

REGISTERED COMPANY NUMBER: SC188799 (Scotland)
REGISTERED CHARITY NUMBER: SC028220

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
FOR
BIRSE COMMUNITY TRUST



CHARTERED ACCOUNTANTS

4 West Craibstone Street Bon-Accord Square Aberdeen AB11 6YL
Telephone 01224 590227 Facsimile 01224 575409
e-mail: aberdeen@bainhenryreid.co.uk

also at Peterhead, Turriff and Ellon



BIRSE COMMUNITY TRUST

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Page
Report of the Trustees	1 to 5
Independent Examiner's Report	6
Statement of Financial Activities	7
Balance Sheet	8 to 9
Notes to the Financial Statements	10 to 19
Detailed Statement of Financial Activities	20 to 21

BIRSE COMMUNITY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2015

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 charity for the year ended 31 December 2015. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objects and Principal Activities

The Trust has been established as a charitable organisation and community enterprise to benefit the community within the Parish of Birse, Aberdeenshire and its objects include:

- i) to protect, conserve, regenerate and promote, for the benefit of the public, the restoration of the native woodlands, including their flora and fauna, and other assets in the Parish of Birse, Aberdeenshire, as an important part of Scotland's natural environment; and
- ii) to promote the benefit of the inhabitants of the said Parish and its environs and members of the public generally, without distinction of political, religious or other opinions by associating with the local authorities, voluntary organisations and said inhabitants in a common effort to provide, or assist in the provision of facilities in the interests of social welfare for the recreation and leisure-time occupations with the object of improving the conditions of life for the said inhabitants.

ACHIEVEMENT AND PERFORMANCE

Review of activities

During 2015, Birse Community Trust (BCT) carried out a range of activities to promote the common good of the local community in Birse parish and ended the year in a reasonably sound financial position.

The Trust was set up in 1998 and 2015 was its seventeenth year of operation. BCT's main activities since it started, have been the management of land and buildings and the implementation of other projects to promote the local common good. BCT manages twelve sites in Birse parish on behalf of the community, including a number of important local buildings and nearly 1,000 hectares of woodland in three forests.

In 2015, BCT carried out the third year of its planting programme in the Forest of Birse Community, to re-establish native pinewood in the part of the Community Pinewoods destroyed by the major wildfire in 2003. There were also further improvements in Balfour and Slewdrum Forests, which are leased by BCT to its wholly owned subsidiary, the Birse Trading Company.

BCT's management of its other sites included further repairs at the Sawmill and Bucket Mill and the annual maintenance of Finzean Community Woodlands and Community Path. Amongst other activities, BCT carried out several natural and cultural projects, and hosted a number of local meetings, including the Birse Parish Liaison Group and the Birse Parish Deer Management Group.

BIRSE COMMUNITY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2015

ACHIEVEMENT AND PERFORMANCE

Management

The Board of Trustees is responsible for the management of BCT. During 2015, the Trustees held ten formal Board Meetings and BCT's AGM on 12th May with 44 members present. The Trustees also met on other occasions to discuss a number of topics, and went on site visits to the properties managed by BCT. Individual Trustees also participated in a number of BCT's other local meetings during the year.

The operation of BCT requires a significant amount of administration each year, given the range of its activities and the requirements of managing a charitable company. During 2015, BCT continued to make a number of improvements to its administration.

BCT's achievements during 2015 have only been possible due to the goodwill, help and support of many people. The Trustees are very grateful to all of them.

FINANCIAL REVIEW

During 2015, the Trust generated an income of £31,999 and with expenditure for the year amounting to £42,230, there were net outgoing resources of £10,231 (2014 - net outgoing resources of £3,566). Full details are as shown in the Statement of Financial Activities.

The capital invested in BCT's Endowment Fund remained at £75,000 in 2015 and no interest was received during the year. The Trustees invested £50,000 of the Fund in a one year investment account to improve the level of interest obtained in future.

The Trustees consider that the Trust is in a reasonably sound financial position and with prudent budgeting will be able to meet its commitments during 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Birse Community Trust is a company limited by guarantee (company number SC188799) and is a recognised charity in Scotland (charity number SC28220). The charitable company is governed by its Memorandum and Articles of Association.

BIRSE COMMUNITY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

As set out in the Articles of Association, the Chairman is appointed by the Trustees who elect one of their own number. The Chairman will, unless the Trustees resolve otherwise, hold office for a period of three years and will be eligible for immediate re-election.

Each year the ordinary members of the Trust may elect up to seven Trustees. Each year, one such Trustee will also retire, unless there is an existing vacancy for a Trustee immediately prior to the AGM. A retiring Trustee shall be eligible for re-election after one term of office, but no Trustee can serve more than two consecutive terms without at least one year out of office before becoming re-eligible. The Trustees can co-opt up to two additional Trustees, if they consider it necessary. As set out in the Articles of Association there shall not be less than three, nor more than nine, Trustees serving at one time.

Trustees are recruited from the membership. An appeal for interested parties is made with the Notice of the Trust's Annual General Meeting, which is distributed to all members prior to the Annual General Meeting. Potential appointees must complete an application form indicating their willingness to stand and be nominated by two other local members. The completed forms have to be delivered to BCT's Registered Office fourteen days before the AGM. If the number of nominations at an AGM is no more than the number of vacancies, the nominated person is elected unopposed.

The successful Trustee will receive a letter of congratulation shortly after the AGM which requests them to complete a number of pro-formas, including a Director's Form, a Register of Interest and a brief Biographical Statement for the records. The new member will then receive a Trustee Induction Pack containing essential background information and copies of BCT's management documents.

When Trustees are elected, they are usually taken on a tour of the sites which BCT manages as part of a wider induction to help them settle into their new role. Regular (generally monthly) Trustee Board meetings are held and these, together with presentations and site visits, are seen as an ongoing process of gaining skills to ensure the Board of Trustees remains effective in the discharge of their duties.

The Trustees and their interests

The charitable company is controlled by the Board of Trustees. There is a management team who supervise the day to day operations of the Trust. The Trust is commonly referred to locally as BCT.

The company has no share capital or debentures.

Risk management

The Trustees have examined major strategic, business and operational risks which the Trust faces and confirm that controls have been established so that the necessary steps are taken to manage these risks. The objective is to ensure that:

- the identification, assessment and mitigation of risk is linked to the achievement of BCT's operational objectives;
- the process seeks to produce a risk exposure profile that reflects the Trustees' views as to levels of acceptable risk;
- the principal results of risk identification, evaluation and management are reviewed and implemented;
- risk management is ongoing and embedded in operational procedures.

In the day to day operation of BCT, Trustees have delegated elements of the risk management process to Project Managers, based on the premise that the identification of risks is best done by involving those with a detailed knowledge of the organisation's workings.

BIRSE COMMUNITY TRUST

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2015**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
SC188799 (Scotland)

Registered Charity number
SC028220

Registered office
51 Atholl Road
PITLOCHRY
Perthshire
PH16 5BU

Trustees
D J Boyle
J S Kitching
J H Mcleod
A Strutter
J F Hector - co-opted 26/5/15
M R A White - appointed 12/5/15

Company Secretary
J & H Mitchell WS

Independent examiner
Karen E Gardiner
Member of The Institute of Chartered Accountants
of Scotland
Bain Henry Reid
4 West Craibstone Street
Bon-Accord Square
ABERDEEN
AB11 6YL

Bankers
Clydesdale Bank Plc
Ballater Rd
ABOYNE
Aberdeenshire
AB34 5LT

Solicitors
J & H Mitchell WS
51 Atholl Road
Pitlochry
Perthshire
PH16 5BU

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

BIRSE COMMUNITY TRUST

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2015**

Approved by order of the board of trustees on 7 April 2016 and signed on its behalf by:

.....

J H Mcleod - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF BIRSE COMMUNITY TRUST

I report on the accounts for the year ended 31 December 2015 set out on pages seven to nineteen.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's 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 the independent examiner's report

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 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:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
- to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare accounts which accord with the accounting records and to 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.

Karen E Gardiner
Member of The Institute of Chartered Accountants
of Scotland
Bain Henry Reid
4 West Craibstone Street
Bon-Accord Square
ABERDEEN
AB11 6YL

Date: 7 April 2016

BIRSE COMMUNITY TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	Unrestricted funds £	Restricted funds £	Endowment fund £	2015 Total funds £	2014 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	25,079	-	-	25,079	41,039
Other trading activities	3	<u>6,920</u>	<u>-</u>	<u>-</u>	<u>6,920</u>	<u>6,061</u>
Total		31,999	-	-	31,999	47,100
EXPENDITURE ON						
Raising funds	4	1,029	-	-	1,029	591
Charitable activities	5					
Management of property and projects		<u>40,336</u>	<u>865</u>	<u>-</u>	<u>41,201</u>	<u>50,075</u>
Total		41,365	865	-	42,230	50,666
NET INCOME/(EXPENDITURE)						
		(9,366)	(865)	-	(10,231)	(3,566)
Transfers between funds	15	<u>785</u>	<u>(785)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		(8,581)	(1,650)	-	(10,231)	(3,566)
RECONCILIATION OF FUNDS						
Total funds brought forward		125,389	490,166	75,000	690,555	694,121
TOTAL FUNDS CARRIED FORWARD		<u>116,808</u>	<u>488,516</u>	<u>75,000</u>	<u>680,324</u>	<u>690,555</u>

The notes form part of these financial statements

BIRSE COMMUNITY TRUST

**BALANCE SHEET
AT 31 DECEMBER 2015**

	Notes	Unrestricted funds £	Restricted funds £	Endowment fund £	2015 Total funds £	2014 Total funds £
FIXED ASSETS						
Tangible assets	11	80,227	487,011	-	567,238	568,206
Investments	12	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
		80,229	487,011	-	567,240	568,208
CURRENT ASSETS						
Stocks		3,518	-	-	3,518	2,985
Debtors	13	1,187	-	-	1,187	2,029
Cash at bank and in hand		<u>35,212</u>	<u>1,505</u>	<u>75,000</u>	<u>111,717</u>	<u>120,204</u>
		39,917	1,505	75,000	116,422	125,218
CREDITORS						
Amounts falling due within one year	14	(3,338)	-	-	(3,338)	(2,871)
NET CURRENT ASSETS						
		<u>36,579</u>	<u>1,505</u>	<u>75,000</u>	<u>113,084</u>	<u>122,347</u>
TOTAL ASSETS LESS CURRENT LIABILITIES						
		<u>116,808</u>	<u>488,516</u>	<u>75,000</u>	<u>680,324</u>	<u>690,555</u>
NET ASSETS						
		<u>116,808</u>	<u>488,516</u>	<u>75,000</u>	<u>680,324</u>	<u>690,555</u>
FUNDS						
Unrestricted funds	15				116,808	125,389
Restricted funds					488,516	490,166
Endowment funds					<u>75,000</u>	<u>75,000</u>
TOTAL FUNDS						
					<u>680,324</u>	<u>690,555</u>

The notes form part of these financial statements

BIRSE COMMUNITY TRUST

**BALANCE SHEET - CONTINUED
AT 31 DECEMBER 2015**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2015.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2015 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit 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 financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Trustees on 7 April 2016 and were signed on its behalf by:

.....
J H Mcleod -Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRSSE) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015)', the Financial Reporting Standard for Smaller Entities (effective January 2015), the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Preparation of consolidated financial statements

The financial statements contain information about Birse Community Trust as an individual charity and do not contain consolidated financial information as the parent of a group. The charity has taken the option under Section 398 of the Companies Act 2006 not to prepare consolidated financial statements.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided on assets at the following annual rates.

Freehold property	- 0.5% on cost
Fixtures and fittings	- 10% on reducing balance

Fixed assets costing £250 or more are capitalised at cost.

Land is not depreciated.

Slewdrum Forest and Balfour Forest are not depreciated. The Trustees consider that the removal of the timber by the trading company using the thinning method enhances the value of Slewdrum Forest and Balfour Forest and therefore to depreciate these properties would not give a true and fair valuation.

The Sawmill and Souter's shop are not depreciated as the Trustees are of the opinion to do so would not give a true and fair valuation.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The company is recognised by HM Revenue and Customs as a charity and as a consequence of the tax reliefs available in relation to current year income is not liable to taxation.

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted general funds

Unrestricted funds include incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds. These funds can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds

Under the SORP, designated funds are unrestricted funds earmarked by the Trustees for specific purposes or projects. The designated fixed asset fund of the Birse Community Trust represents the net book value of tangible fixed assets which have been acquired using unrestricted funds.

Restricted funds

Restricted funds can only be used for a particular restricted purpose within the objects of the Trust. Restrictions arise when specified by the grantor or donor, or when funds are raised for particular restricted purposes.

Endowment fund

The Endowment fund can comprise of donations received for the restricted purpose of investment in the Endowment fund and unrestricted donations received which the trustees do not consider necessary for the charity's immediate financial commitments. The endowment fund is to be held to support BCT's charitable objectives by providing BCT with greater financial stability to manage its financial commitments in the longer term.

Investments

Investments are stated at cost.

2. DONATIONS AND LEGACIES

	2015	2014
	£	£
Donations	25,079	9,056
Grants	<u>-</u>	<u>31,983</u>
	<u>25,079</u>	<u>41,039</u>

Grants received, included in the above, are as follows:

	2015	2014
	£	£
Scottish Government Rural Payments	-	15,633
Scotland Rural Development Programme	-	14,730
Land Managers Options	<u>-</u>	<u>1,620</u>
	<u>-</u>	<u>31,983</u>

BIRSE COMMUNITY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2015**

3. OTHER TRADING ACTIVITIES

	2015	2014
	£	£
Book sales	77	40
Gift aid recoverable	456	280
Other goods and services	1,902	1,256
Rental income	4,000	4,000
Memberships	<u>485</u>	<u>485</u>
	<u>6,920</u>	<u>6,061</u>

4. RAISING FUNDS

Other trading activities

	2015	2014
	£	£
Purchases	<u>1,029</u>	<u>591</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 6)	Support costs (See note 7)	Totals
	£	£	£
Management of property and projects	<u>38,215</u>	<u>2,986</u>	<u>41,201</u>

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2015	2014
	£	£
Land management	19,248	23,563
Insurance	3,701	3,735
Electricity	121	13
Buildings management	270	1,958
Postage, stationery and telephones	1,054	1,199
Heritage projects	864	833
Computer software	294	677
Community events	2,349	2,559
Administration/book-keeping	9,346	10,535
Depreciation	<u>968</u>	<u>990</u>
	<u>38,215</u>	<u>46,062</u>

BIRSE COMMUNITY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2015**

7. SUPPORT COSTS

	Governance costs
	£
Management of property and projects	<u>2,986</u>

Support costs, included in the above, are as follows:

	2015 Management of property and projects	2014 Total activities
	£	£
Independent examiners fee	2,000	2,000
Legal fees	<u>986</u>	<u>2,013</u>
	<u>2,986</u>	<u>4,013</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2015	2014
	£	£
Depreciation - owned assets	968	990
Independent examiners fee	<u>2,000</u>	<u>2,000</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2015 nor for the year ended 31 December 2014.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2015 nor for the year ended 31 December 2014.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	40,039	1,000	-	41,039
Other trading activities	<u>6,061</u>	-	-	<u>6,061</u>
Total	46,100	1,000	-	47,100

BIRSE COMMUNITY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2015**

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds £
EXPENDITURE ON				
Raising funds	591	-	-	591
Charitable activities				
Management of property and projects	<u>48,242</u>	<u>1,833</u>	<u>-</u>	<u>50,075</u>
Total	<u>48,833</u>	<u>1,833</u>	<u>-</u>	<u>50,666</u>
NET INCOME/(EXPENDITURE)				
	(2,733)	(833)	-	(3,566)
Transfers between funds	<u>785</u>	<u>(785)</u>	<u>-</u>	<u>-</u>
Net movement in funds	<u>(1,948)</u>	<u>(1,618)</u>	<u>-</u>	<u>(3,566)</u>
RECONCILIATION OF FUNDS				
Total funds brought forward	<u>127,337</u>	<u>491,784</u>	<u>75,000</u>	<u>694,121</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>125,389</u></u>	<u><u>490,166</u></u>	<u><u>75,000</u></u>	<u><u>690,555</u></u>

11. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 January 2015 and 31 December 2015	<u>593,551</u>	<u>5,220</u>	<u>598,771</u>
DEPRECIATION			
At 1 January 2015	27,180	3,385	30,565
Charge for year	<u>785</u>	<u>183</u>	<u>968</u>
At 31 December 2015	<u>27,965</u>	<u>3,568</u>	<u>31,533</u>
NET BOOK VALUE			
At 31 December 2015	<u>565,586</u>	<u>1,652</u>	<u>567,238</u>
At 31 December 2014	<u>566,371</u>	<u>1,835</u>	<u>568,206</u>

BIRSE COMMUNITY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2015**

11. TANGIBLE FIXED ASSETS - continued

Property	Basis of valuation	
Bucket Mill and Sawmill	Professional valuation performed by Savills Land & Property Limited on 21 June 1996	80,000
Soutar's Shop	Value assessed by the Trustees	2,000
Birse Church and Hall	Cost	102,051
Finzean Old School	Cost	55,000
Land at Sawmill	Cost	500
Slewdrum Forest	Cost	160,000
Balfour Forest	Cost	194,000
		<u>593,551</u>

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2015 and 31 December 2015	<u>2</u>
NET BOOK VALUE	
At 31 December 2015	<u>2</u>
At 31 December 2014	<u>2</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

BIRSE COMMUNITY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2015**

12. FIXED ASSET INVESTMENTS - continued

Birse Trading Company Limited

The company's principal activity is the lease and management of Slewdrum and Balfour Forests for the mutual benefit of the charity and the community. The charity's investment represents 100% of the issued share capital.

A summary of the trading results for the year ended 31 December are shown below:

	2015	2014
	£	£
Turnover	17,331	-
Other income	2,603	17,818
Cost of sales and administrative expenses	(41,442)	(20,654)
Donations to Birse Community Trust	<u>(23,000)</u>	<u>(6,000)</u>
Profit/(loss) for year	(44,508)	(8,836)
Reserves brought forward	<u>81,292</u>	<u>90,128</u>
Reserves carried forward	<u>36,784</u>	<u>81,292</u>

The assets and liabilities of the company at 31 December were:

	2015	2014
	£	£
Current assets	40,590	89,801
Creditors: amounts falling due within one year	<u>(3,804)</u>	<u>(8,507)</u>
Net assets	<u>36,786</u>	<u>81,294</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Trade debtors	86	360
Other debtors	<u>1,101</u>	<u>1,669</u>
	<u>1,187</u>	<u>2,029</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Bank loans and overdrafts	520	-
Trade creditors	(72)	(72)
Other creditors	<u>2,890</u>	<u>2,943</u>
	<u>3,338</u>	<u>2,871</u>

BIRSE COMMUNITY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2015**

15. MOVEMENT IN FUNDS

	At 1/1/15 £	Net movement in funds £	Transfers between funds £	At 31/12/15 £
Unrestricted funds				
General fund	44,979	(8,398)	-	36,581
Revaluation reserve	70,520	-	-	70,520
Designated fund	9,890	(968)	785	9,707
	<u>125,389</u>	<u>(9,366)</u>	<u>785</u>	<u>116,808</u>
Restricted funds				
Other funds	2,370	(865)	-	1,505
Property fund	487,796	-	(785)	487,011
	<u>490,166</u>	<u>(865)</u>	<u>(785)</u>	<u>488,516</u>
Endowment funds				
Endowment fund	75,000	-	-	75,000
	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>75,000</u>
TOTAL FUNDS	<u>690,555</u>	<u>(10,231)</u>	<u>-</u>	<u>680,324</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	31,999	(40,397)	(8,398)
Designated fund	-	(968)	(968)
	<u>31,999</u>	<u>(41,365)</u>	<u>(9,366)</u>
Restricted funds			
Other funds	-	(865)	(865)
	<u>-</u>	<u>(865)</u>	<u>(865)</u>
TOTAL FUNDS	<u>31,999</u>	<u>(42,230)</u>	<u>(10,231)</u>

15. MOVEMENT IN FUNDS - continued

Unrestricted funds

These represent funds available for the objects of the charity without further specified purpose.

Revaluation reserve

The transitional provisions of Financial Reporting Standard No 15: Tangible Fixed Assets were adopted upon implementation of that Standard. Therefore the revaluation reserve represents the revaluation surplus arising on the revaluation of the Bucker Mill, Sawmill and Soutar's shop less an amount equivalent to the aggregate depreciation on that revaluation surplus.

Designated fund

The designated fixed assets fund represents the net book value of tangible fixed assets, acquired using unrestricted funds. Each year an amount is transferred to or from the fund representing the movement in the net book value of those tangible fixed assets in the year.

Restricted funds

These represent funds where the grantor or donor has specified that the funds be used for particular restricted purposes, where funds are raised for particular restricted purposes or where the funds are managed jointly with third parties who have the legal right to restrict how the funds are applied.

The Property fund comprises the incoming resources received for the purposes of acquiring the Old School, Birse Church and Hall, land at the Sawmill, Slewdrum Forest and Balfour Wood.

Other restricted funds comprise of the project grants received for the purposes of acquiring Soutar's shop and Heritage conservation.

Endowment fund

The Endowment fund can comprise of donations received for the restricted purpose of investment in the Endowment fund and unrestricted donations received which the trustees do not consider necessary for the charity's immediate financial commitments. The endowment fund is to be held to support BCT's charitable objectives by providing BCT with greater financial stability to manage its financial commitments in the longer term.

16. CONTINGENT LIABILITIES

There is a potential contingent liability in respect of the grants received which was estimated as £55,918 at 31 December 2015 (2014: £55,918). These all arise from Forestry Commission Scotland Planting Grants and Scottish Government Deer Management Grants. If the conditions of these grants are not met these grants will become repayable.

17. OTHER FINANCIAL COMMITMENTS

The charitable company has an obligation to pay the following annual rentals, if requested by the land-owner:

	Annual rental
	£
Property	
Corsedardar	1
Finzean Community Woods	1
Knowes Wood, Drumhead Wood and Path	5
Finzean School Wood and Path	5

18. RELATED PARTY DISCLOSURES

During the year the charity received donations totalling £23,000 (2014: £6,000) from Birse Trading Company Limited, a wholly owned subsidiary of the charity.

A ten year lease agreement in respect of Slewdrum Forest with Birse Trading Company Limited commenced on the 1st of January 2013. During the year ended 31 December 2015 £2,000 (2014: £2,000) was receivable by the charity in respect of this lease agreement. A ten year lease agreement in respect of the Balfour Forest with Birse Trading Company Limited also commenced on the 1st of January 2013. During the year ended 31 December 2015 £2,000 (2014: £2,000) was receivable by the charity in respect of this lease agreement.

19. ULTIMATE CONTROLLING PARTY

Throughout the year the company was controlled by the Trustees.

20. LEGAL STATUS

Birse Community Trust is a company limited by guarantee and not having a share capital. The members' liability in the event of winding up is limited by guarantee not exceeding £1 per member.

BIRSE COMMUNITY TRUST**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	£	£
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	25,079	9,056
Grants	<u>-</u>	<u>31,983</u>
	25,079	41,039
Other trading activities		
Book sales	77	40
Gift aid recoverable	456	280
Other goods and services	1,902	1,256
Rental income	4,000	4,000
Memberships	<u>485</u>	<u>485</u>
	<u>6,920</u>	<u>6,061</u>
Total incoming resources	31,999	47,100
EXPENDITURE		
Expenditure		
Land management	19,248	23,563
Buildings management	270	1,958
Heritage projects	864	833
Other goods and services	<u>1,029</u>	<u>591</u>
	21,411	26,945
Overheads		
Independent examination	2,000	2,000
Legal and professional fees	986	2,013
Administration/book-keeping	9,346	10,536
Postage, stationery and telephones	1,054	1,199
Insurance	3,701	3,734
Electricity	121	13
Computer software	294	677
Community events	<u>2,349</u>	<u>2,559</u>
	19,851	22,731

This page does not form part of the statutory financial statements

BIRSE COMMUNITY TRUST

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	£	£
Depreciation		
Freehold property	785	785
Fixtures and fittings	<u>183</u>	<u>205</u>
	<u>968</u>	<u>990</u>
Total resources expended	42,230	50,666
	<u> </u>	<u> </u>
Net expenditure	<u>(10,231)</u>	<u>(3,566)</u>

This page does not form part of the statutory financial statements
