

Company registration number: SC162581
Charity registration number: SCO24358

The Borders Forest Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2014

The Borders Forest Trust

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The Borders Forest Trust

Reference and Administrative Details

Charity name	The Borders Forest Trust	
Charity registration number	SCO24358	
Company registration number	SC162581	
Principal office	Monteviot Nurseries Ancrum Jedburgh TD8 6TU	
Registered office	Monteviot Nurseries Ancrum Jedburgh TD8 6TU	
Trustees	Mr S L Sloan Mr M C Tilstone Mrs B E Robertson Mr M J F Baker Mr D R McPhillimy Miss S P Young Mr P Ashmole (retired 16 July 2014) Mr M Ireland (retired 16 July 2014) Mr J Knight Mr H G Waltl Dr D G Long Mrs R Grant-Robertson (appointed 16 July 2014) Mr A H C Chalmers (appointed 16 July 2014) Mr J P Thomas (appointed 16 July 2014)	
Solicitor	J & H Mitchell 51 Atholl Road Pitlochry PH16 5BU	
Bankers	Bank of Scotland 40 High Street Jedburgh TD8 6DQ Barclays Bank Leicester LE87 2BB Triodos Bank 24 Hanover Street Edinburgh EH2 2EN	
Accountant	Deans Accountants and Business Advisors Limited 1 Melgund Place Hawick TD9 9HY	

The Borders Forest Trust

Reference and Administrative Details

Investment Advisor

Brewin Dolphin
7 Drumsheugh Gardens
Edinburgh
EH3 7QJ

The Borders Forest Trust

Trustees' Report

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the unaudited financial statements of Borders Forest Trust (the company) for the year ended 31 December 2014. The Trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. CONSTITUTION

The company, which is a recognised charity in Scotland, is a charitable company limited by guarantee and was set up by a Memorandum of Association on 12th January 1996.

The principal object of the company is to provide conservation, regeneration and promotion of the restoration of native woodlands in the south of Scotland.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. New Trustees are recruited by membership nomination prior to the AGM, with details being circulated to the members with the AGM papers. Trustees are elected for a term of 3 years. They may stand for two terms but must then retire for at least one year. New Trustees are elected annually at the AGM by a show of hands and proxy vote or by postal votes if it is a competitive process. In accordance with the Articles of Association, the following Trustees retire or stand down in 2015: Mr J Knight, Mr S Sloan, Mr M Tilstone and Mr M Baker.

c. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Trustees are inducted into the Trust with an introductory staff briefing which includes a BFT Trustee pack, which summarises Trustee obligations, responsibilities and funding information. The Trust maintains a register of Trustee and Staff interests.

d. ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Trust is a membership organisation. The members are responsible for electing the Board of Trustees in accordance with the procedures set out in the Articles of Association. Daily operational matters have been delegated to the Trust's employees with supervision by the Executive Director. The day-to-day management decisions are delegated to the Executive Director. The Trust employs staff to progress programmatic goals, has an in-house Finance Officer and also employs contract staff to work on specific short-term projects as well as publicity and fundraising. There are two Subcommittees of Trustees, both of which report to the Board of Trustees. The Director and Chairman sit on each ex officio. Both subcommittees are subject to the same Terms of Reference for Devolved Decision Making. The Finance Sub-group oversees the financial management of project funds and monitors the performance of the Trust's investments. The group meets every two months ahead of the Trustees' meeting. Brewin Dolphin provides investment reports every six months and the Finance Sub-group meets with them annually to review performance. The Development Sub-group was set up at the end of 2012 to focus on fundraising strategy. In addition, two of the Trust's projects, Wildwood and Corehead, each have a Steering Group. The Director, and Site Officer sit ex officio on both Steering Groups, as well as normally at least one Trustee. The Steering Groups are also subject to the Terms of Reference for Devolved Decision Making.

e. RELATED PARTY RELATIONSHIPS

All related parties have been disclosed in the accounts.

f. RISK MANAGEMENT

The Trustees have examined the major business and operational risks which the Trust faces and have established systems to enable regular reports to be produced so that the necessary steps may be taken to lessen these risks. In particular, the Trust has a policy of holding reserves in separately designated bank accounts, held with recognised deposit takers. Following the purchase of Talla and Gameshope, the trustees have indicated that the risk policies of the trust will be subject to review, with a wholesale review being completed in the early part of 2015.

OBJECTIVES AND ACTIVITIES

a. POLICIES AND OBJECTIVES

The Trust aims to create, restore and manage native woodlands and their associated wildlife. It will promote creative design, craftsmanship and economic utilisation of woodland resources, involving the community in reviving a woodland culture. The Trust's vision is to provide the community and future generations with opportunities to participate, learn, enjoy and find inspiration in living and working with trees as an integral part of modern life.

The Borders Forest Trust

Trustees' Report

b. STRATEGIES FOR ACHIEVING OBJECTIVES

The Trust has a Site Acquisition and Management Strategy and this describes the legal nature of the Trust's management of land within its land management portfolio and details the criteria and objectives that the Trust will use in its approach to land acquisition and management. A Strategy for the Trust for the period 2012 to 2017 was agreed during 2011 to identify the various strategic priorities. Due to new opportunities offered by the purchase of Talla and Gameshope, the Trustees have begun the process of developing a new strategy. In January 2015 a Trustee Visioning day was held to consider short and medium term priorities.

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

The Trust works to achieve its objectives by financing and resourcing projects which in turn necessitate involving people, completing practical tasks, and outreach activities. On a day to day basis the Trust is broadly engaged in • Securing funding • Employing staff • Engaging with communities • Partnering with organisations, groups and landowners • Establishing, conserving or expanding native woodlands • Promoting all aspects of woodland culture.

d. PROGRAMME RELATED INVESTMENTS

The Trust holds 3 bank accounts, a Halifax Bank of Scotland current account, a 10-day notice Barclays account and a Triodos savings account. These accounts are managed through guidance from the Trust's Finance Sub-group. The Trust maintains a balance of funds in the current account of up to £80,000 for immediate running costs. The 10 day account (Barclays) holds unrestricted and restricted funds (project-related) at a market interest rate and feeds the current account. Restricted funds cannot be released without Trustee approval. The Triodos account holds Community Woodlands restricted funds. In addition to bank accounts, the Trust holds a portfolio of investments with Brewin Dolphin, divided into 2 funds: Wildwood and BFT Endowment. The Wildwood Fund holds the majority of the Wildwood restricted funds raised as stewardships. The BFT Endowment Fund holds legacies, funds raised from life memberships, specific donations and associated gift aid (designated funds), as well as BFT Expendable Endowment funds.

e. VOLUNTEERS

The company is grateful for the unstinting efforts of its volunteers who have helped in a wide variety of ways including practical conservation work and fundraising. In 2014 our volunteers devoted over 457 person days to woodland restoration work across the south of Scotland.

ACHIEVEMENTS AND PERFORMANCE

a. REVIEW OF ACTIVITIES

During 2014, the Trust continued its work of restoring and conserving native woodlands and developing a woodland culture in the south of Scotland. This is carried out through two themes – People and Places.

The 'Places' work focuses on the restoration of woodlands and other native habitats in Southern Scotland. On our own sites in the Southern Uplands (Carrifran, Corehead and Talla and Gameshope), this work comes under the banner of our new initiative 'Reviving the Wild Heart of Southern Scotland'. This initiative is a long term approach, working with partners, to achieve our landscape scale restoration objectives. Community engagement is also central to Reviving the Wild Heart and it will be a key focus for volunteers and staff alike. This work is also undertaken by our Woodland Habitats team, which leads on projects that the Trust initiated in the late 1990s and early 2000s such as Ancient Woodlands, Riparian Woodlands, Juniper Conservation and Wood Pasture, Ettrick Floodplain Restoration, as well as new native woodland planting schemes developed under the Scotland Rural Development Programme. During 2014 this work resulted in the planting of 92 hectares of new native woodland.

Involving People includes the Trust's Woodland Culture work stream (volunteering, health and education work in the Scottish Borders) as well as community, volunteering and education work taking place at Carrifran and Corehead and the Devil's Beef tub and its 25% stake in Real Wood Studios. One BFT trustee sits on the board of RWS, which ensures a continued close relationship between the two organisations. Woodland Culture continued to support 9 Community Woodlands in the Borders with management advice and practical conservation work. Two more Branching Out programmes were run in the Borders and more are planned for 2015. This is a Forestry Commission sponsored project providing therapeutic woodland days to people facing mental health challenges

b. INVESTMENT POLICY AND PERFORMANCE

The Finance Sub Group of the Trust oversees the financial management of project funds and monitors the performance of the Trust's investments. The group meets every two months ahead of the Trustees' meeting. An initial investment was made into an investment fund managed by Brewin Dolphin and this is added to when legacies or specific endowment gifts are made. Brewin Dolphin provide investment reports every six months and the Finance Sub Group meets with them at least once a year to review performance.

The Borders Forest Trust

Trustees' Report

c. FACTORS RELEVANT TO ACHIEVE OBJECTIVES

Achievement of Trust objectives is largely determined by the availability of funding, availability of land, and the commitment of landowners and community groups. The Trust addresses these factors as potential risk areas and they are included in the Trust's Risk Review and managed accordingly. The Trust has a fundraising strategy for generating both project and core income from grant giving bodies, corporate sponsorship and individual giving. Over the last 19 years the Trust has built up good relationships with landowners and a reputation for professional land management and sensitive community support. This reputational credibility encourages landowners and community groups to engage with the Trust and assists the Trust in securing areas for native woodland and community management. A Strategy for the Trust guides our future direction.

FINANCIAL REVIEW

a. RESERVES POLICY

The Trust's policy on reserves was reviewed in 2014. Changing needs and circumstances over time continue to place a greater reliance on reserves to balance deficits in grant income. In the light of the charity's future needs, the policy is to aim to maintain a level of reserves to cover the Trust's financial commitments for between 6 and 12 months. This policy recognises the dependence on grant funding and the uncertain nature of the timing of cashflows. The Trustees consider the current reserves to be sufficient to meet the Trust's short term funding requirements. These unrestricted funds are maintained and increased by fund-raising and investment activities. Restricted funds are maintained in the form of assets or cash. They represent funds yet to be expended or held on behalf of projects and are not available to the Trust for core expenditure.

b. RESULTS FOR THE YEAR

The Trust has maintained good levels of income and expenditure, despite the challenging times. Core functions and certain projects needed support from reserves, though land holding projects had a successful year and are on good financial footing for the future. Our investment portfolio has performed well, with the portfolio maintaining its capital value. BFT is committed to building a firmer base more independent of outside funding to ensure longevity of the Trust. This will influence our future fundraising approaches. Furthermore, BFT has implemented a Full Cost Recovery approach to developing project budgets in order to enable projects to contribute appropriately to shared organisational costs.

PLANS FOR THE FUTURE

a. FUTURE DEVELOPMENTS

Priorities for the Trust in 2015 are: To continue fundraising to repay the soft loan which enabled us to purchase Talla and Gameshope • To secure funding for its staff and core work using a Full Cost Recovery approach to project budgeting. It is anticipated that funding will continue to be difficult to secure due to public sector and other cutbacks but our revised structure with more project-based posts has made BFT better able to succeed with the demands of these economic times. Further diversifying our income sources will be an important means of buffering the Trust's work from challenging economic times. • To continue developing a management plan for our new Talla and Gameshope estate. • To work with landowners to secure SRDP funding for new areas of native woodland planting with particular regard to those which will benefit Black Grouse. • To be prepared strategically for future changes to SRDP in 2015 onwards which are predicted to impact strongly on native woodland planting.

MEMBERS' LIABILITY

The Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 3 June 2015 and signed on its behalf by:

.....

Mr S L Sloan
Trustee

Independent Examiner's Report to the Trustees of The Borders Forest Trust

I report on the accounts of the company for the year ended 31 December 2014, which are set out on pages 7 to 22.

Respective responsibilities of trustees and examiner

The 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 (the Act) and the Charities Accounts (Scotland) Regulations 2006 (the Accounts Regulations). The 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 financial statements 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 report

My examination was 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 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 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 Accounts Regulations ; and
 - to prepare accounts which accord with the accounting records, comply with regulation 8 of the 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.

.....
David Campbell Chartered Accountant
Deans Accountants and Business Advisors Limited
Chartered Accountants and Business Advisors

1 Melgund Place
Hawick
TD9 9HY

Date:.....

The Borders Forest Trust

Statement of Financial Activities (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses) for the Year Ended 31 December 2014

		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2014	Total Funds 2013 as restated
	Note	£	£	£	£	£
Incoming resources						
Incoming resources from generated funds						
Voluntary income	2	8,094	285,608	1,000	294,702	839,277
Activities for generating funds	4	9,904	72,840	-	82,744	115,235
Investment income	5	4,674	7,525	258	12,457	10,051
Total incoming resources		<u>22,672</u>	<u>365,973</u>	<u>1,258</u>	<u>389,903</u>	<u>964,563</u>
Resources expended						
Charitable activities	7,6	59,885	299,762	-	359,647	450,455
Governance costs	8,6	7,825	1,446	78	9,349	10,212
Total resources expended		<u>67,710</u>	<u>301,208</u>	<u>78</u>	<u>368,996</u>	<u>460,667</u>
Net income before transfers		(45,038)	64,765	1,180	20,907	503,896
Transfers						
Gross transfers between funds		<u>(11,636)</u>	<u>11,636</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income before other recognised gains and losses		(56,674)	76,401	1,180	20,907	503,896
Other recognised gains/losses						
Gains on investment assets		<u>4,551</u>	<u>7,579</u>	<u>417</u>	<u>12,547</u>	<u>21,477</u>
Net movements in funds		(52,123)	83,980	1,597	33,454	525,373
Reconciliation of funds						
Total funds brought forward		<u>205,413</u>	<u>2,137,853</u>	<u>8,530</u>	<u>2,351,796</u>	<u>1,826,423</u>
Total funds carried forward		<u>153,290</u>	<u>2,221,833</u>	<u>10,127</u>	<u>2,385,250</u>	<u>2,351,796</u>

The notes on pages 9 to 22 form an integral part of these financial statements.

The Borders Forest Trust (Registration number: SC162581)

Balance Sheet as at 31 December 2014

		2014		2013 <i>as restated</i>	
	Note	£	£	£	£
Fixed assets					
Tangible assets	13		1,949,770		1,957,619
Investments	14		267,361		254,814
			<u>2,217,131</u>		<u>2,212,433</u>
Current assets					
Stocks and work in progress		22,000		23,200	
Debtors	15	174,013		185,646	
Cash at bank and in hand		<u>492,341</u>		<u>453,763</u>	
		688,354		662,609	
Creditors: Amounts falling due within one year					
	16	<u>(96,235)</u>		<u>(23,246)</u>	
Net current assets					
			<u>592,119</u>		<u>639,363</u>
Total assets less current liabilities					
			2,809,250		2,851,796
Creditors: Amounts falling due after more than one year					
	17		<u>(424,000)</u>		<u>(500,000)</u>
Net assets					
			<u>2,385,250</u>		<u>2,351,796</u>
The funds of the charity:					
Endowment funds					
			10,127		8,530
Restricted funds					
			2,221,833		2,137,853
Unrestricted funds					
Revaluation reserve		4,551		5,006	
Unrestricted income funds		<u>148,739</u>		<u>200,407</u>	
Total unrestricted funds					
			<u>153,290</u>		<u>205,413</u>
Total charity funds					
			<u>2,385,250</u>		<u>2,351,796</u>

For the financial year ended 31 December 2014, the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board on 3 June 2015 and signed on its behalf by:

.....
Mr S L Sloan
Trustee

The Borders Forest Trust

Notes to the Financial Statements for the Year Ended 31 December 2014

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities (SORP 2005)', issued in March 2005, the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Companies Act 2006.

Fund accounting policy

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Further details of each fund are disclosed in note 22.

Incoming resources

Voluntary income including donations and grants that provide core funding or are of a general nature is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Incoming resources from tax reclaims are included in the statement of financial activities at the same time as the gift to which they relate.

Investment income is recognised on a receivable basis.

Income from legacies and bequests are recognised when received after satisfying any relevant terms and conditions.

Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grants payable are payments made to third parties in the furtherance of the charitable objectives. Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specific service or output.

Grants payable without performance conditions are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

The Borders Forest Trust

Notes to the Financial Statements for the Year Ended 31 December 2014

Fixed assets

Individual fixed assets costing £500 or more are initially recorded at cost.

The policy with respect to impairment reviews of fixed assets is that an annual review is carried out by the trustees. As at 31 December 2014, in the trustee's opinion, there is no difference between the market value and the carrying value in the accounts.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Plant and machinery	25% reducing balance
Fixtures and fittings	10% straight line basis
Freehold land	Not depreciated

Investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of the financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

Stock

Stock is valued at the lower of cost and net realisable value.

Operating leases

Rentals payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term.

Cash flow

The financial statements do not include a cash flow statement because the charitable company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

Prior year adjustment

An adjustment of £50,000 has been made in respect of gift aid income. In the 2013 accounts, a provision was made for this income being received after the year end based upon the trustees' belief that it could be reclaimed following a substantial donation being received. In February 2015 it became clear that it would not be possible to claim this amount and the accounts for 2013 have been adjusted on the basis that this is where the income was originally disclosed.

The Borders Forest Trust

Notes to the Financial Statements for the Year Ended 31 December 2014

2 Voluntary income

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2014 £	Total Funds 2013as restated £
Donations and legacies					
Appeals and donations	8,079	120,684	1,000	129,763	529,442
Gift Aid tax reclaimed	15	17,072	-	17,087	7,685
	<u>8,094</u>	<u>137,756</u>	<u>1,000</u>	<u>146,850</u>	<u>537,127</u>
Grants					
Trusts and foundations	-	9,324	-	9,324	72,812
Grants - other agencies	-	138,528	-	138,528	229,338
	<u>-</u>	<u>147,852</u>	<u>-</u>	<u>147,852</u>	<u>302,150</u>
	<u>8,094</u>	<u>285,608</u>	<u>1,000</u>	<u>294,702</u>	<u>839,277</u>

3 Grants receivable

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2014 £	Total Funds 2013 £
Tubney Charitable Trust	-	-	-	-	50,000
Ernest Cook Trust	-	-	-	-	4,000
The Woodland Trust	-	8,324	-	8,324	10,687
Castansa Trust	-	-	-	-	1,000
James T Howat Charitable Trust	-	-	-	-	500
Spurgin Charitable Trust	-	1,000	-	1,000	1,000
Bank of Scotland Foundation	-	-	-	-	5,625
Scottish Natural Heritage	-	33,431	-	33,431	34,617
Forestry Commission	-	27,341	-	27,341	18,700
Forestry Commission - F4P	-	-	-	-	17,030
Scottish Borders Council	-	-	-	-	17,693
Age Scotland	-	-	-	-	587
SCVO	-	-	-	-	6,989
SGRPID	-	67,706	-	67,706	113,634
HLF	-	-	-	-	10,000
Big Lottery Fund	-	-	-	-	4,230
NHS Borders	-	-	-	-	2,000
EICC	-	-	-	-	500
Roger Vere	-	-	-	-	500
WGS	-	-	-	-	998
Future Jobs Fund	-	-	-	-	360
CW Hayes Associates	-	900	-	900	1,500
Falago Environment Fund	-	9,150	-	9,150	-
	<u>-</u>	<u>147,852</u>	<u>-</u>	<u>147,852</u>	<u>302,150</u>

The Borders Forest Trust

Notes to the Financial Statements for the Year Ended 31 December 2014

4 Activities for generating funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2014 £	Total Funds 2013 £
Membership	8,484	-	-	8,484	7,328
Product sales	32	723	-	755	1,189
Other income	1,388	50,476	-	51,864	89,073
Farming income	-	21,641	-	21,641	17,645
	<u>9,904</u>	<u>72,840</u>	<u>-</u>	<u>82,744</u>	<u>115,235</u>

5 Investment income

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2014 £	Total Funds 2013 £
Income from listed investments	2,740	4,823	258	7,821	5,203
Interest on cash deposits	1,928	2,690	-	4,618	4,750
(Gain)/loss on programme related investments	6	12	-	18	98
	<u>4,674</u>	<u>7,525</u>	<u>258</u>	<u>12,457</u>	<u>10,051</u>

The Borders Forest Trust

Notes to the Financial Statements for the Year Ended 31 December 2014

6 Total resources expended

	Borders Forest Trust	Corehead	Community Woods	Woodland Habitat	Wildwood	Talla	Woodland Culture	Governance	Total
	£	£	£	£	£	£	£	£	£
Direct costs									
Fundraising costs	24,006	-	-	-	-	-	-	-	24,006
Opening stock	-	23,200	-	-	-	-	-	-	23,200
Sheep management	-	20,430	-	-	-	-	-	-	20,430
Planting	-	3,436	-	12,877	7,489	500	-	-	24,302
Closing stock	-	(22,000)	-	-	-	-	-	-	(22,000)
Wages and salaries	6,299	31,812	(299)	32,344	11,653	18,239	5,451	4,504	110,003
Staff NIC (Employers)	628	2,498	-	2,994	1,094	1,685	541	448	9,888
Contractors	-	9,505	-	5,349	9,999	1,023	-	-	25,876
Insurance	1,974	4,863	1,275	2,839	2,763	891	553	-	15,158
Repairs and maintenance	226	4,134	-	1,780	8,768	3,379	101	-	18,388
Portfolio management costs	-	-	-	-	-	-	-	2,352	2,352
Staff training	60	193	-	245	184	143	-	-	825
Travelling	-	1,837	-	-	-	-	4,567	-	6,404
Rent	292	2,353	-	1,248	143	181	215	-	4,432
Light, heat and power	222	287	-	224	88	111	92	-	1,024
Room hire	-	185	-	-	51	268	-	-	504
Repairs and maintenance	7,000	-	-	-	-	-	-	-	7,000
Telephone and fax	145	658	-	477	202	136	120	-	1,738
Computer software and maintenance costs	1,123	1,292	-	686	285	327	269	-	3,982
Printing and stationery	4,399	1,624	-	871	933	781	350	-	8,958
Postage	2,037	125	-	91	79	49	35	-	2,416

The Borders Forest Trust

Notes to the Financial Statements for the Year Ended 31 December 2014

Trade subscriptions	694	245	-	438	39	132	55	-	1,603
Sundry expenses	774	405	-	107	93	60	44	-	1,483
Mileage	452	2,214	-	3,634	554	1,295	56	-	8,205
Advertising	684	1,233	-	280	110	489	114	-	2,910
Events	3,066	286	-	10	74	41	1,148	-	4,625
Accountancy fees	-	-	-	-	-	-	-	2,045	2,045
Legal and professional fees	3,043	7,522	-	3,021	2,929	12,562	21,141	-	50,218
Bad debts written off	-	-	-	732	-	-	-	-	732
Bank charges	84	98	-	74	37	113	34	-	440
Depreciation of long leasehold property	-	-	5,172	-	-	-	-	-	5,172
Depreciation of plant and machinery	2,677	-	-	-	-	-	-	-	2,677
	<u>59,885</u>	<u>98,435</u>	<u>6,148</u>	<u>70,321</u>	<u>47,567</u>	<u>42,405</u>	<u>34,886</u>	<u>9,349</u>	<u>368,996</u>

The Borders Forest Trust

Notes to the Financial Statements for the Year Ended 31 December 2014

7 Details of charitable activities

	Activities undertaken directly £	Grant funding of activities £	2014 £	2013 £
Borders Forest Trust	59,885	-	59,885	69,208
Corehead	98,435	-	98,435	175,734
Community Woods	6,148	-	6,148	51,482
Woodland Habitat	70,321	-	70,321	87,687
Wildwood	47,567	-	47,567	42,073
Education	-	-	-	23,635
Talla	42,405	-	42,405	636
Woodland Culture	34,886	-	34,886	-
	<u>368,996</u>	<u>-</u>	<u>368,996</u>	<u>460,667</u>

8 Governance costs

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2014 £	Total Funds 2013 £
Employment costs	4,952	-	-	4,952	7,088
Portfolio management costs	828	1,446	78	2,352	1,700
Accountancy fees	2,045	-	-	2,045	-
Auditors' remuneration	-	-	-	-	1,424
	<u>7,825</u>	<u>1,446</u>	<u>78</u>	<u>9,349</u>	<u>10,212</u>

9 Trustees' remuneration and expenses

No trustee was remunerated for their services. (2013 - £Nil)

No trustee received any benefit in kind. (2013 - £Nil)

One trustee received a reimbursement of expenses totalling £nil in relation to mileage costs associated with a specific project (2013 - £30).

10 Net income

Net income is stated after charging/(crediting):

	2014 £	2013 £
Accountancy fees	2,045	-
Auditors' remuneration - audit services	-	1,424
(Profit)/loss on disposal of tangible fixed assets	-	185
Depreciation of tangible fixed assets	7,849	7,696
Profit on disposal of investments	(18)	(98)
	<u>9,876</u>	<u>9,207</u>

The Borders Forest Trust

Notes to the Financial Statements for the Year Ended 31 December 2014

11 Employees' remuneration

The average number of persons employed by the charity (including trustees) during the year, analysed by category, was as follows:

	2014 No.	2013 No.
Project staff	4	5
Administration	2	2
	<u>6</u>	<u>7</u>

The aggregate payroll costs of these persons were as follows:

	2014 £	2013 £
Wages and salaries	110,003	166,913
Social security	9,888	13,884
	<u>119,891</u>	<u>180,797</u>

12 Taxation

The company is a registered charity and is, therefore, exempt from taxation.

The Borders Forest Trust

Notes to the Financial Statements for the Year Ended 31 December 2014

13 Tangible fixed assets

	Freehold interest in land and buildings (including heritage assets) £	Plant and machinery including motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost or Valuation				
As at 1 January 2014 and 31 December 2014	1,941,740	56,558	51,694	2,049,992
Depreciation				
As at 1 January 2014	-	45,851	46,522	92,373
Charge for the year	-	2,677	5,172	7,849
As at 31 December 2014	-	48,528	51,694	100,222
Net book value				
As at 31 December 2014	1,941,740	8,030	-	1,949,770
As at 31 December 2013	1,941,740	10,707	5,172	1,957,619

Revaluation of fixed assets

The trust acquired the Wildwood site during December 1999 at a cost of £348,000. This cost is in excess of the market value of the land based on its existing use. However, the trustees are of the opinion that due to the unique nature of the site and its proposed use in the future, it is not appropriate to apply the provisions of FRS11 - Impairment of Fixed Assets and Goodwill and no diminution in the value of the land has been recognised in these accounts.

The Millennium Forest for Scotland held a standard security over certain areas of the freehold land.

During 2009, the land at Corehead was acquired at a cost of £600,000 plus fees.

During 2013, the land at Talla was acquired at a cost of £900,000 plus fees.

Land is not depreciated.

The Borders Forest Trust

Notes to the Financial Statements for the Year Ended 31 December 2014

14 Investments held as fixed assets

	Investments in group and associated undertakings £	Listed investments £	Total £
Market value			
As at 1 January 2014	25	254,789	254,814
Revaluation	-	12,547	12,547
As at 31 December 2014	<u>25</u>	<u>267,336</u>	<u>267,361</u>
Net book value			
As at 31 December 2014	<u>25</u>	<u>267,336</u>	<u>267,361</u>
As at 31 December 2013	<u>25</u>	<u>254,789</u>	<u>254,814</u>

All investment assets were held in the UK.

The charity has an interest in the following:

	Principal activity	Address	Ownership	%	Period end
Other entities					
Woodschool Limited	non-trading	Monteviot Nursery, Ancrum	Ordinary	25	31 March 2014

Listed investments

Investments having a net book value of £267,336 (2013 - £254,789) are listed on a recognised stock exchange and had a market value of £267,336 at the end of the year (2013 - £254,789).

15 Debtors

	2014 £	2013 <i>as restated</i> £
Trade debtors	12,803	19,534
Other debtors	154,290	159,491
Prepayments and accrued income	6,920	6,621
	<u>174,013</u>	<u>185,646</u>

Sheep quota. When Corehead was purchased, quota was also purchased which entitled the Trust to receive income under the Common Agricultural Policy. The purchase price of this quota was £48,296 and is included in other debtors as an asset. This asset and income is subject to new EC rules which will come into force in 2016. The asset will become of negligible value when a new system of support is introduced for farming and it will be written off at that time. The trust will still be entitled to income on an on-going basis under the new support scheme.

The Borders Forest Trust

Notes to the Financial Statements for the Year Ended 31 December 2014

16 Creditors: Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	4,272	12,345
Amounts owed to group undertakings	-	385
Taxation and social security	6,121	2,768
Other creditors	83,000	-
Accruals and deferred income	2,842	7,748
	<u>96,235</u>	<u>23,246</u>

Creditors amounts falling due within one year includes deferred income:

	2014	2013
	£	£
As at 1 January 2014	4,563	83,312
Amount released to incoming resources	(4,563)	(83,312)
Amount deferred in the year	1,000	4,563
As at 31 December 2014	<u>1,000</u>	<u>4,563</u>

17 Creditors: Amounts falling due after more than one year

	2014	2013
	£	£
Other creditors	417,000	500,000
Accruals and deferred income	7,000	-
	<u>424,000</u>	<u>500,000</u>

Other creditors includes a loan received in 2013 of £500,000 towards land purchase, given by an anonymous donor. The loan is interest free and there are no specific terms for repayment. The loan is governed by a formal loan document. Shortly after the year end, a repayment of £83,000 was made in respect of the loan.

18 Members' liability

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

19 Contingent liabilities

All grants received by the Trust have certain conditions attached and should these conditions not be met, the grants would be repayable to the relevant parties. At the date of signing the accounts, the Trustees know of no circumstances that would result in any grant being repayable.

The Trust has a lease with Monteviot Estates which includes the original administration office which is no longer used. The terms of the lease place an obligation on the Trust to maintain this property. At the present time, the Trustees are in discussions with the landlord to alter the lease to remove the property from the lease and remove the maintenance obligation. The Trustees anticipate that these discussions will be successful and in return for financial recompense, the landlord will agree to the proposed changes. The Trustees anticipate that a payment of approximately £7,000 will become due to the landlord following the amendment of the lease. The Trustees have provided for this amount in the accounts as discussions are on-going and should be concluded in the near future.

Woodland management obligations - The trust has various legal obligations arising from woodland management agreements that will continue for a number of years (10-15). The trustees are assessing the cost implications of these obligations.

The Borders Forest Trust

Notes to the Financial Statements for the Year Ended 31 December 2014

20 Operating lease commitments

As at 31 December 2014 the charity had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	Land and Buildings	
	2014	2013
	£	£
Within one year	2,700	2,700
Over five years	1,274	1,274
	<u>3,974</u>	<u>3,974</u>

The Borders Forest Trust

Notes to the Financial Statements for the Year Ended 31 December 2014

21 Related parties

Controlling entity

The charity is controlled by the trustees who are all directors of the company.

Related party transactions

Woodschool Limited was a subsidiary of the Trust during 2014. It did not trade during the year.

22 Analysis of funds

	At 1 January 2014	Incoming resources	Resources expended	Transfers	Other recognised gains/losses	At 31 December 2014
	£	£	£	£	£	£
General Funds						
Borders Forest Trust - core	205,413	22,672	(67,710)	(11,636)	4,551	153,290
Restricted Funds						
Borders Forest Trust	-	3,897	-	-	-	3,897
Corehead	290,642	101,660	(98,435)	-	-	293,867
Corehead - land	600,625	-	-	-	-	600,625
Community woods	13,185	3,068	(6,148)	-	-	10,105
Community woods - land	45,388	-	-	-	-	45,388
Education	154	370	-	-	-	524
Wildwood	254,590	40,182	(49,013)	-	7,579	253,338
Wildwood - land	389,400	-	-	-	-	389,400
Woodland Habitat	135,776	65,910	(70,321)	-	-	131,365
Talla & Gameshope	408,093	127,636	(42,405)	-	-	493,324
Woodland Culture	-	23,250	(34,886)	11,636	-	-
	<u>2,137,853</u>	<u>365,973</u>	<u>(301,208)</u>	<u>11,636</u>	<u>7,579</u>	<u>2,221,833</u>
Expendable Endowment						
Expendable endowment	8,530	1,258	(78)	-	417	10,127
	<u>2,351,796</u>	<u>389,903</u>	<u>(368,996)</u>	<u>-</u>	<u>12,547</u>	<u>2,385,250</u>

A Smith endowment fund. The donor has specified that capital will be retained with income and capital growth being accumulated for use by the Trust according to a specific set of rules.

The Borders Forest Trust

Notes to the Financial Statements for the Year Ended 31 December 2014

23 Net assets by fund

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2014	Total Funds 2013
	£	£	£	£	£
Tangible assets	4,982	1,944,788	-	1,949,770	1,957,619
Investments	94,249	164,250	8,862	267,361	254,814
Current assets	64,811	622,278	1,265	688,354	662,609
Creditors: Amounts falling due within one year	(3,752)	(92,483)	-	(96,235)	(23,246)
Creditors: Amounts falling due after more than one year	(7,000)	(417,000)	-	(424,000)	(500,000)
Net assets	<u>153,290</u>	<u>2,221,833</u>	<u>10,127</u>	<u>2,385,250</u>	<u>2,351,796</u>