

AIGAS COMMUNITY FOREST LIMITED

FINANCIAL STATEMENTS

28TH FEBRUARY 2011

Registered number: SC372685

AIGAS COMMUNITY FOREST

FINANCIAL STATEMENTS

for the period from incorporation on 9th February 2010 to 28th February 2011

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AIGAS COMMUNITY FOREST**COMPANY INFORMATION****28th February 2011**

COMPANY NUMBER	SC372685
SCOTTISH CHARITY NUMBER	SC041614
DIRECTORS (at date of signing accounts)	Andrew Leaver Alisdair Stewart Graeme Scott Calum Fraser John Graham Mark Hedderwick Peter Masheter Steve Byford
COMPANY SECRETARY	Andrew Leaver North View Crask of Aigas Beauly Inverness-shire IV4 7AD
REGISTERED OFFICE	North View Crask of Aigas Beauly Inverness-shire IV4 7AD
TREASURER	John Graham Cluanie Farmhouse Teanassie By Beauly Inverness-shire IV4 7AE
BANKERS	The Bank of Scotland High Street Beauly Inverness-shire IV4 7BS
SOLICITORS	Macleod & MacCallum 28 Queensgate Inverness IV1 1YN
INDEPENDENT EXAMINER	Alexander Graham A Graham & Co Chartered Accountants 9 Rangemore Road Inverness IV3 5EA

AIGAS COMMUNITY FOREST

DIRECTORS' REPORT

28th February 2011

The directors (trustees) present their report and the financial statements for the period ended 28th February 2011. The financial statements comply with the requirements of the company's Memorandum and Articles of Association and have been prepared in accordance with the Statement of Recommended Practice, "Accounting by Charities" (revised 2005) and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Directors

The directors (trustees) of the company who served during the year and up to the date of signing the report were as follows:

Andrew Leaver	(appointed 9th February 2010)
Alisdair Stewart	(appointed 9th February 2010)
Graeme Scott	(appointed 9th February 2010)
Calum Fraser	(appointed 9th February 2010)
John Graham	(appointed 9th February 2010)
Mark Hedderwick	(appointed 9th February 2010)
Peter Masheter	(appointed 9th February 2010)
Steve Byford	(appointed 9th February 2010)
Philip Knott	(appointed 9th February 2010, resigned 10th February 2010)
Larissa McDonald	(appointed 9th February 2010, resigned 7th June 2010)
Gavin Cormack	(appointed 9th February 2010, resigned 20th June 2010)

None of the trustees has any beneficial interest in the company. The trustees do not receive any remuneration for their services as trustees.

Structure, governance and management

The overall management and policy decisions of the company are the responsibility of the board of directors (trustees) who are elected under the terms of the company's Articles of Association. The trustees are appointed by the members at the AGM and retire in rotation.

Objectives and Activities

The principle objects of the charitable company are: to manage community land and associated assets for the benefit of the community and the public in general; to provide or assist in providing recreational facilities for the community and public at large; to advance community development; and to advance environmental protection or improvement. The company was formed to benefit the community of Lower Strathglass, Inverness-shire, defined by the postcode units IV47AD, IV47AE, IV47AF, IV47AG, IV47AQ, IV47EY, IV47JJ, IV47JL, IV47JN, IV47JR and Eilean Aigas.

Achievements and performance

In February 2009, the Forestry Commission advised Kilmorack Community Council that it would be putting Aigas Forest on the market as it was seen as surplus to their requirements. The Community Council called a public meeting at Kilmorack Hall on 25 March 2009 to discuss the situation and at this meeting there was a unanimous vote in favour of investigating a community buy-out through the National Forest Land Scheme (NFLS). Volunteers were sought to form a steering group and funds were subsequently sourced from HIE and The Highland Council to finance the production of a feasibility study and five year business plan from consultants Bell Ingram.

In Autumn 2009 a full community ballot was undertaken and the result showed a significant majority in support of the acquisition. The application to purchase under the National Forest Land Scheme was submitted on the 8 September 2009 and approval was received from Forestry Commission Scotland on 17 December 2009.

The Aigas Community Forest company was formed on 9 February 2010 and was granted charitable Status on 30 June 2010.

Further funding was sourced during the period from LEADER and The Highland Council to create a website, undertake a range of development and fundraising activities and make revisions to the 5 year business plan provided by Bell Ingram.

AIGAS COMMUNITY FOREST**DIRECTORS' REPORT**

(continued)

28th February 2011**Plans for future periods**

The difficult economic climate and changes to Big Lottery and other funding regimes have significantly reduced the likelihood that Aigas Community Forest will raise the capital required to purchase the forest outright. However, a change in legislation in late 2010 provides the opportunity for lease by the community rather than purchase. Revisions to the business plan funded by LEADER and The Highland Council will now focus on investigating the financial viability of leasing and providing a business plan for this purpose. The final deadline for the community to sign a lease with Forestry Commission Scotland has been extended to November 2012.

Financial review and Reserves

During the period ended 28th February 2011, the company realised net incoming resource on Unrestricted Funds of £1,108 and net incoming resources on Restricted Funds of £2,402. Total funds per the Balance Sheet at 28th February 2011 totalled £3,510 comprising Unrestricted Funds £1,108 and Restricted Funds of £2,402. The trustees have reviewed the reserves of the charity at 28th February 2011 and consider that it will have adequate reserves/resources to support the continuation of its current activities for the foreseeable future.

Risk Management

The directors have assessed the major risks to which the charitable company is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

Statement of Directors' (Trustees') responsibilities

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Observe the methods and principles in the Charitable SORP; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors' (trustees) have overall responsibility for ensuring that the charitable company has appropriate systems of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small company exemptions

This report is prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board

Andrew Leaver
Secretary

Date: 8th November 2011

AIGAS COMMUNITY FOREST**Independent Examiner's report to the members
on the unaudited financial statements of
Aigas Community Forest**

I report on the financial statements of Aigas Community Forest for the period from incorporation on 9th February 2010 to 28th February 2011, which comprise the statement of financial activities, the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors (trustees) and independent examiner

The charity's directors (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 directors (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 was 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 seeking explanations from you as directors (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 connection with my examination, no matter has come to my attention:

- i) 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 to comply with Regulation 8 of the 2006 Accounts Regulationshave not been met; or
- ii) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Alexander Graham
Independent Examiner
A Graham & Co.
Chartered Accountants
Inverness
IV3 5EA

Date: 8th November 2011

AIGAS COMMUNITY FOREST

**INCOME AND EXPENDITURE ACCOUNT
(INCORPORATING STATEMENT OF FINANCIAL AFFAIRS)**

for the period from incorporation on 9th February 2010 to 28th February 2011

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds £
Incoming resources				
Incoming resources from generated funds				
Voluntary Income				
Aigas Community Forest Steering Group - Donation of net assets at 9th February 2010	4	1,164	-	1,164
General donations		202	-	202
Donated services		-	798	798
		<u>1,366</u>	<u>798</u>	<u>2,164</u>
Activities for generating funds				
Fundraising events		1,044	-	1,044
Investment Income:				
Interest receivable		2	-	2
Incoming resources from charitable activities				
Highland Council Ward Discretionary Budget		-	3,000	3,000
Highland LEADER		-	1,600	1,600
		<u>-</u>	<u>4,600</u>	<u>4,600</u>
Total incoming Resources		<u>2,412</u>	<u>5,398</u>	<u>7,810</u>
Resources expended				
Charitable activities				
Website		15	2,013	2,028
Website donation portal		-	118	118
Promotional literature		-	985	985
Postage and stationery		34	82	116
Volunteer time on preparation of materials		-	798	798
Subscriptions		80	-	80
General expenses		15	-	15
		<u>144</u>	<u>3,996</u>	<u>4,140</u>
Governance costs				
Independent Examiner's fee		160	-	160
Total Resources expended		<u>304</u>	<u>3,996</u>	<u>4,300</u>
Net incoming resources before transfers	8	2,108	1,402	3,510
Transfers	8	<u>(1,000)</u>	<u>1,000</u>	<u>-</u>
Fund Balances carried forward at 28th February 2011	8	<u>1,108</u>	<u>2,402</u>	<u>3,510</u>

The above statement shows all movements in members' funds during the year. Further details of Restricted Funds are provided at notes 7 and 8.

AIGAS COMMUNITY FOREST

BALANCE SHEET

at 28th February 2011

	Note	£	£
Current assets			
Debtors	5		1,625
Cash at bank and in hand			2,079
			<hr/> 3,704
Creditors: amounts falling due within one year	6		(194)
			<hr/> 3,510
Net assets			<hr/> <hr/> 3,510
 The funds of the charity			
Unrestricted Funds	8		1,108
Restricted Funds	8		2,402
			<hr/> 3,510
Total members' funds			<hr/> <hr/> 3,510

continued

AIGAS COMMUNITY FOREST**BALANCE SHEET**
(continued)**at 28th February 2011**

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

For the financial period ended 28th February 2011 the company was entitled to exemption from audit conferred by Section 477 of the Companies Act 2006; and no notice has been deposited at the registered office of the company pursuant to Section 476 requesting that an audit be conducted for the year.

The directors 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 year and of its surplus or deficit for the financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the board of directors on 8th November 2011 and signed on its behalf by:

Graeme Scott
Director

Registration number: SC372685

AIGAS COMMUNITY FOREST

NOTES ON FINANCIAL STATEMENTS

28th February 2011

1 Status of the company

Aigas Community Forest is a company limited by guarantee and does not have a share capital. The company is exempted from using the word limited in its name. The liability of the members is limited and will not exceed £1 in the event of the company being wound up.

2 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules, in accordance with the Statement of Recommended Practice, Accounting by Charities (revised 2005) and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements also comply with the terms of the Charities Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

Donations and donated services and facilities

All donations received are credited to the Income and Expenditure account in the year to which they relate. Donations received or earmarked for specific purposes are accounted for as restricted funds. Donated services and facilities are recognised in the Income and Expenditure account at the estimated value to the charity of the service or facility provided.

Grants receivable

Grants receivable are credited to the Income and Expenditure account in the year to which they relate. Grants receivable or earmarked for specific purposes are accounted for as restricted funds.

Income

Income has been classified under the following headings:

Voluntary income – This comprises resources generated from voluntary sources including, for example donations and grants where the donor does not receive any direct return as a result of the donation.

Activities for generating funds – This comprises fund-raising activities carried out by the charity to generate incoming resources which will be used to undertake its charitable activities.

Investment income – This comprises incoming resources from investment assets, for example bank interest received.

Charitable activities – This comprises all incoming resources received, which are a payment for goods and services provided for the benefit of the charity's beneficiaries. It includes trading activities undertaken in furtherance of the charity's objects and those grants, which have conditions, which make them similar in economic terms to trading income.

Expenditure

Expenditure has been classified into the following headings:

Costs of generating funds – This comprises costs, which are associated with generating incoming resources from all sources other than from undertaking charitable activities, for example the costs associated with fundraising activities.

Charitable Activities – This comprises all resources expended by the charity in undertaking its work to meet its charitable objectives. Such costs include the direct costs of the charitable activities together with those support costs incurred that enable these activities to be undertaken.

Governance costs – This comprises the cost of governance arrangements, which relate to the general running of the charity.

Fund accounting

Unrestricted funds - These are funds which the directors are free to use in accordance with the Charitable objects.

Restricted funds - These are funds, which are restricted for use for specific purposes.

AIGAS COMMUNITY FOREST
NOTES ON FINANCIAL STATEMENTS

28th February 2011

3 Taxation

The charitable company is recognised as a charity for the purposes of applicable taxation legislation and is therefore not subject to taxation on its charitable activities. The charity is not registered for VAT and resources expended therefore include irrecoverable input VAT.

4 Aigas Community Forest Steering Group - Donation of Net Assets of at 9th February 2010

Aigas Community Forest Steering Group was set up on 25th March 2009 to investigate the possibility of the local community purchasing the Aigas forest under the provisions of the National Forest Land Scheme and with the intention of setting up a limited company with charitable status when appropriate. Aigas Community Forest was duly incorporated on 9th February 2010, at which date the steering group ceased to exist and donated its entire net assets of £1,164 to the company. Although not part of the statutory accounts, the Income and Expenditure Account of the Steering Group for the period from 25th March 2009 to 9th February 2011 is presented in Appendix 1 to these accounts.

5 Debtors

	£
Trade debtors	1,625
	1,625
	1,625

6 Creditors: amounts falling due within one year

	2010
	£
Trade creditors	194
	194
	194

7 Analysis of Net Assets/(Liabilities) between Funds

	Unrestricted £	Restricted £	Total £
Current Assets	1,302	2,402	3,704
Current Liabilities	(194)	-	(194)
	1,108	2,402	3,510
Net assets at 28th February 2011	1,108	2,402	3,510

8 Movements in Funds

	Balance b/f at 9th February 2010	Incoming Resources	Outgoing Resources	Transfers	Balance c/f at 28th February 2011
Unrestricted Funds	-	2,412	(304)	(1,000)	1,108
	£	£	£	£	£
Restricted Funds					
Development project	-	5,398	(3,996)	1,000	2,402
	-	5,398	(3,996)	1,000	2,402
Total Funds	-	7,810	(4,300)	-	3,510

AIGAS COMMUNITY FOREST
NOTES ON FINANCIAL STATEMENTS
28th February 2011

8 Movements in Funds continued

Purpose of Restricted Funds

Restricted Fund – Development project

The main purposes of the ongoing development project are: to create a new website; develop a fundraising campaign, including the design of printed leaflets, newsletters and other promotional literature; and to develop and refine the company's business plan.

The development project has secured with grant funding from the Highland Council Discretionary Ward budget (£3,000), and Highland LEADER Programme (up to a maximum of £4,000, of which £1,600 was receivable at balance sheet date, based on expenditure incurred). In addition a pre incorporation donation of £1,000 received from Kilmorack Community Council which was originally unrestricted has now been transferred into restricted funds for the purposes of this project. Directors' volunteer time, valued at £14 per hour (up to a maximum of £1,680) has been accepted by LEADER as eligible for grant assistance (of which £798 has been recognised in the accounts for the period ended 28th February 2011).

9 Comparative figures

As these financial statements are for the period from incorporation on 9th February 2010 to 28th February 2011, there are no comparative figures for a previous financial year.

AIGAS COMMUNITY FOREST

APPENDIX 1

AIGAS COMMUNITY FOREST STEERING GROUP (PRE INCORPORATION)

The following page does not form part of the statutory accounts.

AIGAS COMMUNITY FOREST STEERING GROUP (PRE-INCORPORATION)

INCOME AND EXPENDITURE ACCOUNT

for the period from 25th March 2009 to 9th February 2010

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Incoming resources			
Incoming resources from generated funds			
Voluntary Income			
Strathglass Woodlands Trust	340	-	340
Kilmorack Community Council	1,000	-	1,000
	<hr/>	<hr/>	<hr/>
	1,340	-	1,340
Investment Income:			
Interest receivable	2	-	2
Grants received			
Highland Council Ward Discretionary Budget	-	2,650	2,650
Highlands & Islands Enterprise	-	8,484	8,484
	<hr/>	<hr/>	<hr/>
	-	11,134	11,134
	<hr/>	<hr/>	<hr/>
Total incoming Resources	1,342	11,134	12,476
	<hr/>	<hr/>	<hr/>
Resources expended			
Feasibility study and business plan	-	10,205	10,205
Valuation of Aigas Forest	-	909	909
Community ballot expenses	-	142	142
Hall hires	56	-	56
	<hr/>	<hr/>	<hr/>
Total Resources expended	56	11,256	11,312
	<hr/>	<hr/>	<hr/>
Net incoming resources for period before transfers	1,286	(122)	1,164
Transfers between funds	(122)	122	-
	<hr/>	<hr/>	<hr/>
Net incoming resources	1,164	-	1,164
DONATION OF FUNDS TO AIGAS COMMUNITY FOREST ON INCORPORATION - 9TH FEBRUARY 2010	(1,164)	-	(1,164)
	<hr/>	<hr/>	<hr/>
Fund Balances held at cessation on 9th February 2010	-	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>