

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 2015

KILFINAN COMMUNITY FOREST COMPANY

(A company limited by guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

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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
Stephen Williamson
William McAllan
Fiona Hamilton
Fraser Brown
Diane Wilson
Mark Bamford
Alistair Porter
Joanne Coley

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 2015

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31st March 2015. 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	
Steve Williamson	
William McAllan	
Fiona Hamilton	
Fraser Brown	
Diane Wilson	(Appointed 26/02/15)
Mark Bamford	(Appointed 13/05/15)
Alistair Porter	(Appointed 05/08/15)
Joanne Coley	(Appointed 05/08/15)
Robert Borrusso	(Resigned 07/12/14)
Andrew Graham-Weall	(Resigned 07/01/15)

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 month and has responsibility for all the strategic decisions of the charity. Operational decisions are delegated to office bearers and staff. The trustees have overall responsibility for day to day management of the charity.

KILFINAN COMMUNITY FOREST COMPANY

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED

31 MARCH 2015

- **Related Parties**

During the year expenses of £284 (2014: £429) were paid to one Trustee (2014: 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 (2014: 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 Borruso. 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. Robert Borruso resigned as a Trustee in December 2014.

- **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 over 200 members, and the charity is managed and run by a board of eight directors and a team of staff.

Achievements and Performance

Sustainable Development

Our aim has always been to be self-sustainable and this has been the main focus of our activities in 2014-15. Using income derived from timber harvesting, sawmill and wood fuel sales and community composting, we have been able to support staff and core activities. Our case for a sustainable enterprise is outlined within a comprehensive five year development plan, which identifies top priorities and 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

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED

31 MARCH 2015

Achievements and Performance Cont'd

Staff

During the year we employed a full time development manager (Nikki Brown), part time volunteer coordinator (Craig Blair), part time administrator (Richard Ingham), full time site supervisor (Colin Willment), and part time operations worker (Andrew McKenzie); the latter role became full time in winter 2014. Due to the resignation of the site supervisor part way through the year, there was an urgent requirement for a temporary replacement until this post could be advertised formally. This role was fulfilled in the short term by Robert Borruso, who stepped down from the Board in order to fulfil these duties. The board thanked Jamie Chaplin-Brice for his contribution as Operations Manager on the phase 3 project; his contract came to an end in July 2014 and he moved into a new post in Cumbria.

New forest acquisition

In January 2015 KCFC gained National Forest Land Scheme approval and confirmation of a grant of £750,000 from the Scottish Land Fund to acquire an additional 434ha forest (Upper Acharossan); this will bring total community ownership to 561ha. The acquisition will bring financial sustainability to KCFC via an extensive harvesting programme, enabling timber to be sold commercially, as well as continuing to supply the community sawmill and wood fuel enterprise. This increases KCFC's capacity to deliver a range of economic, social and environmental benefits to the community of Kilfinan, including local employment, recreational facilities, training and skills development, and affordable housing. The purchase of the additional 434ha of Upper Archarossan Forest was completed post year end.

Timber and wood fuel

2014 saw the significant development of our timber operation, having now harvested 30% of the standing timber in our current 127ha forest. This has cleared space for development and infrastructure, and generated revenue via standing sales and product sales. We were able to optimise local sale of milled timber and firewood through delivering ongoing promotional activity and a focus on good customer service, achieving a solid customer base and repeat business. Both the sawmill and wood fuel enterprises have exceeded annual targets, and now generate enough income to support the operations staff required to run them.

Hydro-electric scheme

A key focus was to secure loan finance to enable installation of a 70kW micro hydro-electric scheme. Having achieved all necessary permissions, we were in a position to draw down a loan from Social Investment Scotland (SIS) and Renewable Energy Investment Fund (REIF) to cover the installation costs of the scheme (in the region of £200K), with a target of it becoming operational by Autumn 2014. However satisfying extensive loan requirements was a lengthy process which absorbed significant staff/ director resources during 2014. By the end of the financial year we were able to agree final conditions, with the aim of installing the scheme during Summer 2015 to become operational by Autumn.

KILFINAN COMMUNITY FOREST COMPANY

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED

31 MARCH 2015

Achievements and Performance Cont'd

Housing and crofts

Having outlined a project development area (PDA) for the allocation of ready built houses, self-build plots and woodland crofts, we were able to complete a comprehensive master plan to be submitted to the council as part of a formal planning application. This will enable the construction of an initial five affordable homes and three forest crofts. The site was also cleared of tree stumps, and plots have been marked out.

Volunteering

A formal 'volunteer for skills' programme (funded by the Voluntary Action Fund) enabled us to employ a Volunteer Coordinator to manage volunteers working in the forest in exchange for unique training opportunities, giving them practical experience in all areas of forestry and in many cases helping to improve their employability. A combination of formal and in-house training was given to 44 volunteers, with training courses including: wood carving, emergency first aid at work, chipper (Lantra), telehandler, Chainsaw City Guilds NPTC, and a course in pesticide spraying. We also provided inductions on the Wood-Mizer sawmill and firewood processor. Whilst volunteers were gaining skills, they were also able to offer useful work for the forest, including firewood processing, saw milling, path and wind blow clearance, and tree felling.

Archaeology

We also delivered a formal archaeology walkover survey of the entire forest (funded by the Heritage Lottery Fund) with professional archaeologists Argyll Archaeology and 25 volunteers from the local community. A number of features of archaeological interest were identified, including uncovering a lost section of the Kilfinan Way, and ancient stone and turf dyke, original water tanks and a series of weirs associated with the Tighnabruich reservoir (built in the late 19th century), an old sheiling, and a curling pond (which was in use until the 1950s). The walkover resulted in the production of a formal report by Argyll Archaeology, setting out key outcomes from the project and recommendations for 'phase 2' activities. As a result of the interest shown in local heritage, progress is being made towards setting up Kyles Heritage Group, which has led to plans to construct a heritage walk in the forest, opening up sites for public access and restoring key features. The archaeological report can be accessed at: http://www.kilfinancommunityforest.co.uk/images/upload/files/kilfinandocs_pdf_1514.pdf

Youth skills development

During their summer holiday in July, we employed five students from Dunoon Grammar School in a four week pilot work placement, in which they were paid to work in the forest, whilst benefiting from land-based, nature, and archaeological skills and training. The students were involved in creating a forest squirrel walk from start to finish, planning an event space area, developing a forest product, and acting as team leaders in an archaeological walkover survey. We received positive feedback from the students at the end of their placement, which was also celebrated with a barbecue and presentation of their work, attracting 30 attendees from the local community. It was decided subsequently that this programme would run every year, with the opportunity for all local 15-18 year olds to participate at least once.

KILFINAN COMMUNITY FOREST COMPANY

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED

31 MARCH 2015

Achievements and Performance Cont'd

Awards

We also won two prestigious awards this year: Scotland's Finest Woods Awards 2014 for 'promoting viable livelihoods' and the Voluntary Action Fund Awards 2014 for improving our ability to involve and support volunteers.

Community composting

This has been another great year for the community composting facility which generated sufficient garden waste to fulfil the maximum target of 80 tonnes and receive the full council subsidy available to contribute to operational running costs.

Financial Review

At March 31st 2015, KCFC has reserves of £199,735, of which £95,000 are restricted reserves and £104,735 are unrestricted. Of the unrestricted reserves £137,396 are tied up in fixed assets (£232,396 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 £32,661. 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 The Big Lottery, Highlands and Islands Enterprise and Argyll & Islands LEADER.

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 £32,661. We aim to increase these reserves to around £40,000 over the next few years.

KILFINAN COMMUNITY FOREST COMPANY

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED

31 MARCH 2015

Plans for Future Periods

The main priority for 2015-16 is for the charity to continue moving towards becoming financially self-sustaining, principally via the sale of harvested timber in the new 434ha forest, a fully operational hydro-electric scheme, and the sale of house plots. We will also continue to grow the sawmill and wood fuel businesses for supply to the local community and beyond. We hope to be in a position to commence construction of five affordable homes, as well as engaging crofters in plans to establish up to five woodland crofts.

We will investigate opportunities for a woodland burials business, as well as the development of an event space within a 3ha clear-felled area within the forest. The latter activity aims to boost local tourism through the community forest becoming a vibrant visitor destination. We will also aim to install more paths within the forest, with a particular focus on establishing a heritage walk, and a clear waymarked route up to Barr Liath. We will also continue to develop the volunteer resource, and devise a local engagement strategy investigating how we can better work with the local community and key target groups. Further we will aim for a 'bigger and better' youth skills programme during the summer, with up to eight participants this year.

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.

KILFINAN COMMUNITY FOREST COMPANY

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED

31 MARCH 2015

Trustees' Responsibilities Cont'd

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:

.....
Name:

Date:

**INDEPENDENT EXAMINERS' REPORT TO TRUSTEES OF
KILFINAN COMMUNITY FOREST COMPANY
FOR THE YEAR ENDED 31 MARCH 2015**

I report on the accounts of the charity for the year ended 31 March 2015 which are set out on pages 9 to 16.

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:

KILFINAN COMMUNITY FOREST COMPANY**(A company limited by guarantee)****STATEMENT OF FINANCIAL ACTIVITIES****(including Income and Expenditure Account)****FOR THE YEAR ENDING 31 MARCH 2015**

	Notes	Unrestricted £	Restricted £	2015 Total £	2014 Total £
Incoming Resources					
Incoming resources from generated funds					
Voluntary income	3	1,976	-	1,976	56,079
Activities for generating funds	4	87,034	-	87,034	75,895
Investment income	5	32	-	32	11
Incoming resources from charitable activities	6	50,781	52,644	103,425	202,999
Total Incoming Resources		<u>139,823</u>	<u>52,644</u>	<u>192,467</u>	<u>334,984</u>
Resources Expended					
Charitable activities	7	139,202	61,466	200,668	185,414
Governance costs	8	1,115	-	1,115	1,110
Total Resources Expended		<u>140,317</u>	<u>61,466</u>	<u>201,783</u>	<u>186,524</u>
Net (outgoing)/incoming resources before transfers		(494)	(8,822)	(9,316)	148,460
Transfers		-	-	-	-
Net (expenditure)/income for the year		<u>(494)</u>	<u>(8,822)</u>	<u>(9,316)</u>	<u>148,460</u>
Reconciliation of Funds					
Total funds brought forward	14,15	105,229	103,822	209,051	60,591
Total funds carried forward	14,15	<u>104,735</u>	<u>95,000</u>	<u>199,735</u>	<u>209,051</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 2015

	Notes	£	2015 £	2014 £
FIXED ASSETS				
Tangible assets	12		232,396	234,348
CURRENT ASSETS				
Debtors	13	14,133		
Cash at bank and in hand		<u>11,272</u>		<u>32,911</u>
		25,405		32,911
Creditors: amounts falling due within one year	14	<u>(58,066)</u>		<u>(58,208)</u>
NET CURRENT (LIABILITIES)			(32,661)	(25,297)
NET ASSETS			<u>199,735</u>	<u>209,051</u>
Unrestricted Funds	16		104,735	105,229
Restricted Funds	15		95,000	103,822
TOTAL FUNDS			<u>199,735</u>	<u>209,051</u>

For the year ended 31 March 2015 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.

.....
Name:

.....
Name:

Date:

Company registration no: SC284862

KILFINAN COMMUNITY FOREST COMPANY

(A company limited by guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2015

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

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2015

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 2015**

3. Voluntary Income

	Unrestricted £	Restricted £	2015 Total £	2014 Total £
Donations and grants	<u>1,976</u>	<u>-</u>	<u>1,976</u>	<u>56,079</u>

4. Activities for Generating Funds

	Unrestricted £	Restricted £	2015 Total £	2014 Total £
Sale of untreated wood and goods made	87,034	-	87,034	74,525
Fundraising	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,370</u>
	<u>87,034</u>	<u>-</u>	<u>87,034</u>	<u>75,895</u>

5. Investment Income

	Unrestricted £	Restricted £	2015 Total £	2014 Total £
Bank Interest	<u>32</u>	<u>-</u>	<u>32</u>	<u>11</u>

6. Incoming Resources from Charitable Activities

	Unrestricted £	Restricted £	2015 Total £	2014 Total £
Development of the Kilfinan Community Forest	<u>50,781</u>	<u>52,644</u>	<u>103,425</u>	<u>202,999</u>

7. Resources Expended - Charitable Activities

	Direct Costs £	Support Costs £	2015 Total £	2014 Total £
Development of the Kilfinan Community Forest	<u>197,305</u>	<u>3,363</u>	<u>200,668</u>	<u>185,414</u>

8. Resources Expended – Governance Costs

	Direct Costs £	Support Costs £	2015 Total £	2014 Total £
Independent examination	1,115	-	1,115	1,074
AGM Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>36</u>
	<u>1,115</u>	<u>-</u>	<u>1,115</u>	<u>1,110</u>

KILFINAN COMMUNITY FOREST COMPANY

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**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015**

9. Net Outgoing Resources for the Year

This is stated after charging:

	2015 £	2014 £
Independent examiners fee	1,115	1,074
Depreciation	<u>22,629</u>	<u>18,493</u>

10. Staff Costs and Numbers

Staff costs were as follows:

	2015 £	2014 £
Salaries and wages	61,409	52,750
Social security costs	5,109	4,095
Total	<u><u>66,518</u></u>	<u><u>56,845</u></u>

No employee received emoluments of more than £60,000 (2014: None).

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

	2015 Number	2014 Number
Total	<u><u>5</u></u>	<u><u>5</u></u>

KILFINAN COMMUNITY FOREST COMPANY

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2015

11. Trustees' Remuneration and Related Party Transactions

No Trustees received any remuneration during the year (2014: Nil). During the year expenses of £284 (2014: £429) were paid to one Trustee (2014: 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 (2014: 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 £15K was received from trustee Robert Borruso in the previous financial year; the restrictions placed upon the loan have now been met, therefore it is no longer repayable and will be used as purchase capital for a housing plot on the forest land once a formal legal agreement is in place.

12. Tangible Fixed Assets

	Freehold Land £	Property £	Plant & Machinery £	Motor Vehicles £	Total £
Cost or valuation					
At 1 April 2014	130,000	64,789	29,831	30,240	254,860
Additions	-	-	20,677	-	20,677
Disposals	-	-	-	-	-
At 31 March 2015	<u>130,000</u>	<u>64,789</u>	<u>50,508</u>	<u>30,240</u>	<u>275,537</u>
Depreciation					
At 1 April 2014	-	8,498	5,966	6,048	20,512
Charge for the year	-	6,479	10,102	6,048	22,629
On Disposals	-	-	-	-	-
At 31 March 2015	-	<u>14,977</u>	<u>16,068</u>	<u>12,096</u>	<u>43,141</u>
Net book values					
At 31 March 2015	<u>130,000</u>	<u>49,812</u>	<u>34,440</u>	<u>18,144</u>	<u>232,396</u>
At 31 March 2014	<u>130,000</u>	<u>56,291</u>	<u>23,865</u>	<u>24,192</u>	<u>234,348</u>

KILFINAN COMMUNITY FOREST COMPANY

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2015

13. Debtors

	2015 £	2014 £
Accrued income	10,768	
VAT repayable	3,365	
	<u>14,133</u>	<u>0</u>

14. Creditors: Amounts falling due within one year

	2015 £	2014 £
PAYE	3,513	3,703
Accruals	4,553	4,505
Loans	50,000	50,000
	<u>58,066</u>	<u>58,208</u>

15. Restricted Funds

	Movement in funds				Balance at 31/03/2015 £
	Balance at 01/04/2014 £	Incoming resources £	Expenditure (gains)/losses £	Transfers £	
Forest Land	95,000	-	-	-	95,000
BIG Lottery	-	3,500	3,500	-	-
Heritage Lottery Fund	-	9,900	9,900	-	-
Highlands and Islands Enterprise	-	31,333	31,333	-	-
Leader	-	7,911	7,911	-	-
Voluntary Action Fund	8,822	-	8,822	-	-
	<u>103,822</u>	<u>52,644</u>	<u>61,466</u>	<u>-</u>	<u>95,000</u>

Purpose of restricted funds

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

BIG Lottery – ID0010245254 – funding towards the Woodland Eco-Burials project.

Heritage Lottery Fund – funding towards the “Finding our Heritage” project.

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.

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

Voluntary Action Fund – funding towards a volunteering project.

KILFINAN COMMUNITY FOREST COMPANY

(A company limited by guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2015

16. Unrestricted Funds

	Balance at 01/04/2014 £	Incoming resources £	Movement in funds Expenditure (gains)/losses £	Transfers £	Balance at 31/03/2015 £
General charitable funds	105,229	139,823	140,317	-	104,735
	<u>105,229</u>	<u>139,823</u>	<u>140,317</u>	<u>-</u>	<u>104,735</u>

17. Analysis of Net Assets between Funds

	Tangible Fixed Assets £	Net Current Assets £	Total £
Restricted funds	95,000	-	95,000
Unrestricted funds	137,396	(32,661)	104,735
Total funds	<u>232,396</u>	<u>(32,661)</u>	<u>199,735</u>

18. Control

The charity is controlled by its directors, the Trustees.

19. Post Balance Sheet Events

Since the year end the charity has acquired 434ha of Upper Archarossan Forest for £910,000. Grant funding amounting to £750,000 and a timber advance of £160,000 has been received to fund the purchase.