member of organisation A Jones: Member of organisation D Martin: Member of organisation
Comunn Eachdraidh Nis Funding for extension of exhibition and concert	750	A MacSween: Chairperson
Crofters Commission Funding to support implementation of Gaelic Language Plan	370	M MacLennan: Commissioner
The Highland Council Funding to support implementation of Gaelic Language Plan	76,990	M Foxley: Leader of the Administration of the Council

Bòrd na Gàidhlig

Notes to the Accounts

For the Year Ended 31 March 2010 (continued)

15. Grant approvals involving Bòrd Members and members of the Senior Management Team

Organisation and purpose of grant(s)	Total Value of Grant approvals in year £	Bòrd Member / Senior Management Team Member and relationship with organisation
Comhairle nan Eilean Siar Celtic Media Festival 2011 Bid (£10,000). Funding to support implementation of Gaelic Language Plan (£111,110)	121,100	A MacLeod: Gaelic Development and Policy Officer within the Chief Executive's office
Fèisean nan Gàidheal Support for promotion and development of Gaelic music and song tuition	105,000	A Cormack: Chief Executive of organisation (full time)
Fèis Dhun Bhreatain an Iar Gaelic learning through classes and immersion	1,800	A Cormack: Chief Executive of umbrella organisation for Fèisean
Fèis Rois Support for Ulpan Gaelic classes for staff	2,700	A Cormack: Chief Executive of umbrella organisation for Fèisean
Fèis Mhoireibh Fèis with Gaelic conversation and song with follow-up Gaelic classes	500	A Cormack: Chief Executive of umbrella organisation for Fèisean
An Comunn Gaidhealach Meur Ghallaibh Development of "Fèis Ghallaibh"	3,000	A Cormack: Life Member
Ceòlas Uibhist Ceòlas na h-Òige tuition bursaries for young people	19,000	A Jones: Member of organisation
	17,000	Jo MacDonald: Long term active association with Festival
Fèis Chataibh Workshops in stagecraft with Gaelic speaking tutors	400	A Cormack: Chief Executive of umbrella organisation for Fèisean

Bòrd na Gàidhlig

Notes to the Accounts

For the Year Ended 31 March 2010 (continued)

15. Grant approvals involving Bòrd Members and members of the Senior Management Team

Organisation and purpose of grant(s)	Total Value of Grant approvals in year £	Bòrd Member / Senior Management Team Member and relationship with organisation
Eden Court Theatre Collection of drama scripts for children and young people	2,000	A Cormack: Board Member 2000-2005
Fèis Spè Gaelic language classes for board members, volunteers and tutors	2,700	A Cormack: Chief Executive of umbrella organisation for Fèisean
Fèis Fhoirt (An Eaglais Bhreac) Music and song workshops for young people	2,700	A Cormack: Chief Executive of umbrella organisation for Fèisean
An Comunn Gaidhealach Dhùn Èideann Music workshops for young people	800	A Cormack: Life Member of organisation
Soillse Research Initiative Multi institution Gaelic research initiative	50,000	Rob Dunbar: Staff member of participating higher education institution
Faclair na Gàidhlig Project Support for Gaelic language dictionary	75,000	Rob Dunbar: Staff member of participating higher education institution
Tatu Innse Gall Hebridean ceilidh, Lewis Highland Games, and Military Tattoo	8,000	A MacLeod: Employee of Comhairle na Eilean Siar - major funders of event
MG Alba Workshops for Film G short Gaelic film competition	17,250	K MacKinnon D Martin H D MacLennan Rob Dunbar: Board Members
Comhairle nan Leabhraichean Sale, promotion and publication of Gaelic books	17,000	Jo MacDonald: Chair of Publishing Working Group

Bòrd na Gàidhlig

Notes to the Accounts

For the Year Ended 31 March 2010 (continued)

15. Grant approvals involving Bòrd Members and members of the Senior Management Team

Organisation and purpose of grant(s)	Total Value of Grant approvals in year £	Bòrd Member / Senior Management Team Member and relationship with organisation
An Lòchran Sale, promotion and publication of Gaelic books	31,830	Jo MacDonald: Board member until 2007
Fèis Latharna Fèis Latharna singing group	2,790	A Cormack: Chief Executive of umbrella organisation for Fèisean
Fèis na h-Oige Funding and supervision and mentoring	1,200	A Cormack: Chief Executive of umbrella organisation for Fèisean

16. Capital Commitments and Operating Leases

There were no contracted capital commitments outstanding and not included in the statement of financial position nor were there any contingent liabilities existing at 31 March 2010.

The amounts which the Bòrd is committed to pay in respect of non-cancellable operating leases are as follows:

	Land & Buildings 2010 £	Motor Vehicles & Office Equipment 2010 £	Land & Buildings 2009 £	Motor Vehicles & Office Equipment 2009 £
Operating leases which expire:				
Within one year	46,595	5,138	10,048	1,265
Later than one year and not later than five years	174,272	4,819	0	1,967
After five years	0	0	0	0
	<u>220,867</u>	<u>9,957</u>	<u>10,048</u>	<u>3,232</u>

Bòrd na Gàidhlig

Notes to the Accounts

For the Year Ended 31 March 2010 (continued)

17. Revenue Commitments

Grants commitments at the year end, comprising grants which had been approved prior to 31 March 2010 but were not payable until after that date, were due as follows:

	2010	2009
	£	£
Within one year	2,344,141	1,976,956
Within two to five years	312,000	466,000
After five years	0	0
	<u>2,656,141</u>	<u>2,442,956</u>

18. Financial instruments

Bord na Gaidhlig requires to disclose the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the nature of its activities and the way in which Bòrd na Gàidhlig is financed, Bòrd na Gàidhlig is not exposed to the degree of financial risk faced by business entities.

Liquidity risk

Scottish Ministers make provision for Bòrd na Gàidhlig's use of resources, for revenue and capital purposes, in its budget for each financial year. Resources and accruing resources may be used only for the purposes specified and up to the amounts specified in the budget.

An overall cash authorisation is also agreed between Scottish Government and Bòrd na Gàidhlig to operate for the financial year. Bòrd na Gàidhlig is not therefore exposed to significant liquidity risks.

Foreign currency risk

Bòrd na Gàidhlig has no material exchange rate risk. During the year there was one transaction conducted which was denominated in a foreign currency. The variance to which Bord na Gaidhlig was exposed was not significant.

Interest-rate risk

Bòrd na Gàidhlig has no power to borrow and all surplus funds are held in interest bearing deposit accounts at the Bank of Scotland. Bòrd na Gàidhlig has no other investments and therefore there is no exposure to interest rate risks.

Fair values

There is no difference between the book value and fair value for the cash at bank shown in Note 11.

Bòrd na Gàidhlig

Notes to the Accounts

For the Year Ended 31 March 2010 (continued)

19. Colm Cille

Colmcille was set up in 1997 with funding from the Governments of Scotland, Northern Ireland and the Republic of Ireland with a remit to 'create a vibrant interactive community spanning Ireland and Scotland'.

In terms of Paragraph 18 FRS 9, where an organisation participates in a joint arrangement

that is not an entity it should account for their own assets, liabilities and cash flows, measured according to the terms of the agreement governing the arrangement.

Expenditure

incurred in respect of Colm Cille (£159,615) has been reported as part of the Bòrd's Operational Expenditure within Language Status.

20. Post Balance Sheet Events

There are no material post balance sheet events that require to be adjusted in the accounts

or to be disclosed.



Bòrd na Gàidhlig

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of Paragraph 8(a) of Schedule 1 of the Gaelic Language (Scotland) Act 2005, hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FRM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 31 March 2006 is hereby revoked.

Signed by the authority of the Scottish Ministers

11 October 2007