

AIGAS COMMUNITY FOREST LIMITED

FINANCIAL STATEMENTS

28TH FEBRUARY 2012

Registered number: SC372685

AIGAS COMMUNITY FOREST
FINANCIAL STATEMENTS
for the year ended 28th February 2012

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AIGAS COMMUNITY FOREST**COMPANY INFORMATION****28th February 2012**

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, Chartered Accountant A Graham & Co Chartered Accountants 9 Rangemore Road Inverness IV3 5EA

AIGAS COMMUNITY FOREST**DIRECTORS' REPORT****28th February 2012**

The directors (trustees) present their report and the financial statements for the period ended 28th February 2012. 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
Alisdair Stewart
Graeme Scott
Calum Fraser
John Graham
Mark Hedderwick
Peter Masheter
Steve Byford

At the company's first AGM on 20th June 2011, all of the above directors (trustees) stood down and were duly re-elected or co-opted – all as required/permitted by the company's Memorandum and Articles of Association.

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

Using funding provided by LEADER, The Highland Council and Kilmorack Community Council, a new website was launched providing a wider range of information and allowing people to make donations and pledges of support online. Leaflets to solicit new company members and pledges to support purchase were also produced and circulated to all households in the community. The same funding was used to update the 5 year business plan originally developed by Bell Ingram as part of the initial feasibility study.

Unfortunately the funding environment did not improve during the year and so the option to investigate leasing of the forest was secured from Forestry Commission Scotland along with an initial extension of the NFLS deadline to finalise purchase or lease from June 2011 to November 2012. Financial support was secured from Forestry Commission Scotland through their Community Seedcorn Fund and in December 2011 the Valuation Office Agency were engaged to carry out an indicative non-binding valuation using the FCS rental methodology. This would serve a dual purpose of investigating the methodology whilst producing an indicative figure for use in the revised business plan.

Plans for future periods

Post year end, the information provided by the Valuation Office Agency regarding potential lease values was studied and discussed with Forestry Commission Scotland. As ACF was one of the first groups to investigate leasing under this methodology the work produced by the VOA was of great value in demonstrating whether or not the methodology would work for community groups. Unfortunately, after review, it was concluded that the methodology would not work and at the time of signing these accounts, Forestry Commission Scotland have just published a new methodology, which remains to be evaluated. With the re-launch of the Scottish Land Fund in 2012, the possibility of outright purchase has also been revived.

AIGAS COMMUNITY FOREST**DIRECTORS' REPORT**

(continued)

28th February 2012**Plans for future periods continued**

In summary, ACF will continue to explore the options of either leasing or purchasing Aigas Forest from Forestry Commission Scotland and at the time of signing these accounts, the NFLS deadline to finalise purchase or lease of the forest has been further extended to June 2013.

Financial review and Reserves

During the period ended 28th February 2012, the company realised net outgoing resources on Unrestricted Funds of £205 (2011, net incoming resources £1,108) and net outgoing resources on Restricted Funds of £1,230 (2011, net incoming resources of £2,402). Total funds per the Balance Sheet at 28th February 2011 totalled £2,075 comprising Unrestricted Funds £903 and Restricted Funds of £1,172. The trustees have reviewed the reserves of the charity at 28th February 2012 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: 28th November 2012

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 year ended 28th February 2012, 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
Chartered Accountant &
Independent Examiner
A Graham & Co.
Chartered Accountants
Inverness
IV3 5EA

Date: 28th November 2012

AIGAS COMMUNITY FOREST

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

for the year ended 28th February 2012

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Incoming resources					
Incoming resources from generated funds					
Voluntary Income					
Aigas Community Forest Steering Group - Donation of net assets at 9th February 2010		-	-	-	1,164
General donations		24	-	24	202
Donated services		-	1,190	1,190	798
		<u>24</u>	<u>1,190</u>	<u>1,214</u>	<u>2,164</u>
Activities for generating funds					
Fundraising events		-	-	-	1,044
Investment Income:					
Interest receivable		1	-	1	2
Incoming resources from charitable activities					
Highland Council Ward Discretionary Budget		-	-	-	3,000
Highland LEADER		-	2,143	2,143	1,600
Forestry Commission Scotland - Community Seedcorn Fund		-	2,900	2,900	-
		<u>-</u>	<u>5,043</u>	<u>5,043</u>	<u>4,600</u>
Total incoming Resources		<u>25</u>	<u>6,233</u>	<u>6,258</u>	<u>7,810</u>
Resources expended					
Charitable activities					
Consultancy fees		-	4,290	4,290	-
Website		86	-	86	2,028
Website donation portal		-	-	-	118
Promotional literature		-	-	-	985
Postage and stationery		-	-	-	116
Volunteer time on preparation of materials		-	1,190	1,190	798
Valuation of Aigas Forest		-	1,983	1,983	-
Subscriptions		10	-	10	80
General expenses		14	-	14	15
		<u>110</u>	<u>7,463</u>	<u>7,573</u>	<u>4,140</u>
Governance costs					
Independent Examiner's fee		120	-	120	160
		<u>230</u>	<u>7,463</u>	<u>7,693</u>	<u>4,300</u>
Net movement in funds/Net (outgoing)/incoming resources		<u>(205)</u>	<u>(1,230)</u>	<u>(1,435)</u>	<u>3,510</u>
Fund Balances carried forward at 1st March 2011	7	<u>1,108</u>	<u>2,402</u>	<u>3,510</u>	<u>-</u>
Fund Balances carried forward at 28th February 2012	7	<u>903</u>	<u>1,172</u>	<u>2,075</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 6 and 7.

AIGAS COMMUNITY FOREST

BALANCE SHEET

at 28th February 2012

		2012	2011
	Note	£	£
Current assets			
Debtors	4	2,144	1,625
Cash at bank and in hand		3,548	2,079
		<hr/>	<hr/>
		5,692	3,704
Creditors: amounts falling due within one year			
	5	(3,617)	(194)
		<hr/>	<hr/>
Net assets		<u>2,075</u>	<u>3,510</u>
Funds and reserves			
Unrestricted	7	903	1,108
Restricted	7	1,172	2,402
		<hr/>	<hr/>
Total members' funds		<u>2,075</u>	<u>3,510</u>

continued

AIGAS COMMUNITY FOREST**BALANCE SHEET**
(continued)**at 28th February 2012**

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 year ended 28th February 2012 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 28th November 2012 and signed on its behalf by:

Graeme Scott
Director

Registration number: SC372685

AIGAS COMMUNITY FOREST**NOTES ON FINANCIAL STATEMENTS****28th February 2012****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 2012

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 Debtors

	2012	2011
	£	£
Trade debtors	2,144	1,625
	<u>2,144</u>	<u>1,625</u>
	<u><u>2,144</u></u>	<u><u>1,625</u></u>

5 Creditors

	2012	2011
	£	£
Amounts falling due within one year		
Trade creditors	1,997	34
Accruals	120	160
Kilmorack Community Hall - Loan	1,500	-
	<u>3,617</u>	<u>194</u>
	<u><u>3,617</u></u>	<u><u>194</u></u>

The loan from Kilmorack Community Hall was provided to Aigas Community Forest for cash flow purposes pending receipt of grant funding. It was provided on an interest free and unsecured basis and was repaid shortly after the year end.

6 Analysis of Net Assets/(Liabilities) between Funds

	Unrestricted	Restricted	Total
	£	£	£
Current Assets	2,537	3,155	5,692
Current Liabilities	(1,634)	(1,983)	(3,617)
	<u>903</u>	<u>1,172</u>	<u>2,075</u>
Net assets at 28th February 2012	<u><u>903</u></u>	<u><u>1,172</u></u>	<u><u>2,075</u></u>

7 Movements in Funds

	Balance b/f at 1st March 2011	Incoming Resources	Outgoing Resources	Transfers	Balance c/f at 28th February 2012
	£	£	£	£	£
Unrestricted Funds	1,108	25	(230)	-	903
	<u>1,108</u>	<u>25</u>	<u>(230)</u>	<u>-</u>	<u>903</u>
Restricted Funds					
Development project	2,402	3,333	(5,480)	-	255
Valuation of Aigas Forest	-	2,900	(1,983)	-	917
	<u>2,402</u>	<u>6,233</u>	<u>(7,463)</u>	<u>-</u>	<u>1,172</u>
	<u><u>2,402</u></u>	<u><u>6,233</u></u>	<u><u>(7,463)</u></u>	<u><u>-</u></u>	<u><u>1,172</u></u>
Total Funds	3,510	6,258	(7,693)	-	2,075
	<u><u>3,510</u></u>	<u><u>6,258</u></u>	<u><u>(7,693)</u></u>	<u><u>-</u></u>	<u><u>2,075</u></u>

AIGAS COMMUNITY FOREST
NOTES ON FINANCIAL STATEMENTS

28th February 2012

7 Movements in Funds continued

Purposes of Restricted Funds

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 was initially secured during the period ended 28th February 2011 with grant funding from the Highland Council Discretionary Ward budget, Highland LEADER Programme and a donation from Kilmorack Community Council. Directors' volunteer time, valued at £14 per hour (up to a maximum of £1,680) was accepted by LEADER as eligible for grant assistance. £1,190 of such volunteer time has been recognised in the accounts for the period ended 28th February 2012.

Valuation of Aigas Forest

Funding of £2,900 was received during the year from Forestry Commission Scotland for the purposes of funding a valuation from the Valuation Office Agency along with related professional input to the valuation.