

Charity Number: SC046134
Company number: SC501083

Glengarry Community Woodlands

Directors' Report and Financial Statements

Year ended 31 March 2019

Glengarry Community Woodlands

Contents of the Financial Statements *for the year ended 31 March 2019*

| | Page |
|------------------------------------|--------|
| Report of the Directors | 1 - 4 |
| Report of the Independent Examiner | 5 |
| Statement of Financial Activities | 6 |
| Balance Sheet | 7 |
| Notes to the Financial Statements | 8 – 14 |

Glengarry Community Woodlands

Report of the Directors for the year ended 31 March 2019

The Directors are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2019.

Legal and Administrative Information

Charity name Glengarry Community Woodlands

Charity number SC046134

Company number SC501083

Registered Office The Old Forestry Depot
Glengarry Community Woodlands
Invergarry
PH35 4HG

Operational Address As above

Directors S Coy
D G R Cross
M Davies
C A Grant
C C Menzies
J K Z Rodgers
T Rodgers

Company Secretary None

Accountants T P Wright
Chartered Accountant
396 Elphin, By Lairg
Sutherland, IV27 4HH

Bankers The Co-operative Bank plc
1 Balloon Street
Manchester, M60 4EP

Glengarry Community Woodlands

Report of the Directors for the year ended 31 March 2019

Structure, governance and management

Glengarry Community Woodlands is a company limited by guarantee and not having a share capital, governed by its Memorandum and Articles of Association incorporated on 20th March 2015, and is registered as a charity with the Office of the Scottish Charity Regulator. In the event of the company being wound up, members are required to contribute a sum not exceeding £1.00p.

The management of the company is the responsibility of the trustees (referred to in this report and the financial statements as the directors) who are elected and co opted under the terms of the Memorandum and Articles of Association. New directors are elected annually at the AGM by vote in person or by proxy.

The company is a membership organisation and the members are responsible for electing the Board of Directors which meets on a regular basis to consider the strategic decisions. The implementation is then delegated to employees.

Aims, Objectives and Activities

The company's objects are:

1. To manage community land and associated assets for the benefit of the Community and the public in general.
2. To provide, or assist in providing, recreational facilities, and/or organising recreational activities, which will be available to members of the Community and public at large with the object of improving the conditions of life of the Community.
3. To advance community development, including urban or rural regeneration within the Community.
4. To advance the education of the Community about its environment, culture, heritage and/or history.
5. To advance environmental protection or improvement including preservation, sustainable development and conservation of the natural environment, the maintenance, improvement or provision of environmental amenities for the Community and/or the preservation of buildings or sites of architectural, historic or other importance to the Community.

Achievements and Performance

During the reporting year April 2018 - March 2019 Glengarry Community Woodlands have continued to make progress in the delivery of its objectives. During these 12 months we have seen a substantial growth in the activities that GCW is now involved with. This has been demonstrated by the increase in financial activity since last year.

The period covered by this report has proved very challenging from an economic perspective. During the financial year that this report covers, we carried out the first phase timber harvesting as set out in our forest plan. While the operation was successful in almost all respects, it did not raise the maximum revenue that was hoped for due to a range of factors, not least the cost of building infrastructure to export the timber from site.

This has meant a lot of financial uncertainty, and a significant amount of time spent trying to raise funds and keep the project going.

Glengarry Community Woodlands

Report of the Directors for the year ended 31 March 2019

We are pleased to say however that towards the end of the year, the situation improved considerably and we are now in the position of having a huge amount to get on with.

Securing a sustainable source of funding remains the top priority for our project. To continue without a self-generated revenue source would jeopardise the ability to deliver many of our projects, and we would struggle to manage the woodland appropriately.

We are therefore pleased to have been able to progress with our plan for a tourism based social enterprise at the woodland. This follows in the original spirit of the community's aims when purchasing of the woodland; namely to use the woodland's remarkable location to generate revenue from tourism. In February this year, we engaged a consultancy firm from Perthshire to help us take this forward and in the last 6 months made significant progress towards establishing a small cabin business in the woodlands. This, we hope, will create new employment and crucially put us in a much more financially secure position to allow us to sustain what we are already delivering. We should then be able to use this position to realise more of our goals such as foot path development.

During the reporting period, the breadth of our work has also expanded significantly. We are now assessing the opportunities for purchasing two additional areas of land for the community. The first, Drynachan 2, is further ahead, and has a completed feasibility study which is now public. We have had a good amount of feedback from the community about how they want us to proceed.

The second, Ardochy forest is less advanced, but unlike Drynachan, it was an unexpected opportunity which arose which we felt obliged to investigate of on behalf of the community. We have been successful in securing funding to look at using part of the site for woodland crofts, and small number of house building plots. To achieve this, we have partnered with Highlands Small Communities Housing Trust and the Woodland Croft Partnership.

We are also investigating the viability of the Allt a' Bhora burn which runs down through Ardochy Forest for a community owned hydro scheme, and we have recently secured funds from Local Energy Scotland to explore this further.

As well as these larger scale developments, we have continued to open the woodland up to the community and encourage people to use it and get involved. We have had another very successful year of running forest school and have started a new club for older children. We continue to run family events, put out a quarterly newsletter, and keep the woodland open for local groups to use – this year we have visits from local playgroups 6 times.

In the winter last year we started processing firewood, having raised some small grants for an upright log splitter. A few months later we won a competition organised by Falck Renewables (operators of the Millennium Windfarm), and we're now the proud owners of a 1968 MF 135 which powers a new bench saw for firewood production. As a result we're now successfully selling a modest amount of firewood to the locality and have moved towards being financially self-sustainable.

Future Plans

The top priority for Glengarry Community woodlands in the forthcoming year remains to secure a sustainable source of income from the woodland by establishing a tourism based social enterprise, to continue to engage the community with the woodland by running events and clubs for local children, and to continue assessing new areas of development on behalf of the community in Glengarry.

Glengarry Community Woodlands

Report of the Directors for the year ended 31 March 2019

Financial review

The results for the year are set out in the following financial statements.

Substantial unrestricted reserves are necessary for management of cash flow and the charity continues to endeavour to attain a level of reserves that would permit at least three months' expenditure to be met.

Directors' responsibilities in relation to the financial statements

Company law requires the Directors to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and its surplus or deficit for the financial year. In doing so the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make sound 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 charity will continue in business

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

This report was approved by the Board and signed on its behalf by

C A Grant
Director

Date: 16 November 2019

Glengarry Community Woodlands

Report of the Independent Examiners to the Trustees *for the year ended 31 March 2019*

I report on the accounts of the charity for the year ended 31 March 2019 which are set out on pages 6 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. The charity trustees consider that the audit requirement of Regulation 10(1) (a-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 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 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 Regulationshave 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.

Name T P Wright
Qualification Chartered accountant
Address 396 Elphin, By Lairg, IV27 4HH
Date 16 November 2019

Glengarry Community Woodlands

Statement of financial activities

Year ended 31 March 2019

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total 2019 £ | Total 2018 £ |
|---|-----------|----------------------------|--------------------------|--------------------|--------------------|
| Income and endowments from: | | | | | |
| Donations and legacies | | 928 | - | 928 | 1,235 |
| Charitable activities | | - | 32,621 | 32,621 | 44,502 |
| Other trading activities | | 24,701 | - | 24,701 | 981 |
| Total incoming resources | 2 | 25,629 | 32,621 | 58,250 | 46,718 |
| Resources expended: | | | | | |
| Charitable activities | | 10,696 | 28,404 | 39,100 | 39,572 |
| Total resources expended | 3 | 10,696 | 28,404 | 39,100 | 39,572 |
| Net incoming/outgoing resources before transfers | | 14,933 | 4,217 | 19,150 | 7,146 |
| Transfers | - | - | - | - | - |
| Net movement in funds after transfers | | 14,933 | 4,217 | 19,150 | 7,146 |
| Total funds brought forward | 10 | 2,688 | 220,833 | 223,521 | 216,375 |
| Total funds carried forward | 10 | 17,621 | 225,050 | 242,671 | 223,521 |

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The notes form part of these financial statements.

Glengarry Community Woodlands

Balance sheet

As at 31 March 2019

| | Notes | £ | 2019 £ | £ | 2018 £ |
|---|-------|---------------|----------------|---------------|----------------|
| Fixed Assets | | | | | |
| Tangible assets | 6 | | 201,000 | | 200,000 |
| Investments | 7 | | 1 | | 1 |
| | | | <u>201,001</u> | | <u>200,001</u> |
| Current assets | | | | | |
| Debtors | 8 | 22,180 | | 1,342 | |
| Cash at bank and in hand | | 21,714 | | 25,375 | |
| | | <u>43,894</u> | | <u>26,717</u> | |
| Creditors: falling due within one year | 9 | 2,224 | | 3,197 | |
| Net Current Assets | | | 41,670 | | 23,520 |
| Total Net Assets | | | <u>242,671</u> | | <u>223,521</u> |
| Represented by: | | | | | |
| Restricted income funds | | | 225,050 | | 220,833 |
| Unrestricted income funds | | | 17,621 | | 2,688 |
| Total funds | 10 | | <u>242,671</u> | | <u>223,521</u> |

The directors are satisfied that the company is entitled to exemption under Section 477 of the Companies Act 2006 and that no member or members have requested an audit pursuant to Section 476 of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with Sections 386 and 387 of the Companies Act 2006; and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its income and expenditure for each 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 accounts, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board and signed on its behalf 16 November 2019

J K Z Rodgers
Director

Company registration number SC501083

Glengarry Community Woodlands

Notes to the financial statements

Year ended 31 March 2019

1 Accounting policies

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 (FRS102) (effective 1 January 2015) - Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Donations

Donations received are recorded at the time the charity becomes entitled to the resource.

Membership fees

Membership fees received are recorded at the time of receipt.

Grants

Grants received are included in incoming resources when they are receivable, except when conditions attached to such grants have not yet been fulfilled, when the income is deferred. Grants of a capital nature are treated as a restricted fund and released to the unrestricted funds over the life of the asset.

Expenditure

Expenditure is included on the accruals basis and recognised when there is a legal or constructive obligation to pay.

Fund accounting

Restricted funds: funds held which are restricted for use for specific purposes.

Unrestricted funds: funds which the trustees are free to use, in accordance with the charitable objects.

Designated funds: funds which the trustees set aside for a specific purpose.

Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

| | | |
|---------------|---|-----------------------|
| Forestry land | - | not depreciated |
| Equipment | - | 3 years straight line |

Pensions

The charity operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable, in accordance with the rules of the scheme.

Taxation

The Association is a charity for tax purposes and relief given under S.505 Income and Corporation Taxes Act 1988.

Glengarry Community Woodlands

Notes to the financial statements

Year ended 31 March 2019

2 Incoming resources

| | Unrestricted Funds £ | Restricted Funds £ | Total 2019 £ | Total 2018 £ |
|--|----------------------------|--------------------------|----------------------|----------------------|
| <i>Donations and legacies</i> | | | | |
| Donations | 928 | - | 928 | 1,235 |
| | <u>928</u> | <u>-</u> | <u>928</u> | <u>1,235</u> |
| <i>Charitable activities</i> | | | | |
| The Robertson Trust | - | - | - | 5,000 |
| Forestry Commission | - | - | - | 2,517 |
| Heritage Lottery Fund | - | - | - | 9,900 |
| HIE | - | 10,318 | 10,318 | 22,373 |
| HIE - Euroforest technical assistance | - | 3,000 | 3,000 | - |
| The Highland Council | - | - | - | 2,000 |
| Greggs | - | - | - | 1,950 |
| Scottish Government | - | - | - | 762 |
| The Glengarry Trust | - | 17,473 | 17,473 | - |
| LEADER | - | 1,830 | 1,830 | - |
| | <u>-</u> | <u>32,621</u> | <u>32,621</u> | <u>44,502</u> |
| | | Note 11 | | |
| <i>Other trading activities</i> | | | | |
| Sale of timber | 21,444 | - | 21,444 | 420 |
| Rental income | 600 | - | 600 | 450 |
| Miscellaneous income | 2,657 | - | 2,657 | 111 |
| | <u>24,701</u> | <u>-</u> | <u>24,701</u> | <u>981</u> |
| Total income | <u><u>25,629</u></u> | <u><u>32,621</u></u> | <u><u>58,250</u></u> | <u><u>46,718</u></u> |

Glengarry Community Woodlands

Notes to the financial statements

Year ended 31 March 2019

3 Resources expended

| | Unrestricted Funds £ | Restricted Funds £ | Total 2019 £ | Total 2018 £ |
|--|----------------------------|--------------------------|----------------------|----------------------|
| Charitable activities | | | | |
| Wages and salaries | 9,702 | 15,074 | 24,776 | 23,702 |
| Pension costs | 56 | 633 | 689 | 613 |
| Event costs | - | - | - | 1,125 |
| Tools and consumables | - | 810 | 810 | 2,001 |
| Craft materials | - | - | - | 319 |
| Consultancy | - | - | - | 702 |
| Technical assistance | - | 3,000 | 3,000 | - |
| Sessional work | - | 4,241 | 4,241 | 4,829 |
| Office and travel expenses | 302 | 396 | 698 | 636 |
| Insurance | - | 902 | 902 | 895 |
| Electricity | - | 344 | 344 | 244 |
| Telephone | - | 454 | 454 | 550 |
| Training costs | - | - | - | 1,817 |
| Web and internet | - | 399 | 399 | - |
| Sundry expenses | 520 | 265 | 785 | 236 |
| Depreciation | - | 500 | 500 | - |
| | <u>10,580</u> | <u>27,018</u> | <u>37,598</u> | <u>37,669</u> |
| Support costs | | | | |
| Accountancy and examination fees | 80 | 500 | 580 | 420 |
| Book-keeping and payroll | - | 886 | 886 | - |
| Legal and professional fees | - | - | - | 1,483 |
| Directors' meeting and travel expenses | 36 | - | 36 | - |
| | <u>116</u> | <u>1,386</u> | <u>1,502</u> | <u>1,903</u> |
| Total expenditure | <u><u>10,696</u></u> | <u><u>28,404</u></u> | <u><u>39,100</u></u> | <u><u>39,572</u></u> |

Glengarry Community Woodlands

Notes to the financial statements

Year ended 31 March 2019

4 Staff costs and emoluments

| | 2019 £ | 2018 £ |
|--------------------|---------------|---------------|
| Wages and salaries | 24,776 | 23,702 |
| Pension costs | 689 | 613 |
| | <u>25,465</u> | <u>24,315</u> |

Particulars of employees

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

| | 2019 | 2018 |
|----------------------|----------|----------|
| Directors / trustees | 7 | 6 |
| Staff | 1 | 1 |
| | <u>8</u> | <u>7</u> |

No employee received emoluments of more than £60,000 in the year (2018 - Nil).

5 Directors remuneration and expenses

Remuneration of £1,234 was paid to trustees in respect of (non-directorial) services provided. None of the directors (or any persons connected with them) received any remuneration for being a director during the year (2018 - nil). Total directors' and meeting expenses amounting to £36 were paid (2018 - £nil).

6 Tangible fixed assets

| | Forestry land £ | Equipment £ | Total £ |
|-----------------------|-----------------------|----------------|----------------|
| Cost | | | |
| At 1 April 2018 | 200,000 | - | 200,000 |
| Additions | - | 1,500 | 1,500 |
| At 31 March 2019 | <u>200,000</u> | <u>1,500</u> | <u>201,500</u> |
| Depreciation | | | |
| At 1 April 2018 | - | - | - |
| Charge for year | - | 500 | 500 |
| At 31 March 2019 | <u>-</u> | <u>500</u> | <u>500</u> |
| Net Book Value | | | |
| At 31 March 2019 | <u>200,000</u> | <u>1,000</u> | <u>201,000</u> |
| At 31 March 2018 | <u>200,000</u> | <u>-</u> | <u>200,000</u> |

Glengarry Community Woodlands

Notes to the financial statements

Year ended 31 March 2019

7 Investments

Unlisted investments (unrestricted fund)

| | 2019 | 2018 |
|---------------------------------------|----------|----------|
| <i>Historic cost and market value</i> | £ | £ |
| At 1 April | 1 | 1 |
| At 31 March | <u>1</u> | <u>1</u> |

The investment comprises a 100% shareholding in GCW Trading Limited, a private limited company established as a trading subsidiary. The company continued to be dormant during the year. (There is a substantial amount due from the company, shown within debtors, note 8, below, which arose as a result of funds belonging to the charity accidentally being paid into the wrong bank account, corrected after the year end).

8 Debtors: falling due within one year

| | 2019 | 2018 |
|-----------------------------------|---------------|--------------|
| | £ | £ |
| Sundry debtors and prepayments | 1,830 | 1,342 |
| Amount owed by subsidiary company | 20,350 | - |
| | <u>22,180</u> | <u>1,342</u> |

9 Creditors: falling due within one year

| | 2019 | 2018 |
|-------------------------------|--------------|--------------|
| | £ | £ |
| Sundry creditors and accruals | 2,224 | 3,197 |
| | <u>2,224</u> | <u>3,197</u> |

Glengarry Community Woodlands

Notes to the financial statements

Year ended 31 March 2019

10 Reserves

| | At 01/04/18 | Income | Expenditure | Transfers | At 31/03/19 |
|---------------------------------------|-----------------------|----------------------|------------------------|-----------------|-----------------------|
| | £ | £ | £ | £ | £ |
| Restricted funds | | | | | |
| Training fund | 1,940 | - | - | - | 1,940 |
| Community Engagement Fund | 16,943 | - | (11,649) | - | 5,294 |
| Greggs Fund | 1,950 | - | - | - | 1,950 |
| HIE | - | 10,318 | (10,318) | - | - |
| HIE - Euroforest technical assistance | - | 3,000 | (3,000) | - | - |
| The Glengarry Trust | - | 17,473 | (2,607) | - | 14,866 |
| Asset based | | | | | |
| Forestry Land | 200,000 | - | - | - | 200,000 |
| LEADER | - | 1,830 | (830) | - | 1,000 |
| | <u>220,833</u> | <u>32,621</u> | <u>(28,404)</u> | <u>-</u> | <u>225,050</u> |
| Unrestricted funds | | | | | |
| Accumulated unrestricted fund | 2,688 | 25,629 | (10,696) | - | 17,621 |
| | <u>2,688</u> | <u>25,629</u> | <u>(10,696)</u> | <u>-</u> | <u>17,621</u> |
| Total reserves | <u><u>223,521</u></u> | <u><u>58,250</u></u> | <u><u>(39,100)</u></u> | <u><u>-</u></u> | <u><u>242,671</u></u> |

Represented by:

| | Unrestricted Funds | Restricted Funds | Total 2019 | Total 2018 |
|--|-----------------------|-----------------------|-----------------------|----------------------|
| | £ | £ | £ | £ |
| Fixed assets | - | 201,000 | 201,000 | 738 |
| Investments | 1 | - | 1 | 100 |
| Current assets | 18,120 | 25,774 | 43,894 | 33,354 |
| Creditors: falling due within one year | (500) | (1,724) | (2,224) | (4,836) |
| Total funds | <u><u>17,621</u></u> | <u><u>225,050</u></u> | <u><u>242,671</u></u> | <u><u>29,356</u></u> |

Glengarry Community Woodlands

Notes to the financial statements

Year ended 31 March 2019

11 Analysis of Restricted Funds income received, by project and funder

The charity is grateful to acknowledge income received from its supporters as follows:

| | Income in year £ | Fund balance £ |
|---|------------------------|----------------------|
| Training fund A fund for staff and volunteer training costs. | - | 1,940 |
| Community Engagement Fund An amalgamation of grants received from The Robertson Trust, The Forestry Commission and The Heritage Lottery Fund to fund activities that help to engage the community with the woodland. | - | 5,294 |
| Greggs Fund A grant towards working with volunteers. | - | 1,950 |
| HIE Post acquisition technical assistance with managing the forest and revenue funding to support the Development Officer's post. | 10,318 | - |
| HIE - Euroforest technical assistance Technical assistance for the design and construction of a T-shaped turnaround for timber lorries, and section of forest road. | 3,000 | - |
| The Glengarry Trust From 1st January 2019 this fund part-supports the Development Officer's post, community engagement activities, and all of the organisations revenue costs. | 17,473 | 14,866 |
| Forestry Land The Scottish Land Fund provided 95% of the purchase cost of the forest and additional support towards CDO salary, fencing and site refurbishment etc | - | 200,000 |
| LEADER A grant to purchase a log splitter and related consumables. | 1,830 | 1,000 |
| Total | <u>32,621</u> | <u>225,050</u> |

12 Ultimate controlling party

Glengarry Community Woodlands is a company limited by guarantee. The liability of members is limited and is not to exceed £1. The ultimate controlling party is therefore considered to be the board of trustees.