

AIGAS COMMUNITY FOREST

TRUSTEES ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

28TH FEBRUARY 2022

**Registered company number: SC372685
Scottish charity number SC041614**

AIGAS COMMUNITY FOREST
TRUSTEES ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
for the year ended 28th February 2022

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AIGAS COMMUNITY FOREST**TRUSTEES ANNUAL REPORT****28th February 2022**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006 present their report with the financial statements of the charitable company for the year ended 28th February 2022. The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.

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, IV47JT, IV47JU and Eilean Aigas, and those parts of the Kilmorack Community Council area not covered by the preceding list of postcodes.

Achievements and performance, and plans for future periods

During the year ended 28th February 2022, ACF's contractors completed the felling of a considerable area of timber below the Laid, towards Aigas Loch. In addition, the contractors commenced clear-felling at Torr a' Bhealaidh which had been delayed due to weather issues and the Covid Pandemic. The year ended 28th February 2022 was very much a year of consolidation with volunteers engaging in planting trees, purchase and establishment of wildflower seeds and the tidying up of small areas of timber around the forest. A successful Open Day was held in September 2021. Significant purchases of equipment during the year included: the purchase of a tractor and loader, trailer, grapples, verge mower, an update of our winch, a petrol pressure washer to keep our all equipment clean and tidy, a people counter to assess increasing use of the forest, and a defibrillator to be kept at Aigas Golf Club. ACF also placed a deposit for a new composting toilet and started groundwork for it. Storm Eunice on 18th February 2022 caused considerable damage to a 10ha area in the northwest of the forest, which necessitated considerable tidy up work involving our contractors and volunteers, later on in 2022. During the year ACF applied for and was awarded a grant from the Nature Restoration fund of £6,460. The grant, received post year end, was applied to the establishment of wildlife refuges including a 'dipping' pond, other smaller ponds, paths, landscaping and the purchase and sowing of wildflower seeds. Other work carried out post balance sheet date during Summer and Autumn 2022 included completion of the bridge on the Laid path and completion of the roof and store on the forest cabin. Also post year end, ACF successfully applied for SSEN biodiversity credits (which will total £24k) for the planting of 3ha of native broadleaves above Aigas Loch.

Financial review and Reserves

During the period ended 28th February 2022, the company recorded net income on Unrestricted Funds of £214,468 (2021, £15,208) and net expenditure on Restricted Funds of £2,316 (2021 £2,991). Total funds per the Balance Sheet at 28th February 2022 totalled £1,205,252 comprising Unrestricted Funds £438,168 and Restricted Funds of £767,084 (see note 14 of the accounts).

The trustees have reviewed the reserves of the charity at 28th February 2022 and at the current date. In financial terms, the charity has been relatively unaffected by the pandemic, other than experiencing delays in the completion of felling contracts and delays in the completion of the perimeter fence. The trustees consider that the level of unrestricted funds held at balance sheet date are clearly healthy and adequate to support the continuation of its current activities for the foreseeable future. The board closely monitors the financial performance of the charity and regularly updates cash flow forecasts for future periods to ensure that proposed projects will be adequately funded and that restricted funds will be properly managed.

AIGAS COMMUNITY FOREST
TRUSTEES ANNUAL REPORT CONTINUED

28th February 2022

Reference and Administrative details

Company and Charity details

Registered company number	SC372685
Scottish Charity Number	SC041614
Registered Office	North View Crask of Aigas Beauly Inverness-shire IV4 7AD

Directors

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

Peter Smith	(resigned 20th September 2022)
Mark Hedderwick	
Russell Ross	(resigned 19th September 2022)
Phillip Masheter	
Neil Valentine	
David Garvie	(resigned 18th September 2021 and re-appointed 19 September 2022)
Andrew Leaver	
John Graham	
Chloe Denerley	
Madeleine Robinson	
Graeme Scott	
Hermione Lister-Kaye	
Robert Hemingway	(appointed 18th September 2021)
Julia Young	(appointed 18th September 2021)
Stephen Cotterill	(appointed 19th September 2022)

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

Company Secretary

Andrew Leaver

Advisors

Bankers	The Bank of Scotland PO Box 17235, Edinburgh EH11 1YH
Independent Examiner	Rhona Wilson, FCCA MacKenzie Kerr Limited Chartered Accountants and Statutory Auditor Redwood 19 Culduthel Road Inverness IV2 4AA

Risk Management

The trustees 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.

AIGAS COMMUNITY FOREST
TRUSTEES ANNUAL REPORT CONTINUED

28th February 2022

Statement of Trustees (Directors) responsibilities

The charity trustees (who are also directors of Aigas Community Forest for the purposes of company law) are responsible for preparing a 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 directors (charity 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 trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees (directors) are responsible for keeping proper accounting records that 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, 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.

Small company exemptions

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

On behalf of the board



John Graham
Director

Date: 29th November 2022

AIGAS COMMUNITY FOREST

Independent Examiner's report to the trustees of Aigas Community Forest

I report on the accounts of Aigas Community Forest for the year ended 28th February 2022, which are set out on pages 5 to 14.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors of the company for the purposes of company law) 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 (as amended). The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the 2006 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 2006 Accounts (Scotland) Regulations. 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
 - 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.



Rhona Wilson, FCCA
MacKenzie Kerr Limited
Chartered Accountants and Statutory Auditor
Redwood
19 Culduthel Road
Inverness
IV2 4AA

29th November 2022

AIGAS COMMUNITY FOREST

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

for the year ended 28th February 2022

	Note	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
		£	£	£	£	£	£	£	£	£
Income										
Donations and legacies	4	85	-	85	50	-	50			50
Charitable activities	5	235,246	-	235,246	32,853	-	32,853			32,853
Other trading activities	6	12,617	-	12,617	2,046	-	2,046			2,046
Investment income	7	10,535	-	10,535	10,535	-	10,535			10,535
Total income		258,483	-	258,483	45,484	-	45,484			45,484
Expenditure										
Charitable activities	8	44,015	2,316	46,331	30,276	2,991	33,267			33,267
Total expenditure		44,015	2,316	46,331	30,276	2,991	33,267			33,267
Net income/(expenditure)		214,468	(2,316)	212,152	15,208	(2,991)	12,217			12,217
Reconciliation of funds										
Total funds brought forward	14	223,700	769,400	993,100	208,492	772,391	980,883			980,883
Total funds carried forward	14	438,168	767,084	1,205,252	223,700	769,400	993,100			993,100

AIGAS COMMUNITY FOREST

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BALANCE SHEET

at 28th February 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	10		848,269		817,908
Current assets					
Debtors	11	34,947		1,085	
Cash at bank and in hand		330,018		175,375	
		<u>364,965</u>		<u>176,460</u>	
Creditors: amounts falling due within one year	12	(7,982)		(1,268)	
Net current assets			356,983		175,192
Net assets			<u>1,205,252</u>		<u>993,100</u>
Funds and Reserves					
Unrestricted	14		438,168		223,700
Restricted	14		767,084		769,400
Total members' funds			<u>1,205,252</u>		<u>993,100</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

For the financial year ended 28th February 2022 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 29th November 2022 and signed on its behalf by:



Graeme Scott
Director

Company registration number: SC372685

AIGAS COMMUNITY FOREST

NOTES ON FINANCIAL STATEMENTS

28th February 2022

1 Status of the company

Aigas Community Forest is a company limited by guarantee and does not have a share capital. The company is also a public benefit entity and has obtained exemption 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*****Basis of accounting**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention and are prepared in sterling, which is the functional currency of the entity.

Income

Items of income are recognised and included in the accounts when the charity has entitlement to the funds, any performance conditions are met (or are fully within the control of the charity), there is sufficient certainty that receipt of the income is considered probable and the amount can be measured reliably. Income is classified into the following categories:

Donations and Legacies – This comprises all income received by the charity that is in substance a gift made to it on a voluntary basis. It includes donations and grants, other than those whose conditions make them similar in economic terms to trading income (see Charitable activities below)

Charitable activities – This comprises all income received, earned both from the supply of goods or services under contractual arrangements and from performance-related grants which have conditions that specify the provision of particular goods or services to be provided by the charity. The activities specified under such contractual arrangements or grant conditions must fall within the charitable purposes of the charity.

Other trading activities – This comprises income from fundraising events and trading activities to raise funds for the charity.

Investment Income – This comprises income earned from holding assets for investment purposes and includes interest receivable and rental income from a telecommunications mast.

Income from government and other grants, whether capital or revenue in nature, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants are met (or are fully within the control of the charity), it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of members is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market: a corresponding amount is then recognised in expenditure in the period of receipt.

AIGAS COMMUNITY FOREST

NOTES ON FINANCIAL STATEMENTS

28th February 2022

2 Accounting policies continued**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified into the following headings:

Raising funds – This comprises all expenditure incurred to raise funds for the charity and includes the costs of all non charitable trading activities.

Charitable Activities – This comprises all expenditure incurred in undertaking activities that further the charitable aims for the benefit of the charity's beneficiaries, including support costs and costs relating to the governance of the charity.

Other expenditure – This comprises the costs of non primary purpose trading

Fund accounting

Unrestricted funds – These are funds which the trustees are free to spend on activities that further any of the purposes of the charity.

Restricted funds – These are funds, which the donor has specified are to be solely used for particular purposes or areas of the charity's work.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Equipment	20% straight line
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Freehold land (comprising the Aigas Community Forest) is stated at cost and is not depreciated.

Capitalisation policy re Equipment – Capital items costing less than £500 are not capitalised.

Depreciation is not provided on assets which are under construction at the year end. This applies to Fencing additions incurred during the years ended 28th February 2020, 2021 and 2022 and carried forward at 28th February 2022.

Debtors and Creditors receivable/payable within one year

Debtors and creditors with no stated interest and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the SOFA.

Pension contributions

The company's contributions to defined pension contribution plans are charged to the Statement of Financial Activities in the period to which the contributions relate.

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.

AIGAS COMMUNITY FOREST

NOTES ON FINANCIAL STATEMENTS

28th February 2022

	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£	£	£	£
			2022			2021
4 Donations and Legacies						
General donations	85	-	85	50	-	50
	85	-	85	50	-	50
5 Income from charitable activities						
Timber sales	235,246	-	235,246	32,853	-	32,853
	235,246	-	235,246	32,853	-	32,853
6 Income from other trading activities						
Firewood and other processed wood sales	12,617	-	12,617	2,046	-	2,046
	12,617	-	12,617	2,046	-	2,046
7 Investment Income						
Telecommunications mast income	10,535	-	10,535	10,535	-	10,535
	10,535	-	10,535	10,535	-	10,535

AIGAS COMMUNITY FOREST

NOTES ON FINANCIAL STATEMENTS

28th February 2022

	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£	£	£	£
8 Expenditure on charitable activities						
Forest Manager's salary	7,249	-	7,249	11,961	-	11,961
Pension contributions	217	-	217	359	-	359
Travel and subsistence and other expenses	88	-	88	-	-	-
Telephone	109	-	109	147	-	147
Replanting	1,714	-	1,714	312	-	312
Felling and other forestry work	9,841	-	9,841	1,965	-	1,965
Habitat management	-	-	-	1,396	-	1,396
FSC certification	1,000	-	1,000	1,000	-	1,000
Safety inspection	-	-	-	-	-	-
Training	1,256	-	1,256	-	-	-
Repairs, maintenance, fuel and other consumables	4,637	-	4,637	2,372	-	2,372
Insurance	2,959	-	2,959	2,347	-	2,347
Website	102	-	102	85	-	85
Printing, postage and stationery	-	-	-	16	-	16
Subscriptions	142	-	142	214	-	214
Open day expenses	463	-	463	-	-	-
General expenses	33	-	33	109	-	109
Depreciation	13,390	2,316	15,706	7,138	2,991	10,129
Independent Examiner's fee	815	-	815	855	-	855
	<u>44,015</u>	<u>2,316</u>	<u>46,331</u>	<u>30,276</u>	<u>2,991</u>	<u>33,267</u>

AIGAS COMMUNITY FOREST
NOTES ON FINANCIAL STATEMENTS

28th February 2022

9 Employees

The average monthly number of employees during the year was 1 (2021 1).
No employee received emoluments of more than £60,000 during the year.

Employment costs:

	2022	2021
	£	£
Wages and salaries	7,249	11,961
Social Security costs	-	-
Pension contributions	217	359
	<u>7,466</u>	<u>11,320</u>

No trustee received any remuneration or benefits in kind during the year.
During the year, no trustees were reimbursed for travel expenses while acting as an agent of the charity.

10. Tangible fixed assets

	Freehold Land & Infrastructure	Equipment	Fencing	Total
	£	£	£	£
Cost				
At 1st February 2021	769,396	50,646	29,523	849,565
Additions	-	33,938	12,129	46,067
	<u>769,396</u>	<u>84,584</u>	<u>41,652</u>	<u>895,632</u>
Depreciation				
At 1st February 2021	-	31,657	-	31,657
Charge for the year	-	15,706	-	15,706
	<u>-</u>	<u>47,363</u>	<u>-</u>	<u>47,363</u>
Net book values				
At 31st January 2022	<u>769,396</u>	<u>37,222</u>	<u>41,652</u>	<u>848,269</u>
At 31st January 2021	<u>769,396</u>	<u>18,989</u>	<u>29,523</u>	<u>817,908</u>

All fixed assets are used in direct furtherance of the charity objectives.

NOTES ON FINANCIAL STATEMENTS

28th February 2022

11 Debtors

	2022	2021
	£	£
Trade debtors	34,947	1,085
	<u>34,947</u>	<u>1,085</u>

12 Creditors

	2022	2021
	£	£
Amounts falling due within one year		
Other creditors	40	40
Accruals	840	840
VAT payable	7,102	388
	<u>7,982</u>	<u>1,268</u>

13 Analysis of Net Assets/(Liabilities) between Funds

Statement at 28th February 2022

	Unrestricted	Restricted	Total
	£	£	£
Fixed Assets	81,185	767,084	848,269
Current Assets	364,965	-	364,965
Current Liabilities	(7,982)	-	(7,982)
Net assets at 28th February 2022	<u>438,168</u>	<u>767,084</u>	<u>1,205,252</u>

Comparative statement at 28th February 2021

	Unrestricted	Restricted	Total
	£	£	£
Fixed Assets	48,508	769,400	817,908
Current Assets	176,460	-	176,460
Current Liabilities	(1,268)	-	(1,268)
Net assets at 28th February 2021	<u>223,700</u>	<u>769,400</u>	<u>993,100</u>

AIGAS COMMUNITY FOREST

NOTES ON FINANCIAL STATEMENTS

28th February 2022

14 Movements in Funds

Statement for year ended 28th February 2022

	Balance b/f at 1st March 2021 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance c/f at 28th February 2022 £
Unrestricted Funds	223,700	258,483	(44,015)	-	438,168
Restricted Funds					
Forest purchase fund	765,000	-	-	-	765,000
Firewood Processor and assoc. training fund	2,016	-	(2,016)	-	-
Forest Signs fund	300	-	(300)	-	-
CWA Trail Development fund	2,084	-	-	-	2,084
	769,400	-	(2,316)	-	767,084
Total Funds	993,100	258,483	(46,331)	-	1,205,252

Comparative statement for year ended 28th February 2022

	Balance b/f at 1st March 2020 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance c/f at 28th February 2021 £
Unrestricted Funds	208,492	45,484	(30,276)	-	223,700
Restricted Funds					
Forest purchase fund	765,000	-	-	-	765,000
Firewood Processor and assoc. training fund	4,707	-	(2,691)	-	2,016
Forest Signs fund	600	-	(300)	-	300
CWA Trail Development fund	2,084	-	-	-	2,084
	772,391	-	(2,991)	-	769,400
Total Funds	980,883	45,484	(33,267)	-	993,100

Purposes of Restricted Funds

Forest purchase fund

During the years ended 28th February 2014 and 2015, the company received funding of £765,000 towards the purchase (including legal costs) of Aigas forest. This comprised; grants from: Scottish Land Fund, £690,000; the Aigas Trust, £50,000; Scottish and Southern Energy £20,000; and Highland Council Ward Discretionary grants £5,000. These funds were applied in full towards the forest acquisition, completed during 2015 at a cost of £767,312.

Firewood Processor and associated training fund

During the year ended 28th February 2017, Aigas Community Forest was awarded grants of £5,213 from SRDP and £9,972 from The Woodland Trust to fund the purchase of a firewood processor and to train volunteers in its use.

AIGAS COMMUNITY FOREST**NOTES ON FINANCIAL STATEMENTS****28th February 2022****14 Movements in Funds continued****Purposes of Restricted Funds cont'd****Forest Signs fund**

During the year ended 28th February 2018, Aigas Community Forest was awarded a grant of £1,500 from Highland Council (Ward Discretionary Fund) to purchase 'finger signs' for the forest path network.

CWA (Community Woodlands Association) Trail Development fund

During the year ended 28th February 2020, the CWA provided grant funding to cover the costs incurred by ACF to construct a new section of trail to add to the existing network.

15 Contingent Liability

As commented above, a grant was received during the year ended 28th February 2017 from SRDP of £5,213 towards the purchase of a firewood processor and to train volunteers in its use. This grant funding was dependent on reaching certain milestones and should these not be met, there was a possibility that part of the grant may be repayable. The obligations relating to the grant expired in late 2022.

16 Commitments

At Balance Sheet date, the charity had incurred c.£42k on a project to construct a fence round the entire perimeter of the forest. Although not governed by a formal contract, the trustees estimate that the total cost of the fence as currently planned will be c.£70k, with c.£28k remaining to be incurred at balance sheet date. The fence is expected to be completed in Spring 2023.