

**Birse Community Trust**  
Scottish Charity Number: SC028220

**Report and Financial Statements**

**for the year ended**

**31st December 2018**

# Birse Community Trust

Scottish Charity Number SC028220



## Report of the Directors

The directors, who are also the trustees of the charity for the purpose of Charity Law, submit their annual report and financial statements for the year ended 31st December 2018. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) 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 published on 16th July 2014.

### Objectives and 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 objectives 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 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.

### Achievements and performance

Birse Community Trust (BCT) ended its twentieth year of operation in sound financial position. The Trust completed a variety of activities and projects in 2018 in order to promote the common good of the people of Birse Parish.

The main sources of income were a £20,000 donation from BTCo and rental income from the forests and the telephone mast of £11,000.

The main items of expenditure in 2018 were the management of the Community (£6,845), the repair of the water mill and weir (£5,871), maintaining the building and paths (£8,654) and the cost of administering the Trust (insurance, accounts and general running costs, etc - £17,317). The Trustees continue to be focused on keeping its administration costs as low as possible.

### Management

The board of 8 Trustees (seven elected and one co-opted) is responsible for the management of the Trust. There are 3 part-time contractors who support the administration of the Trust (a manager, an office manager and a book-keeper) as well as 10 local contractors supporting the 14 sites that the trust owns or manages. During 2018 the Trustees held 10 board meetings and an AGM which was attended by 48 people (2017 – 26 people). There are currently 437 members of the Trust, and around 70% of the individuals living in Birse Parish. In addition to this the Trust has continued to engage with its main stakeholders (particularly the Community bodies and also the Estates).

# Birse Community Trust

Scottish Charity Number SC028220



## Report of the Directors (continued)

### Financial review

During 2018, the Trust generated an income of £38,914 (including the £20,000 donation from BTCo) and with expenditure for the year amounting to £39,756, there was net expenditure of £842 (2017 – net income of £45,989). Full details are shown in the statement of Financial Activities.

The capital invested in the Endowment Fund increased to £116,860. Interest of £637 (2017: £500) was received during the year.

The Trustees consider that the trust is in a sound financial position. It has a planned budget for 2019 which will enable it to meet all commitments. The Trustees will continue to regularly monitor the budget throughout the year.

### Structure, governance and management

Birse Community Trust is a company limited by guarantee (company number SC188799) and is a recognised charity in Scotland (charity number SC028220). The charitable company is governed by its Memorandum and Articles of Association.

### 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.



**Report of the Directors (continued)**

**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.

**Company information**

<b>Directors/Trustees:</b>	D J Boyle	(resigned 20/05/2018)
	J S Kitching	
	J F Hector	
	G F C Haslam	
	A G Shand	
	A M I Bell	(appointed 20/05/2018)
	N E Davidson	(appointed 20/05/2018)
	T C R Rider	(appointed 20/05/2018)
	P J Taylor	(appointed 20/05/2018)

**Secretary:** J & H Mitchell WS

**Registered office:** 51 Atholl Road  
Pitlochry  
Perthshire  
PH16 5BU

**Accountants:** James Milne  
Chartered Accountants  
Rosewood  
Raemoir Road  
Banchory  
AB31 4ET

**Scottish Charity number:** SC028220

**Company number:** SC188799

## Birse Community Trust

Scottish Charity Number SC028220



### Report of the Directors (continued)

#### **Directors' responsibilities in relation to the financial statements**

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the charity trustees to prepare the financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

#### **Directors' responsibilities in relation to the financial statements (continued)**

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board on 11th April 2019 and signed on their behalf by

**G F C Haslam**  
Trustee

## Birse Community Trust

Scottish Charity Number SC028220



### Report by the Independent Examiner

I report on the accounts of the company for the year ended 31st December 2018 which are set out on pages 8 to 17.

#### Respective responsibilities of Directors and Examiner

The company's directors 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 directors 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 is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the company 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 matters have 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 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.

**Richard D. Christie, CA**

James Milne  
Chartered Accountants  
Rosewood  
Raemoir Road  
Banchory  
AB31 4ET

17th April 2019



**Statement of financial activities**  
**(incorporating an income and expenditure account)**  
**for the year ended 31st December 2018**

	Note	Unrestricted funds	Restricted funds	Endowment funds	2018 Total funds	2017 Total funds
		£	£	£	£	£
<b>Income and endowments from:</b>						
Donations and legacies	2	23,630	-	-	23,630	65,550
Other trading activities	3	14,467	-	-	14,647	16,083
Investment income	4	-	-	637	637	500
<b>Total income</b>		<b>38,277</b>	<b>-</b>	<b>637</b>	<b>38,914</b>	<b>82,133</b>
<b>Expenditure on:</b>						
Raising funds	5	-	-	-	-	50
Charitable activities	6	38,506	1,250	-	39,756	36,094
<b>Total expenditure</b>		<b>38,506</b>	<b>1,250</b>	<b>-</b>	<b>39,756</b>	<b>36,144</b>
<b>Net income/(expenditure)</b>	7	<b>(229)</b>	<b>(1,250)</b>	<b>637</b>	<b>(842)</b>	<b>45,989</b>
<b>Transfer between funds</b>	15	490	(490)	-	-	-
<b>Net movement in funds</b>		<b>261</b>	<b>(1,740)</b>	<b>637</b>	<b>(842)</b>	<b>45,989</b>
Total funds brought forward		123,957	500,645	116,223	740,825	694,836
<b>Total funds carried forward</b>		<b>124,218</b>	<b>498,905</b>	<b>116,860</b>	<b>739,983</b>	<b>740,825</b>

The notes on pages 8 to 17 form an integral part of the Financial Statements



**Balance sheet**  
 for the year ended 31st December 2018

	Note	Unrestricted funds	Restricted funds	Endowment funds	2018 Total funds	2017 Total funds
		£	£	£	£	£
<b>Fixed assets</b>						
Tangible assets	9	80,090	498,905	-	578,995	579,604
Investments	10	2	-	-	2	2
		80,092	498,905	-	578,997	579,606
<b>Current assets</b>						
Stocks	11	2,350	-	-	2,350	2,989
Debtors	12	1,410	-	-	1,410	883
Cash at bank and in hand		41,936	-	116,860	158,796	159,672
		45,696	-	116,860	162,556	163,544
<b>Creditors</b>						
Amounts falling due within one year	13	(1,570)	-	-	(1,570)	(2,325)
<b>Net current assets</b>		44,126	-	116,860	160,986	161,219
<b>Net assets</b>		124,218	498,905	116,860	739,983	740,825
<b>Funds</b>						
	15				124,218	123,957
Unrestricted funds					498,905	500,645
Restricted funds					116,860	116,223
Endowment funds					739,983	740,825
<b>Total funds</b>					739,983	740,825

For the year ending 31st December 2018 the company was entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with Section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

These financial statements were approved by the board of directors and authorised for issue on 11th April 2019 and signed on their behalf by:

**G F C Haslam**

Trustee

Company registration number: SC188799

The notes on pages 8 to 17 form an integral part of the Financial Statements





**Notes to the Financial Statements**  
**for the year ended 31st December 2018**

**1. Accounting policies**

**1.1 Status of the company**

Birse Community Trust is a company limited by guarantee of its members and does not have share capital. The company is a private company registered in Scotland. The address of the registered office is 51 Atholl Road, Pitlochry, Perthshire, PH16 5BU. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

**1.2 Accounting convention**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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 provisions of FRS102, section 1A, "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

**1.3 Fixed assets**

Fixed assets are stated at cost less depreciation on the basis set out hereunder.  
Fixed assets costing £250 or more are capitalised at cost.

**1.4 Depreciation**

Depreciation is provided as follows:

Freehold property	-	0.5% straight line
Fixtures, fittings and equipment	-	10% reducing balance

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.

**1.5 Investments**

Investments are stated at cost.

**1.6 Stocks**

Stocks are valued at the lower of cost and estimated selling price less costs to sell after, making due allowance for obsolete and slow moving items.

**1.7 Debtors**

Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.8 Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit of similar account.



**Notes to the Financial Statements (continued)**  
**for the year ended 31st December 2018**

**1.9 Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount after allowing for any trade discounts due.

**1.10 Taxation**

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

**1.11 Incoming resources**

Income from investments is included in the financial statements when receivable.

Incoming resources from charitable trading activities are included in the financial statements when receivable.

Other incoming resources are included in the financial statements when receivable.

**1.12 Resources expended**

Expenditure on charitable activities comprises those costs incurred by the company in the delivery of its activities and are included in the financial statements on an accruals basis.

Expenditure on support costs including accountancy fees and costs linked to the management of the company are included in the financial statements on an accruals basis.

**1.13 Funds**

With the adoption of the statement of recommended practice all income and expenditure is dealt with through the statement of financial activities. In the statement of financial activities, funds are classified as either restricted funds or unrestricted funds, defined as follows:

Endowment funds 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 Birse Community Trust's charitable objectives by providing the trust with greater financial stability to manage its financial commitments in the longer term.

Restricted funds are funds subject to specific purposes which may be declared by the donor or with their authority.

Unrestricted funds are expendable at the discretion of the board in furtherance of the objectives of Birse Community Trust.

Designated funds under SORP 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 assets which have been acquired using unrestricted funds.

Transfers are made between funds to release capital grants and also to clear any funds in deficit.



**Notes to the Financial Statements (continued)**  
**for the year ended 31st December 2018**

**2. Donations and legacies**

	<b>2018</b>	<b>2017</b>
	£	£
Donations	23,630	42,408
Grants	-	23,142
	23,630	65,550
	23,630	65,550

Grants received included in the above, are as follows:

	<b>2018</b>	<b>2017</b>
	£	£
Scottish Government Rural Payment	-	16,182
River Dee Trust	-	960
James Thin Charitable Trust	-	6,000
	-	23,142
	-	23,142

In 2017, of the grants and donations, £6,001 was attributable to restricted funds, £40,000 to endowment fund and the balance of £19,549 to unrestricted funds.

**3. Other trading activities**

	<b>2018</b>	<b>2017</b>
	£	£
Book sales	-	53
Gift aid recoverable	243	814
Other goods and services	2,999	3,791
Rental income	11,000	11,000
Memberships	405	425
	14,647	16,083
	14,647	16,083

In 2017, all of the £16,083 of other trading activities was attributable to unrestricted funds.

**4. Investment income**

	<b>2018</b>	<b>2017</b>
	£	£
Deposit account interest	637	500
	637	500

In 2017, all of the £500 of deposit account interest was attributable to the endowment fund.



**Notes to the Financial Statements (continued)**  
**for the year ended 31st December 2018**

**5. Raising funds**

	<b>2018</b>	<b>2017</b>
	£	£
Purchases	-	50
	<u>          </u>	<u>          </u>

In 2017, all of the purchases was attributable to unrestricted funds.

**6. Charitable activities**

	<b>2018</b>	<b>2017</b>
	£	£
Land Management	20,373	17,084
Insurance	4,191	4,045
Heat and light	281	189
Printing, postage and stationery	963	572
Heritage projects	681	552
Telephone	27	592
Computer costs	272	197
Community events	1,456	1,567
Legal and professional fees	475	716
Office administration	7,090	5,865
Accountancy fees	2,670	3,781
General expenses	344	-
Depreciation	933	934
	<u>          </u>	<u>          </u>
	<u>39,756</u>	<u>36,094</u>

In 2017, £6,552 of the charitable activities related to restricted funds and the balance of £29,542 to unrestricted funds.

Included above are the support costs:

	<b>2018</b>	<b>2017</b>
	£	£
Independent examiners fee	1,500	2,050
Legal fees	475	716
	<u>          </u>	<u>          </u>
	<u>1,975</u>	<u>2,766</u>

**7. Net income/(expenditure)**

Net income/(expenditure) is stated after charging:

	<b>2018</b>	<b>2017</b>
	£	£
Depreciation of tangible assets	933	934
Independent examiner's fee	1,500	2,050
	<u>          </u>	<u>          </u>
	<u>1,975</u>	<u>2,766</u>



**Notes to the Financial Statements (continued)**  
**for the year ended 31st December 2018**

**8. Trustees' remuneration and benefits**

There are no trustees' remuneration and other benefits for the year ended 31st December 2018 (2017: £Nil).

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31st December 2018 (2017: Nil).

**9. Tangible fixed assets**

	<b>Freehold property</b>	<b>Fittings &amp; equipment</b>	<b>Total</b>
	£	£	£
<b>Cost</b>			
At 1st January 2018	607,801	5,220	613,021
Additions	-	324	324
At 31st December 2018	607,801	5,544	613,345
<b>Depreciation</b>			
At 1st January 2018	29,535	3,882	33,417
Charge for the year	786	147	933
At 31st December 2018	30,321	4,029	34,350
<b>Net book value</b>			
At 31st December 2018	577,480	1,515	578,995
At 31st December 2017	578,266	1,338	579,604

All fixed assets are used for charitable purposes.

<b>Property</b>	<b>Basis of valuation</b>	<b>£</b>
Bucket Mill & Sawmill	Professional valuation performed by Savills Land & Property Limited on 21st 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
Land at Sawmill	Value assessed by the Trustees	1,000
Slewdrum Forest	Cost	160,000
Land at Slewdrum	Cost	13,250
Balfour Forest	Cost	194,000
		607,081



**Notes to the Financial Statements (continued)**  
**for the year ended 31st December 2018**

**10. Investments**

The charity holds 100% of the issued share capital of its trading subsidiary company Birse Trading Company Limited (SC327196) which is incorporated in the United Kingdom. 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.

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

	<b>2018</b>	<b>2017</b>
	£	£
Turnover	71,022	67,530
Other income	-	1,840
Cost of sales	(20,413)	(12,095)
Administrative expenses	(2,313)	(2,403)
Donation to Birse Community Trust	(20,000)	(40,000)
	<hr/>	<hr/>
Profit for the year	28,296	14,872
Reserves brought forward	56,243	41,371
	<hr/>	<hr/>
Reserves carried forward	<u>84,539</u>	<u>56,243</u>

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

	<b>2018</b>	<b>2017</b>
	£	£
Current assets	96,470	62,959
Creditors: amounts falling due within one year	(11,929)	(6,714)
	<hr/>	<hr/>
Net assets	<u>84,541</u>	<u>56,245</u>

**11. Stocks**

	<b>2018</b>	<b>2017</b>
	£	£
Stocks	2,350	2,989
	<hr/>	<hr/>

**12. Debtors**

	<b>2018</b>	<b>2017</b>
	£	£
Other debtors	710	159
Prepayments and accrued income	700	724
	<hr/>	<hr/>
	<u>1,410</u>	<u>883</u>



**Notes to the Financial Statements (continued)**  
**for the year ended 31st December 2018**

**13. Creditors: amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	£	£
Other creditors	1,500	2,280
Accruals and deferred income	70	45
	1,570	2,325
	1,570	2,325

**14. Share capital**

The company is limited by guarantee. It has no share capital.

**15. Movement in funds**

	<b>At</b>	<b>Net movements</b>	<b>Transfers</b>	<b>At</b>
	<b>01/01/2018</b>	<b>in funds</b>	<b>between funds</b>	<b>31/12/2018</b>
	£	£	£	£
<b>Unrestricted funds</b>				
General fund	44,044	704	(296)	44,452
Revaluation reserve	70,520	-	-	70,520
Designated fund	9,393	(933)	786	9,246
	123,957	(229)	490	124,218
<b>Restricted funds</b>				
Other funds	954	(1,250)	296	-
Property fund	499,691	-	(786)	498,905
	500,645	(1,250)	(490)	498,905
<b>Endowment funds</b>				
Endowment fund	116,223	637	-	116,860
	116,223	637	-	116,860
<b>Net assets</b>	740,825	(842)	-	739,983



**Notes to the Financial Statements (continued)**  
**for the year ended 31st December 2018**

**15. Movement in funds (continued)**

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

	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Movement in funds</b>
	£	£	£
<b>Unrestricted funds</b>			
General fund	38,277	(37,573)	704
Designated fund	-	(933)	(933)
	<u>38,277</u>	<u>(38,506)</u>	<u>(229)</u>
<b>Restricted funds</b>			
Other funds	-	(1,250)	(1,250)
<b>Endowment funds</b>			
Endowment fund	637	-	637
<b>Total funds</b>	<u><u>38,914</u></u>	<u><u>(39,756)</u></u>	<u><u>(842)</u></u>

**Comparative for the movement in funds**

	<b>At 01/01/2017</b>	<b>Net movements funds</b>	<b>Transfers between funds</b>	<b>At 31/12/2017</b>
	£	£	£	£
<b>Unrestricted funds</b>				
General fund	37,070	6,974	-	44,044
Revaluation reserve	70,520	-	-	70,520
Designated fund	9,542	(934)	785	9,393
	<u>117,132</u>	<u>6,040</u>	<u>785</u>	<u>123,957</u>
<b>Restricted funds</b>				
Other funds	1,505	(551)	-	954
Property fund	500,476	-	(785)	499,691
	<u>501,981</u>	<u>(551)</u>	<u>(785)</u>	<u>500,645</u>
<b>Endowment funds</b>				
Endowment fund	75,723	40,500	-	116,223
	<u>75,723</u>	<u>40,500</u>	<u>-</u>	<u>116,223</u>
<b>Net assets</b>	<u><u>694,836</u></u>	<u><u>45,989</u></u>	<u><u>-</u></u>	<u><u>740,825</u></u>





**Notes to the Financial Statements (continued)**  
**for the year ended 31st December 2018**

**15. Movement in funds (continued)**

Comparative net movement in funds, included in the above are as follows:

	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Movement in funds</b>
	£	£	£
<b>Unrestricted funds</b>			
General fund	35,632	(28,658)	6,974
Designated fund	-	(934)	(934)
	35,632	(29,592)	6,040
<b>Restricted funds</b>			
Other funds	6,001	(6,552)	(551)
<b>Endowment funds</b>			
Endowment fund	40,500	-	40,500
<b>Total funds</b>	82,133	(36,144)	45,989

**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 Bucket Mill, Sawmill and Soutar's shop less an amount equivalent to the aggregate depreciation on that revaluation surplus.

**Designated funds**

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, Balfour Wood and land at Slewdrum.

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



**Notes to the Financial Statements (continued)**  
**for the year ended 31st December 2018**

**15. Movement in funds (continued)**

**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 Birse Community Trust's charitable objectives by providing the trust 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 at £49,368 at 31st December 2018 (2017: £61,097). These all arise from Forestry Commission Planting Grants. If the condition 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 £
<b>Property</b>	
Corsedardar	1
Finzean Community Woods	1
Knowes Wood, Drumhead Wood and Path	5
Finzean School Wood and Path	5

**18. Related party transactions**

During the year the charity received £20,000 (2017 - £40,000) 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 1st January 2013. During the year ended 31st December 2018 £3,000 (2017: £3,000) was receivable by the charity in respect of this lease agreement.

A ten year lease agreement in respect of Balfour Forest with Birse Trading Company Limited also commenced on 1st January 2013. During the year ended 31st December 2018 £3,000 (2017: £3,000) 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.



**The following page does not form part of the  
statutory financial statements**



**Detailed Income and Expenditure Account**  
**for the year ended 31st December 2018**

	2018		2017	
	£	£	£	£
<b>Income</b>				
Donations	23,630		42,408	
Grants	-		23,142	
Book sales	-		53	
Gift aid recoverable	243		814	
Other goods and services	2,999		3,791	
Rental income	11,000		11,000	
Memberships	405		425	
Deposit account interest	637	38,914	500	82,133
	<u>          </u>		<u>          </u>	
<b>Expenditure</b>				
Land management	20,373		17,084	
Heritage projects	681		552	
Other goods and services	-	(21,054)	50	(17,686)
	<u>          </u>		<u>          </u>	
<b>Overheads</b>				
Accountancy	2,670		3,781	
Legal and professional fees	475		716	
Office administration	7,090		5,865	
Printing, postage and stationery	963		572	
Telephone	27		592	
Insurance	4,191		4,045	
Heat and light	281		189	
Computer expenses	272		197	
Community events	1,456		1,567	
General expenses	344		-	
Depreciation	933	(18,702)	934	(18,458)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net (expenditure)/income</b>		<u>          </u> <u>          </u>		<u>          </u> <u>          </u>