

Registered Company No: SC333208

Registered Charity No: SC038908

**KILFINAN COMMUNITY FOREST COMPANY**

**(A company limited by guarantee)**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2014**

**KILFINAN COMMUNITY FOREST COMPANY**

**(A company limited by guarantee)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2014**

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**KILFINAN COMMUNITY FOREST COMPANY**

(A company limited by guarantee)

**LEGAL AND ADMINISTRATIVE INFORMATION**

**Charity Name:** Kilfinan Community Forest Company

**Registered Office and  
Operational Address:** Kilfinan Community Forest  
Tighnabruaich  
Argyll  
PA21 2BD

**Charity Registration Number:** SC038908

**Company Registration Number:** SC333208

**Trustees:** David Blair  
Robert Borusso  
Andrew Graham-Weall  
Stephen Williamson  
William McAllan  
Fiona Hamilton  
Fraser Brown

**Company Secretary** Stephen Williamson

**Independent Examiners:** Wylie & Bisset LLP  
168 Bath Street  
Glasgow  
G2 4TP

**Bankers:** The Co-Operative Bank  
PO Box 250  
Skelmersdale  
WN8 6WT

Royal Bank of Scotland  
Tighnabruaich Branch  
Tighnabruaich  
PA21 2BB

## KILFINAN COMMUNITY FOREST COMPANY

(A company limited by guarantee)

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED

31 MARCH 2014

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31st March 2014. The legal and administrative information on page one forms part of this report.

#### Directors and Trustees

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

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

David Blair	
Robert Borusso	
Andrew Graham-Weall	
Robert Blair	(Resigned 10/10/13)
Eve Macfarlane	(Resigned 30/07/13)
Steve Williamson	
William McAllan	
Fiona Hamilton	(Appointed 03/05/13)
Fraser Brown	(Appointed 14/09/13)

#### Structure, Governance and Management

- Governing Document

The charity is an incorporated company limited by guarantee, and is governed by its Memorandum & Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1 each.

- Recruitment and Appointment of Trustees

Appointment of trustees is governed by the constitution of the charity. The trustees are authorised to appoint new trustees to fill vacancies arising through resignation or death of an existing trustee.

- Organisational Structure

The Board of Directors meets approximately once a fortnight and has responsibility for all the strategic decisions of the charity. Operational decisions are delegated to the office bearers and staff with the trustees having overall responsibility for day to day management of the charity.

## **KILFINAN COMMUNITY FOREST COMPANY**

**(A company limited by guarantee)**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED**

**31 MARCH 2014**

- **Related Parties**

The organisation is a standalone charity, and the trustees are not aware of any related third parties.

A loan of £30,000 was received from Mr David Blair in March 2010 towards the cost of the land purchase at that time. The loan will be interest free for the first five years. No repayments have been made.

A loan of £15,000 was received during the year from trustee Robert Borusso. If certain restrictions placed upon the loan are met, it will become non-repayable and used as purchase capital for a housing plot on the forest land. The loan is interest free.

During the year expenses of £429 (2013: £110) were paid to one Trustee (2013: one).

- **Risk Management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The trustees continually review the major risks to which the charity is exposed, establishing appropriate systems and procedures to manage those risks where required.

### **Objectives and Activities**

Kilfinan Community Forest Company (KCFC) is a charitable enterprise formed to work with and for the local community to manage and develop their forest, creating opportunities for a sustainable future for the local economy, recreation and tourism, the environment and education. The principal activity of KCFC is to manage ownership of 127 hectares of Acharossan Forest, in order to deliver a range of benefits to the community of Kilfinan. These benefits include the development of local employment opportunities, recreational activities, the creation of a valuable educational resource for environmental activities, and the provision of affordable housing opportunities.

Through these activities, KCFC aims to bring long term sustainability to the forest and create employment opportunities in an economically fragile area. A further key aim is to create a truly 'working forest', with training opportunities to bring key forestry skills to the community. As well as creating new infrastructure, KCFC manages the existing forest to protect the local environment and sustain a natural forest.

KCFC has 199 members, and the charity is managed and run by a board of seven directors and a team of staff.

### **Achievements and Performance**

#### **Sustainable Development**

Our aim has always been to be self-sustainable and this is now being achieved through various projects and activities, just four years since purchasing the forest in 2010. A development plan has been devised as a four year strategy document, identifying top priorities and outlining how we intend to fund activities using our own resources. The activities and projects described in the plan aim to strengthen the Kilfinan community and bring many positive benefits to the area, to be implemented through this primary purpose.

## **KILFINAN COMMUNITY FOREST COMPANY**

**(A company limited by guarantee)**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED**

**31 MARCH 2014**

#### **Achievements and Performance Cont'd**

##### **Phase 3**

KCFC completed a joint HIE/ LEADER funded one year development project in January 2014, with three people employed to deliver the project – full time Operations Manager, Jamie Chaplin-Brice, part time Administrator, Nikki Brown, and part time Operations Worker, Colin Willment. All three remained in post beyond the funding period, supported predominantly by timber sales. The project was a great success, resulting in the delivery of an approved Forest Design Plan (FDP), outlining in-depth strategic management plans for the forest. Further key activities were the construction of a new road to extract timber and sell it commercially, the set-up of a sawmill business to sell milled timber and firewood locally, and the construction of a forest retail outlet to sell forest products.

The sawmill in particular is answering a local need we are now able to supply bespoke sawn timber for a variety of different purposes, such as cladding, fencing and garden furniture. Project staff are now busy promoting and developing these initiatives, to generate local business and spread the word out-with the immediate community.

##### **Renewables**

Since a feasibility study conducted into the potential for a micro hydro scheme on the Allt Mor burn reported that this would be viable, much work has gone into gaining the necessary permissions, as well as appointing a contractor to do the work. Plans are progressing well, and we hope to have the system installed and generating electricity by the end of this year or early into next.

We also sought to explore the potential for a wind project within the forest, but unfortunately the wind data that was gathered over a full eighteen-month period was not good enough to justify the continuation of the project. We tried to improve matters by clearing trees that were closest to the met mast but this did not improve the data collected. Under the condition of the loan agreement, we were able to apply for the CARES loan from the Energy Saving Trust to be written off, on the grounds of unsupportive data.

##### **Housing**

We have now outlined a project development area (PDA), for the allocation of ready built houses, self-build plots and woodland crofts, to be constructed using in-house skills and materials where possible. We are also working closely with architects and other experts to put together a comprehensive master plan, which is a blueprint for the entire housing project and will be submitted to the council as part of a formal planning application.

## **KILFINAN COMMUNITY FOREST COMPANY**

**(A company limited by guarantee)**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED**

**31 MARCH 2014**

#### **Achievements and Performance Cont'd**

##### **Rhododendron management**

We commenced a comprehensive rhododendron clearance programme, to eradicate the invasive species present in the forest, working with local contractor Ross Petro to achieve this. Financed by a bridging loan from Social Investment Scotland (SIS) while waiting for a Scottish Rural Development Programme (SRDP) grant to come through, we were able to press ahead with the removal to enable more land to be unlocked for public access, uncover potential heritage sites such as the curling rink and the Kilfinan Way, and allow for more efficient timber harvesting.

##### **Volunteering and Training**

The forest attracted a large number of volunteers over the course of the year, with diverse work opportunities available, as well as the opportunity to develop personal skills. Recognising the potential in engaging volunteers, we devised a formal 'Volunteer For Skills' programme, to help people learn about different areas of forestry and enable them to improve their work skills for future employment. Funded by the Voluntary Action Fund, we were able to employ a local resident as Volunteer Coordinator, on a part-time basis to manage the project. He was in post to develop potential training opportunities, recruit volunteers, and manage them on site.

We also worked with external training providers, enabling them to use the forest as a venue to deliver training courses, all with the aim of strengthening the volunteer programme by establishing the forest as a formal training centre, and enhancing opportunities for local skills development.

##### **Archaeology**

In March 2014, we were awarded funding from the Heritage Lottery Fund for an archaeological survey of the entire forest to take place over the summer. The aim is to uncover the heritage within the forests, through a partnership with professional archaeologists Argyll Archaeology and local volunteers, to be trained in walkover and field survey techniques. The rhododendron eradication programme has enabled access to otherwise impenetrable jungle.

##### **Recreation**

Over the past year, we have developed a number of recreational facilities to benefit the local community and visitors to the area. Funded by Awards for All Scotland, KCFC was able to introduce a new path network, picnic benches, interpretation panels displaying key information about the forest, bike racks, bird and squirrel boxes, and improved parking areas. The project culminated with an open day showcasing these new facilities, which attracted over 100 visitors over the course of the day.

A grant from Paths for All enabled us to improve and upgrade the woodland path leading up to the forest from Tighnabruaich primary school, as a safe walking route for the pupils to enjoy forest school.

##### **Community composting**

This has been another great year for the community composting facility which generated sufficient income to cover the cost of a part time Composting Operator.

## **KILFINAN COMMUNITY FOREST COMPANY**

**(A company limited by guarantee)**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED**

**31 MARCH 2014**

#### **Financial Review**

At March 31<sup>st</sup> 2014, KCFC has reserves of £209,051, of which £103,822 are restricted reserves and £105,229 are unrestricted. Of the unrestricted reserves £139,348 are tied up in fixed assets (£234,348 net book value of assets less the carrying restricted assets of £95,000 shown under restricted funds), giving the charity overall negative unrestricted general funds £34,119. The charity is confident it can increase reserves going forward to bring the general reserves back into a positive position.

In this financial year, the principal funding of the organisation comes from grants from Highlands and Islands Enterprise and Argyll & Islands LEADER. We also received funding from the Scottish Rural Development Programme, Voluntary Action Fund and Paths for All.

Where funding is received for specific projects the income and expenditure will be grouped under the heading of Restricted Funds in the Statement of Financial Activities.

#### Reserves Policy

At present the charity is running a number of projects and these are funded on a project by project basis. Our aim is to build up sufficient unrestricted reserves which would enable us to finance an orderly wind down should this be required. Because of the carrying restriction on fixed assets we hold negative unrestricted reserves of £34,119. We aim to increase these reserves to around £40,000 over the next few years.

#### **Plans for Future Periods**

The main priority for 2014-15 is for the charity to continue moving towards becoming financially self-sustaining, principally via the sale of harvested timber, and the availability of milled timber and wood fuel to the local community and beyond. We will develop and deliver suitable marketing strategies to optimise these sales, and work to develop a solid customer base, with a focus on repeat business and good customer service. We will also continue to develop our plans for a micro hydro scheme and housing, as these projects will deliver significant income to support the charity. We will continue to give priority to supporting local enterprise and creating local employment.

We will continue to develop the volunteer programme, with a focus on training and bringing key skills to the local community. We will also continue with the rhododendron eradication to uncover further key access points and interesting features within the forest, to prepare the forest for a full archaeological survey to be conducted over the summer. We will continue working to improve the recreational value of the forest, with paths kept clear and new routes established.

We also plan to provide a paid work experience programme for four young people to be delivered summer 2014.



**KILFINAN COMMUNITY FOREST COMPANY**

**(A company limited by guarantee)**

**REPORT OF THE TRUSTEES FOR THE YEAR ENDED**

**31 MARCH 2014**

**Trustees' Responsibilities**

The Trustees (who are also directors of Kilfinan Community Forest Company for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Trustees and signed on their behalf by:

Signature: David Blair

Name: DAVID BLAIR

Date: 27 November 2014

**INDEPENDENT EXAMINERS' REPORT TO TRUSTEES OF  
KILFINAN COMMUNITY FOREST COMPANY  
FOR THE YEAR ENDED 31 MARCH 2014**

I report on the accounts of the charity for the year ended 31 March 2014 which are set out on pages 9 to 17.

**Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

**Basis of independent examiner's statement**

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

**Independent examiner's statement**

In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
  - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations have not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

  
Andrew Cowling FCCA BEng (Hons)  
**Wylie & Bisset LLP**  
**Chartered Accountants**  
168 Bath Street  
Glasgow  
G2 4TP

Date: 27/4/14.....

**KILFINAN COMMUNITY FOREST COMPANY**

**(A company limited by guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES**

**(including Income and Expenditure Account)**

**FOR THE YEAR ENDING 31 MARCH 2014**

	Notes	Unrestricted £	Restricted £	2014 Total £	2013 Total £
<b>Incoming Resources</b>					
Incoming resources from generated funds					
Voluntary income	3	8,473	47,606	56,079	11,398
Activities for generating funds	4	75,895	-	75,895	3,224
Investment income	5	11	-	11	5
Incoming resources from charitable activities	6	14,566	188,433	202,999	52,154
<b>Total Incoming Resources</b>		<u>98,945</u>	<u>236,039</u>	<u>334,984</u>	<u>66,781</u>
<b>Resources Expended</b>					
Charitable activities	7	110,060	75,354	185,414	91,003
Governance costs	8	1,110	-	1,110	710
<b>Total Resources Expended</b>		<u>111,170</u>	<u>75,354</u>	<u>186,524</u>	<u>91,713</u>
<b>Net incoming/(outgoing) resources before transfers</b>		(12,225)	160,685	148,460	(24,932)
<b>Transfers</b>		118,129	(118,129)	-	-
<b>Net income/(expenditure) for the year</b>		<u>105,904</u>	<u>42,556</u>	<u>148,460</u>	<u>(24,932)</u>
<b>Reconciliation of Funds</b>					
Total funds brought forward	16,17	(675)	61,266	60,591	85,523
Total funds carried forward	16,17	<u>105,229</u>	<u>103,822</u>	<u>209,051</u>	<u>60,591</u>

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

All incoming resources and resources expended derive from continuing activities.

**KILFINAN COMMUNITY FOREST COMPANY**

(A company limited by guarantee)

**BALANCE SHEET AT 31 MARCH 2014**

	Notes	£	2014 £	2013 £
<b>FIXED ASSETS</b>				
Tangible assets	12		234,348	134,712
<b>CURRENT ASSETS</b>				
Debtors	13	-		11,183
Cash at bank and in hand		32,911		5,358
		<u>32,911</u>		<u>16,541</u>
Creditors: amounts falling due within one year	14	(58,208)		8,056
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			(25,297)	8,485
Creditors: amounts falling due after more than one year	15		-	(82,606)
<b>NET ASSETS</b>			<u>209,051</u>	<u>60,591</u>
<b>Unrestricted Funds</b>	17		105,229	(675)
<b>Restricted Funds</b>	16		103,822	61,266
<b>TOTAL FUNDS</b>			<u>209,051</u>	<u>60,591</u>

For the year ended 31 March 2014 the company was entitled to exemption under section 477 of the Companies Act 2006. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The trustees acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These Accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Trustees and signed on their behalf.

Signature: David Bawo

Signature: Stephen Williamson

Name: DAVID BAAR

Name: STEPHEN WILLIAMSON

Date: 27<sup>th</sup> November 2014

Company registration no: SC284862

## KILFINAN COMMUNITY FOREST COMPANY

(A company limited by guarantee)

### NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

#### 1. Accounting Policies

##### a) Basis of preparation

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

##### b) Fund accounting

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

##### c) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Investment income is included when receivable.
- Incoming resources from charitable trading activities are accounted for when earned.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

Income is only deferred when:

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

## KILFINAN COMMUNITY FOREST COMPANY

(A company limited by guarantee)

### NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

#### 1. Accounting Policies (continued)

##### d) Resources expended

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

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the external scrutiny fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor areas, per capita or estimated usage.

##### e) Tangible fixed assets and depreciation

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

Property	-	10 years
Plant & Machinery	-	5 years
Motor Vehicles	-	5 years

Freehold land is not depreciated.

##### f) Taxation

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

#### 2. Legal Status

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

**KILFINAN COMMUNITY FOREST COMPANY**

(A company limited by guarantee)

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2014**

**3. Voluntary Income**

	Unrestricted £	Restricted £	2014 Total £	2013 Total £
Donations and grants	<u>8,473</u>	<u>47,606</u>	<u>56,079</u>	<u>11,398</u>

**4. Activities for Generating Funds**

	Unrestricted £	Restricted £	2014 Total £	2013 Total £
Sale of untreated wood and goods made	74,525	-	74,525	-
Fundraising	<u>1,370</u>	<u>-</u>	<u>1,370</u>	<u>3,224</u>
	<u>75,895</u>	<u>-</u>	<u>75,895</u>	<u>3,224</u>

**5. Investment Income**

	Unrestricted £	Restricted £	2014 Total £	2013 Total £
Bank Interest	<u>11</u>	<u>-</u>	<u>11</u>	<u>5</u>

**6. Incoming Resources from Charitable Activities**

	Unrestricted £	Restricted £	2014 Total £	2013 Total £
Development of the Kilfinan Community Forest	<u>14,566</u>	<u>188,433</u>	<u>202,999</u>	<u>52,154</u>

**7. Resources Expended - Charitable Activities**

	Direct Costs £	Support Costs £	2014 Total £	2013 Total £
Development of the Kilfinan Community Forest	<u>185,414</u>	<u>-</u>	<u>185,414</u>	<u>91,003</u>
	<u>185,414</u>	<u>-</u>	<u>185,414</u>	<u>91,003</u>

**8. Resources Expended – Governance Costs**

	Direct Costs £	Support Costs £	2014 Total £	2013 Total £
Independent examination	1,074	-	1,074	600
AGM Costs	36	-	36	-
Directors expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>110</u>
	<u>1,110</u>	<u>-</u>	<u>1,110</u>	<u>710</u>

# KILFINAN COMMUNITY FOREST COMPANY

(A company limited by guarantee)

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

### 9. Net Incoming Resources for the Year

This is stated after charging:

	2014 £	2013 £
Independent examiners fee	1,074	600
Depreciation	<u>18,493</u>	<u>673</u>

### 10. Staff Costs and Numbers

Staff costs were as follows:

	2014 £	2013 £
Salaries and wages	52,750	36,132
Social security costs	4,095	3,392
Total	<u>56,845</u>	<u>39,524</u>

No employee received emoluments of more than £60,000

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

	2014 Number	2013 Number
Total	<u>5</u>	<u>4</u>

### 11. Trustees' Remuneration and Related Party Transactions

No Trustees received any remuneration during the year (2013 - Nil). During the year expenses of £429 (2013: £110) were paid to one Trustee (2013: one).

No Trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2013 - Nil).

A loan of £30,000 was received from Mr David Blair in March 2010 towards the cost of the land purchase at that time. The loan will be interest free for the first five years. No repayments have been made.

A loan of £15,000 was received during the year from trustee Robert Borusso. If certain restrictions placed upon the loan are met, it will become non-repayable and used as purchase capital for a housing plot on the forest land. The loan is interest free.



**KILFINAN COMMUNITY FOREST COMPANY**

(A company limited by guarantee)

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2014**

**12. Tangible Fixed Assets**

	Freehold Land £	Property £	Plant & Machinery £	Motor Vehicles £	Total £
<b>Cost or valuation</b>					
At 1 April 2013	130,000	6,731	-	-	136,731
Additions	-	58,058	29,831	30,240	118,129
Disposals	-	-	-	-	-
At 31 March 2014	<u>130,000</u>	<u>64,789</u>	<u>29,831</u>	<u>30,240</u>	<u>254,860</u>
<b>Depreciation</b>					
At 1 April 2013	-	2,019	-	-	2,019
Charge for the year	-	6,479	5,966	6,048	18,493
At 31 March 2014	<u>-</u>	<u>8,498</u>	<u>5,966</u>	<u>6,048</u>	<u>20,512</u>
<b>Net book values</b>					
At 31 March 2014	<u>130,000</u>	<u>56,291</u>	<u>23,865</u>	<u>24,192</u>	<u>234,348</u>
At 31 March 2013	<u>130,000</u>	<u>4,712</u>	<u>-</u>	<u>-</u>	<u>134,712</u>

**13. Debtors**

	2014 £	2013 £
Accrued income	-	11,183
	<u>-</u>	<u>11,183</u>

**14. Creditors: Amounts falling due within one year**

	2014 £	2013 £
Tax and social security	3,703	1,870
Accruals	4,505	6,186
Loans	50,000	-
	<u>58,208</u>	<u>8,056</u>

**15. Creditors: Amounts falling due after more than one year**

	2014 £	2013 £
Loans	-	82,606
	<u>-</u>	<u>82,606</u>

## KILFINAN COMMUNITY FOREST COMPANY

(A company limited by guarantee)

### NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

#### 16. Restricted Funds

	Movement in funds				Balance at 31/03/2014 £
	Balance at 01/04/2013 £	Incoming resources £	Expenditure (gains)/losses £	Transfers £	
Climate Challenge Fund	4,712	-	4,712	-	-
Awards for All	9,160	-	9,160	-	-
EST Wind Turbine	(47,606)	47,606	-	-	-
Forest Land	95,000	-	-	-	95,000
Scottish Rural Development Programme	-	20,432	20,432	-	-
Highlands and Islands Enterprise	-	79,026	19,961	(59,065)	-
Paths for All	-	1,462	1,462	-	-
Argyll and Islands Leader	-	75,603	16,539	(59,064)	-
CARES	-	2,100	2,100	-	-
Voluntary Action Fund	-	9,810	988	-	8,822
	<u>61,266</u>	<u>236,039</u>	<u>75,354</u>	<u>(118,129)</u>	<u>103,822</u>

#### Purpose of restricted funds

Climate Challenge Fund – was provided for the purchase of the portacabins

Awards For All – into the woods project has been awarded to provide picnic areas, interpretation panels, nesting boxes, path development and primary school workshops.

Energy Savings Trust wind turbine project – relates to expenditure on the wind turbine project funded by a loan from EST. Since this was not viable as under the terms of the loan this has been transferred to a restricted grant to be offset against the costs.

Forest land – represents the funds from HIE and the community used to purchase the land.

Scottish Rural Development Programme – funding for the clearance of Rhododendron.

Highland and Islands Enterprise (HIE) – funding towards phase 3 of the income generation project in line with the charity's business plan. Including funding towards a Development Officer.

Paths for All – Funding towards a new path network in the forest.

Argyll & Islands Leader – Funding towards phase 3 of the income generation project in line with the charity's business plan.

Energy Savings Trust CARES – this was funding towards a reservoir survey.

Voluntary Action Fund – funding towards a volunteering project.

The transfer represents fixed asset additions, purchase with restricted funds.

## KILFINAN COMMUNITY FOREST COMPANY

(A company limited by guarantee)

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2014

#### 17. Unrestricted Funds

	Balance at 01/04/2013 £	Incoming resources £	Movement in funds Expenditure (gains)/losses £	Transfers £	Balance at 31/03/2014 £
General charitable funds	(675)	98,945	111,170	118,129	105,229
	<u>(675)</u>	<u>98,945</u>	<u>111,170</u>	<u>118,129</u>	<u>105,229</u>

Transfers represent fixed asset additions, purchased using restricted funds.

#### 18. Analysis of Net Assets between Funds

	Tangible Fixed Assets £	Net Current Assets £	Total £
Restricted funds	95,000	8,822	103,822
Unrestricted funds	139,348	(34,119)	105,229
Total funds	<u>234,348</u>	<u>(25,297)</u>	<u>209,051</u>

#### 19. Control

The charity is controlled by its directors, the Trustees.