

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 2015

# **The Borders Forest Trust**

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# The Borders Forest Trust

## Reference and Administrative Details

<b>Charity name</b>	The Borders Forest Trust
<b>Charity registration number</b>	SCO24358
<b>Company registration number</b>	SC162581
<b>Principal office</b>	Monteviot Nurseries Ancrum Jedburgh TD8 6TU
<b>Registered office</b>	Monteviot Nurseries Ancrum Jedburgh TD8 6TU
<b>Trustees</b>	Mr S L Sloan Mr M C Tilstone Mrs B E Robertson Mr M J F Baker (retired 22 July 2015) Mr D R McPhillimy Miss S P Young Mr J Knight (retired 22 July 2015) Mr H G Waltl Dr D G Long Mrs R Grant-Robertson Mr A H C Chalmers Mr J P Thomas Dr N P Ashmole (appointed 22 July 2015) Mrs S G Eno (appointed 22 July 2015)
<b>Solicitor</b>	J & H Mitchell 51 Atholl Road Pitlochry PH16 5BU
<b>Bankers</b>	Bank of Scotland 40 High Street Jedburgh TD8 6DQ  Barclays Bank Leicester LE87 2BB  Triodos Bank 24 Hanover Street Edinburgh EH2 2EN
<b>Accountant</b>	Deans Accountants and Business Advisors Limited 27 North Bridge Street Hawick TD9 9BD

# **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 2015. 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 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 published on 16 July 14.

### **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 2016: Mr D McPhillimy, Miss S Young, Mr H Waltl and Mr D Long.

#### **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. During 2015 Trustees carried out a wholesale review and rewriting of our Risk Register.

### **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. This has formed the basis for programmatic decisions in 2015, emphasising the dual nature of BFT's strategy being about both People and Places.

### **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 2015 our volunteers devoted over 538 person days to support our restoration work across the south of Scotland.

## **ACHIEVEMENTS AND PERFORMANCE**

### **a. REVIEW OF ACTIVITIES**

During 2015, 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 initiative 'Reviving the Wild Heart of Southern Scotland'. This is a long term approach, working with partners, to achieve our landscape scale restoration objectives. In 2015 a major focus was beginning the work of drawing up applications for native woodland restoration at Talla and Gameshope. This work is also undertaken by our Woodland Habitats team, which also 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. In 2015 they also carried out work supporting improvements to areas of potential and existing Black Grouse habitat, planting on 15 hectares of habitat. Community engagement is also central to Reviving the Wild Heart and it will be a key focus for volunteers and staff alike.

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, Corehead and the Devil's Beeftub and Talla and Gameshope 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 2016. This is a Forestry Commission sponsored project providing therapeutic woodland days to people facing mental health challenges.

The Trust's website was redesigned in 2015, to emphasise the theme of Reviving the Wild Heart of Southern Scotland through our three sites and to reflect the Trust's focus on Places and People.

### **b. INVESTMENT POLICY AND PERFORMANCE**

# The Borders Forest Trust

## Trustees' Report

The Finance Sub committee of the Trust oversees the financial management of project funds and monitors the performance of the Trust's investments. The committee meets every two months ahead of the Trustees' meeting. An initial investment was made into a 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 Committee meets with them at least once a year to review performance. At the end of 2015, a review of the managers of the portfolio was held, and it was decided to move the portfolio to Rathbones Investment Management, as their presentation at the review impressed in its personal and individual approach without any financial disadvantage to the Trust, and this transfer will take place in 2016.

### **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 2016 are: To continue fundraising to repay the soft loan which enabled us to purchase Talla and Gameshope. 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 move forward with woodland planting grants for our Talla and Gameshope estate. • To work with landowners to secure WGS funding for new areas of 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.

**The Borders Forest Trust**  
**Trustees' Report**

Approved by the Board and signed on its behalf by:

.....

Mr S L Sloan  
Trustee

Date:.....



# **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 2015, which are set out on pages 8 to 21.

## **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

27 North Bridge Street  
Hawick  
TD9 9BD

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 2015

		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2015	Total Funds 2014
	Note	£	£	£	£	£
<b>Incoming resources</b>						
Incoming resources from generated funds						
Voluntary income	2	21,884	268,286	-	290,170	294,702
Activities for generating funds	4	7,449	63,644	-	71,093	82,744
Investment income	5	3,731	8,081	272	12,084	12,457
Incoming resources from charitable activities	6	7	(336)	1	(328)	-
Total incoming resources		<u>33,071</u>	<u>339,675</u>	<u>273</u>	<u>373,019</u>	<u>389,903</u>
<b>Resources expended</b>						
Charitable activities	7	34,137	433,684	-	467,821	359,647
Governance costs	8,7	6,454	1,715	97	8,266	9,349
Total resources expended		<u>40,591</u>	<u>435,399</u>	<u>97</u>	<u>476,087</u>	<u>368,996</u>
Net (expenditure)/income before transfers		(7,520)	(95,724)	176	(103,068)	20,907
<b>Transfers</b>						
Gross transfers between funds		-	-	-	-	-
Net (expenditure)/income before other recognised gains and losses		(7,520)	(95,724)	176	(103,068)	20,907
<b>Other recognised gains/losses</b>						
Gains on investment assets		<u>2,835</u>	<u>6,570</u>	<u>276</u>	<u>9,681</u>	<u>12,547</u>
Net movements in funds		(4,685)	(89,154)	452	(93,387)	33,454
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>153,290</u>	<u>2,221,833</u>	<u>10,127</u>	<u>2,385,250</u>	<u>2,351,796</u>
Total funds carried forward		<u>148,605</u>	<u>2,132,679</u>	<u>10,579</u>	<u>2,291,863</u>	<u>2,385,250</u>

The notes on pages 10 to 21 form an integral part of these financial statements.

# The Borders Forest Trust (Registration number: SC162581)

## Balance Sheet as at 31 December 2015

		2015		2014	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		1,947,762		1,949,770
Investments	14		<u>288,101</u>		<u>267,361</u>
			2,235,863		2,217,131
<b>Current assets</b>					
Stocks and work in progress		24,450		22,000	
Debtors	15	134,890		174,013	
Cash at bank and in hand		<u>297,087</u>		<u>492,341</u>	
		456,427		688,354	
<b>Creditors: Amounts falling due within one year</b>					
	16	<u>(81,427)</u>		<u>(96,235)</u>	
<b>Net current assets</b>					
			<u>375,000</u>		<u>592,119</u>
<b>Total assets less current liabilities</b>					
			2,610,863		2,809,250
<b>Creditors: Amounts falling due after more than one year</b>					
	17		<u>(319,000)</u>		<u>(424,000)</u>
<b>Net assets</b>					
			<u>2,291,863</u>		<u>2,385,250</u>
<b>The funds of the charity:</b>					
<b>Endowment funds</b>					
			10,579		10,127
<b>Restricted funds</b>					
			2,132,679		2,221,833
<b>Unrestricted funds</b>					
Revaluation reserve		2,835		4,551	
Unrestricted income funds		<u>145,770</u>		<u>148,739</u>	
<b>Total unrestricted funds</b>					
			<u>148,605</u>		<u>153,290</u>
<b>Total charity funds</b>					
			<u>2,291,863</u>		<u>2,385,250</u>

For the financial year ended 31 December 2015, 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 January 2015).

Approved by the Board on ..... 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 2015

### 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 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 published on 16/07/14, the Financial Reporting Standard for Smaller Entities (effective January 2015) 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, legacies 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.

#### 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.

#### 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 2015, in the trustee's opinion, there is no difference between the market value and the carrying value in the accounts.

# The Borders Forest Trust

## Notes to the Financial Statements for the Year Ended 31 December 2015

### 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 January 2015).

### Prior year adjustment

## 2 Voluntary income

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2015 £	Total Funds 2014 £
<b>Donations and legacies</b>					
Legacies and bequests	1,250	-	-	1,250	-
Appeals and donations	17,491	92,272	-	109,763	129,763
Gift Aid tax reclaimed	3,143	4,031	-	7,174	17,087
	<u>21,884</u>	<u>96,303</u>	<u>-</u>	<u>118,187</u>	<u>146,850</u>
<b>Grants</b>					
Trusts and foundations	-	30,630	-	30,630	9,324
Grants - other agencies	-	141,353	-	141,353	138,528
	<u>-</u>	<u>171,983</u>	<u>-</u>	<u>171,983</u>	<u>147,852</u>
	<u>21,884</u>	<u>268,286</u>	<u>-</u>	<u>290,170</u>	<u>294,702</u>

# The Borders Forest Trust

## Notes to the Financial Statements for the Year Ended 31 December 2015

### 3 Grants receivable

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2015 £	Total Funds 2014 £
Ernest Cook Trust	-	2,500	-	2,500	-
Brown Forbes Trust	-	3,639	-	3,639	-
The Robertson Trust	-	2,000	-	2,000	-
The Woodland Trust	-	300	-	300	8,324
Kew Royal Botanic Gardens	-	4,445	-	4,445	-
Spurigin Charitable Trust	-	1,000	-	1,000	1,000
Solway Heritage	-	2,246	-	2,246	-
Portman Travel Limited	-	500	-	500	-
The Southern Uplands Partnership	-	14,000	-	14,000	-
Grants - other agencies	-	1,881	-	1,881	-
Scottish Natural Heritage	-	14,537	-	14,537	33,431
Forestry Commission	-	35,710	-	35,710	27,341
Tweed Forum	-	8,650	-	8,650	-
SCVO	-	245	-	245	-
SGRPID	-	77,830	-	77,830	67,706
NHS Borders	-	2,500	-	2,500	-
CW Hayes Associates	-	-	-	-	900
Falago Environment Fund	-	-	-	-	9,150
	-	171,983	-	171,983	147,852

### 4 Activities for generating funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2015 £	Total Funds 2014 £
Membership	7,393	-	-	7,393	8,484
Product sales	-	1,155	-	1,155	755
Other income	56	44,921	-	44,977	51,864
Farming income	-	17,568	-	17,568	21,641
	7,449	63,644	-	71,093	82,744

### 5 Investment income

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2015 £	Total Funds 2014 £
Income from listed investments	2,882	4,888	272	8,042	7,821
Interest on cash deposits	849	3,193	-	4,042	4,618
(Gain)/loss on programme related investments	-	-	-	-	18
	3,731	8,081	272	12,084	12,457

# The Borders Forest Trust

## Notes to the Financial Statements for the Year Ended 31 December 2015

### 6 Incoming resources from charitable activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2015 £	Total Funds 2014 £
<b>Borders Forest Trust</b>					
(Gain)/loss on programme related investments	7	-	-	7	-
<b>Alex Smith endowment</b>					
(Gain)/loss on programme related investments	-	-	1	1	-
<b>Wildwood</b>					
(Gain)/loss on programme related investments	-	(336)	-	(336)	-
	<u>7</u>	<u>(336)</u>	<u>1</u>	<u>(328)</u>	<u>-</u>

# The Borders Forest Trust

## Notes to the Financial Statements for the Year Ended 31 December 2015

### 7 Total resources expended

	Borders Forest Trust	Corehead	Woodland Habitat	Wildwood	Talla	Woodland Culture	Governance	Total
	£	£	£	£	£	£	£	£
<b>Direct costs</b>								
Fundraising costs	8,171	1,496	218	152	12,385	-	-	22,422
Opening stock	-	22,000	-	-	-	-	-	22,000
Sheep management	-	20,333	-	-	-	-	-	20,333
Planting	-	13,449	36,962	4,185	190	-	-	54,786
Closing stock	-	(24,450)	-	-	-	-	-	(24,450)
Wages and salaries	5,036	43,652	30,387	14,383	21,240	11,978	3,785	130,461
Staff NIC (Employers)	544	2,988	1,847	1,198	1,746	964	377	9,664
Contractors	-	18,774	20,787	6,460	29,017	53	-	75,091
Insurance	1,445	4,865	2,787	2,990	1,258	1,102	-	14,447
Repairs and maintenance	333	4,580	2,452	2,527	1,986	640	-	12,518
Single Farm Payment written off	-	48,296	-	-	-	-	-	48,296
Portfolio management costs	-	-	-	-	-	-	2,842	2,842
Staff training	-	535	509	225	187	-	-	1,456
Travelling	-	1,235	-	-	124	5,502	-	6,861
Rent	193	2,564	1,337	136	196	204	-	4,630
Light, heat and power	97	280	226	79	114	117	-	913
Room hire	62	30	-	-	-	-	-	92
Telephone and fax	282	554	746	158	119	123	-	1,982
Computer software and maintenance costs	459	1,812	2,019	322	465	794	-	5,871
Printing and stationery	3,070	1,349	491	154	184	997	-	6,245
Postage	1,647	5	-	53	-	32	-	1,737
Trade subscriptions	461	673	204	159	95	50	-	1,642
Sundry expenses	292	476	286	200	79	37	-	1,370
Mileage	251	1,625	5,350	449	597	461	-	8,733
Advertising	4,738	645	821	169	420	254	-	7,047
Events	283	295	1,640	-	-	848	-	3,066
Accountancy fees	-	-	-	-	-	-	1,262	1,262
Legal and professional fees	4,613	3,860	10,221	100	1,219	11,323	-	31,336
Bad debts written off	998	-	-	-	-	-	-	998
Bank charges	151	90	74	40	36	37	-	428



**The Borders Forest Trust**

**Notes to the Financial Statements for the Year Ended 31 December 2015**

Depreciation of plant and machinery	2,008	-	-	-	-	-	-	2,008
	35,134	172,011	119,364	34,139	71,657	35,516	8,266	476,087

# The Borders Forest Trust

## Notes to the Financial Statements for the Year Ended 31 December 2015

### 8 Governance costs

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2015 £	Total Funds 2014 £
Employment costs	4,162	-	-	4,162	4,952
Portfolio management costs	1,030	1,715	97	2,842	2,352
Accountancy fees	1,262	-	-	1,262	2,045
	<u>6,454</u>	<u>1,715</u>	<u>97</u>	<u>8,266</u>	<u>9,349</u>

### 9 Trustees' remuneration and expenses

No trustee was remunerated for their services. (2014 - £Nil)  
No trustee received any benefit in kind. (2014 - £Nil)

### 10 Net (expenditure)/income

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

	2015 £	2014 £
Accountancy fees	1,262	2,045
Depreciation of tangible fixed assets	2,008	7,849
Loss/(profit) on disposal of investments	328	(18)
	<u>3,598</u>	<u>9,881</u>

### 11 Employees' remuneration

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

	2015 No.	2014 No.
Project staff	5	4
Administration	2	2
	<u>7</u>	<u>6</u>

The aggregate payroll costs of these persons were as follows:

	2015 £	2014 £
Wages and salaries	130,461	110,003
Social security	9,664	9,888
	<u>140,125</u>	<u>119,891</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 2015

### 13 Tangible fixed assets

	Freehold interest in land and buildings (including heritage assets) £	Plant and machinery including motor vehicles £	Fixtures, fittings and equipment £	Total £
<b>Cost or Valuation</b>				
As at 1 January 2015 and 31 December 2015	1,941,740	56,558	51,694	2,049,992
<b>Depreciation</b>				
As at 1 January 2015	-	48,528	51,694	100,222
Charge for the year	-	2,008	-	2,008
As at 31 December 2015	-	50,536	51,694	102,230
<b>Net book value</b>				
As at 31 December 2015	1,941,740	6,022	-	1,947,762
As at 31 December 2014	1,941,740	8,030	-	1,949,770

#### 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 Millenium 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 2015

### 14 Investments held as fixed assets

	Investments in group and associated undertakings £	Listed investments £	Total £
<b>Market value</b>			
As at 1 January 2015	25	267,336	267,361
Revaluation	-	9,682	9,682
Additions	-	47,389	47,389
Disposals	-	(36,331)	(36,331)
As at 31 December 2015	<u>25</u>	<u>288,076</u>	<u>288,101</u>
<b>Net book value</b>			
As at 31 December 2015	<u>25</u>	<u>288,076</u>	<u>288,101</u>
As at 31 December 2014	<u>25</u>	<u>267,336</u>	<u>267,361</u>

All investment assets were held in the UK.

The charity has an interest in the following:

	Principal activity	Address	Ownership	%	Period end
<b>Other entities</b>					
Woodschool Limited	non-trading	Monteviot Nursery, Ancrum	Ordinary	25	31 March 2015

#### Listed investments

Investments having a net book value of £288,076 (2014 - £267,336) are listed on a recognised stock exchange and had a market value of £288,076 at the end of the year (2014 - £267,336).

### 15 Debtors

	2015 £	2014 £
Trade debtors	8,726	12,803
Other debtors	119,490	154,290
Prepayments and accrued income	6,674	6,920
	<u>134,890</u>	<u>174,013</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 was included in other debtors as an asset. As the asset has become of negligible value during 2015, it has been written off in this set of accounts and no longer has a value.

# The Borders Forest Trust

## Notes to the Financial Statements for the Year Ended 31 December 2015

### 16 Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	12,352	4,272
Taxation and social security	3,770	6,121
Other creditors	45,000	83,000
Accruals and deferred income	20,305	2,842
	<u>81,427</u>	<u>96,235</u>

Creditors amounts falling due within one year includes deferred income:

	2015 £	2014 £
As at 1 January 2015	1,000	4,563
Amount released to incoming resources	(1,000)	(4,563)
Amount deferred in the year	18,555	1,000
As at 31 December 2015	<u>18,555</u>	<u>1,000</u>

### 17 Creditors: Amounts falling due after more than one year

	2015 £	2014 £
Other creditors	312,000	417,000
Accruals and deferred income	7,000	7,000
	<u>319,000</u>	<u>424,000</u>

Other creditors includes a loan received in 2013 of which £357,000 remains outstanding, 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.

### 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 2015

### 20 Operating lease commitments

As at 31 December 2015 the charity had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	<b>Land and Buildings</b>	
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Within one year	2,700	2,700
Over five years	1,274	1,274
	<u>3,974</u>	<u>3,974</u>

### 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 2015. It did not trade during the year.

### 22 Analysis of funds

	<b>At 1 January 2015</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Other recognised gains/losses</b>	<b>At 31 December 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>General Funds</b>					
Borders Forest Trust - core	153,290	33,071	(40,591)	2,835	148,605
<b>Restricted Funds</b>					
Borders Forest Trust	3,897	-	-	-	3,897
Corehead	293,867	98,282	(172,011)	-	220,138
Corehead - land	600,625	-	-	-	600,625
Community woods	10,105	-	-	-	10,105
Community woods - land	45,388	-	-	-	45,388
Education	524	-	-	-	524
Wildwood	253,338	32,442	(30,504)	6,570	261,846
Wildwood - land	389,400	-	-	-	389,400
Woodland Habitat	131,365	61,055	(125,711)	-	66,709
Talla & Gameshope	493,324	98,831	(71,657)	-	520,498
Woodland Culture	-	49,065	(35,516)	-	13,549
	<u>2,221,833</u>	<u>339,675</u>	<u>(435,399)</u>	<u>6,570</u>	<u>2,132,679</u>
<b>Expendable Endowment</b>					
Expendable endowment	10,127	273	(97)	276	10,579
	<u>2,385,250</u>	<u>373,019</u>	<u>(476,087)</u>	<u>9,681</u>	<u>2,291,863</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 2015

#### 23 Net assets by fund

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2015	Total Funds 2014
	£	£	£	£	£
Tangible assets	3,736	1,944,026	-	1,947,762	1,949,770
Investments	101,724	176,812	9,565	288,101	267,361
Current assets	52,434	403,249	1,014	456,427	688,354
Creditors: Amounts falling due within one year	(2,289)	(79,408)	-	(81,427)	(96,235)
Creditors: Amounts falling due after more than one year	(7,000)	(312,000)	-	(319,000)	(424,000)
Net assets	<u>148,605</u>	<u>2,132,679</u>	<u>10,579</u>	<u>2,291,863</u>	<u>2,385,250</u>