
THE BORDERS FOREST TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

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(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2011

Trustees

Philip Ashmole
Michael Baker
Neil Campbell
Rose Clarkson
Rosalind Grant-Robertson
John Hunt
Michael Ireland
Jim Knight
Donald McPhillimy
Brenda Robertson (appointed 21/7/2011)
Reuben Singleton (resigned 21/7/2011)
Alex Smith
Stephanie Young

Company registered number

SC162581

Charity registered number

SC024358

Registered office

Monteviot Nurseries, Ancrum, Jedburgh, TD8 6TU

Company secretary

Nicola J. Hunt

Auditors

Deans Accountants and Business Advisors Limited, 1 Melgund Place, Hawick, TD9 9HY

Bankers

Bank of Scotland, 40 High Street, Jedburgh, TD8 6DQ

Solicitors

J & H Mitchell, 51 Atholl Road, Pitlochry, PH16 5BU

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Borders Forest Trust (the company) for the year ended 31 December 2011. 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 borders.

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. New Trustees are elected annually at the AGM by a show of hands and proxy vote. An EGM was held in October 2009 to amend the Memorandum and Articles of Association to remove the requirement for one third of the Trustees to retire at each AGM.

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.

In accordance with the Articles of Association, the following Trustees retire or stand down in 2012:-

Michael Baker
Rose Clarkson
John Hunt
Jim Knight

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 dedicated project officers within each of the Trust's operational themes:- Woodland Habitat Restoration; Corehead; Community Woodlands and Education, and has support staff for financial administration, marketing and publicity.

e. RELATED PARTY RELATIONSHIPS

All related parties have been disclosed in the accounts.

f. RISK MANAGEMENT

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

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.

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.

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 and BFT Trustees and Staff are committed to producing a three year Business Plan during 2012 based on this Strategy.

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 current account, a 10 day account and a fixed guaranteed deposit account. These accounts are managed through guidance from the Trust's Finance Sub group. This group is composed of Trustees and staff and it meets bi-monthly to review the state of the Trusts finances, expenditure and fund raising.

The Trust maintains a balance of funds in the current account (Halifax Bank of Scotland), sufficient to pay for BFT running costs (excluding capital works) for 3-4 months. The 10 day account (Standard Life) contains unrestricted funds and restricted funds (project related) which earn a higher interest than the current account and may be called on for Trust use. Restricted funds cannot be released without Trustee approval. The Fixed Guaranteed Deposit Account contains restricted and unrestricted funds which are managed so as to provide the Trust with a minimum of a year's working capital and additionally to maintain money restricted to projects, such as Wildwood, which may be required for site maintenance in the future.

e. VOLUNTEERS

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

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.

ACHIEVEMENTS AND PERFORMANCE

a. REVIEW OF ACTIVITIES

During 2011, 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 areas or themes – Woodland Habitat Restoration and Involving People.

Woodland Habitat Restoration

The Woodland Habitat Restoration theme comprises four projects associated with restoring native woodland in the Scottish Borders and Dumfries and Galloway: Wildwood, Ettrick Floodplain Restoration, Woodland Habitats and Corehead. These are treated as discrete projects due to the working procedures of Woodland Habitats, the semi-autonomous nature of Wildwood, the individual nature of Corehead, and the size, character and variety of habitats in Ettrick Marshes. The Woodland Habitats Project comprises projects that the Trust initiated in the late 1990s and early 2000s such as Ancient Woodlands, Riparian Woodlands, Juniper Conservation and Wood Pasture, as well as new native woodland planting schemes within the Scottish Borders being developed under the Scottish Rural Development Programme.

Wildwood outputs for 2011 include:

- Conservation management of 666 ha of land.
- 8,750 trees and shrubs of various species were planted to enrich the site including 1,500 plants montane scrub planted by volunteers at Firthhope
- Care and protection of 320 ha of new native woodland planted since 2000
- 2km of deer fence removed from established trees
- 1km of path maintained
- Co-ordination of 58 volunteer work days (264 volunteer day input provided)
- Tree surveys and wildlife surveys taken throughout the year including mammals and butterflies

Ettrick Floodplain Restoration outputs for 2011 include:

Maintenance of 13km of path network across the floodplain and surrounding woodlands

Woodland Habitats outputs for 2011 include:

- Co-ordinating the completion of planting of 140ha of new native woodland (131,200 trees planted in 2011) on 3 sites in the Ettrick and Yarrow valleys started in 2010
- Co-ordinating the planting of 80.1ha of new native woodland in the Upper Ettrick Farm (48,000 trees planted in 2011)
- 2,340 trees planted by the Woodland Habitat staff through planting contracts on 4 small sites.
- Managing approximately 1,600ha of recently planted and regenerating woodlands through herbicide applications, pruning, maintenance of tree protection and stock proof fencing plus deer control.
- 4 young people employed in the Woodland Work Experience Project, with funding from the Future Jobs Fund and its successor Community Jobs Scheme
- 8 initial stage applications (Statements of Intent) submitted for SRDP new planting funding on private land

Corehead outputs include:

- 660 hectares of hill sheep farm managed for conservation
- Completion of Phase 1 of the new native woodland planting work in Tweedhope Valley (106.6ha were planted, 98,000 trees in 2011 and 30,000 in 2010)
- Co-ordination of activities and ground preparation for phase 2 of native woodland planting totalling 46.2ha in Whitehope Valley (40.46ha), Stotfield Gill (1.98ha) and Coreknowe (3.76ha). Planting began in November 2010 and 12,000 trees were planted in 2011 by contractors and volunteers

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- 4.5 km of deer fence constructed around Whitehope and Lochanburn Valleys (completed with a further 1.5 km in 2012)
- 2.4km of new stock fence around new planting compartments
- Stock excluded from 420ha of land to allow the restoration of moorland vegetation and native woodland planting.
- Sale of 284 head of sheep (predominantly ewe lambs)
- Co-ordination of 17 volunteer activities (4,000 trees planted by volunteers)
- Finalisation of management plan
- Delivery of 12 public events

Involving People

The Involving People theme includes the Trust's community woodland and education projects.

Community Woodlands outputs for 2011 include:

- 15 community woodlands and orchards assisted
- 40 volunteer work sessions in community woodlands (316 volunteer day input provided)
- 25 trainee work sessions (79 trainee day input provided)
- 10 training courses with 40 people trained
- 31 community woodland meetings attended
- 15 community woodland events arranged with 398 members of the public attending
- 27 woodland walks led for health reasons (114 walker days)
- New Orchard established at Drygrange Community Woodland

Education and Forest Schools outputs for 2011 include:

- Educational activities with approximately 2,000 young people
- Work with 27 schools and 6 groups and clubs associated with young people
- 14 children's/ family events (approximately 460 participants)
- Facilitation and delivery (incl. ongoing trainee support) of the Forest School Teacher Training project, including:
 - Level 3 Forest School Practitioner Course (16 participants).
 - Level 2 Forest School Assistants Course (12 participants).
 - Level 1 Introduction to Forest School Course (18 participants).

Real Wood Studios

The company continues to progress, having completed various new developments and improvements with the help of an SRDP grant which have helped to facilitate new business activities. One BFT trustee continues to sit on the board of RWS which ensures a continued close relationship between the two organisations.

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 it is hoped to add to this in future. Brewin Dolphin provide investment reports every quarter and the Finance Sub Group meets with them at least once a year to review performance.

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 which is updated annually, and managed accordingly. The

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FOR THE YEAR ENDED 31 DECEMBER 2011

Trust has an on-going fundraising strategy focusing on generating both project and core income from grant giving bodies, corporate sponsorship and individual giving. Over the last 15 years the Trust has built up good relationships with landowners and a reputation for professional land management and sensitive community support. This reputational credibility is positive for landowners and community groups engaging with the Trust and assists the Trust in securing areas for native woodland and community management.

A Strategy for the Trust was produced during the year by staff and Trustees to help guide the future direction of the Trust.

FINANCIAL REVIEW

a. RESERVES POLICY

The Trust has a policy of maintaining one year's core expenditure within unrestricted funds. This policy recognises the dependence on grant funding and the uncertain nature of the timing of cashflows. The Trustees consider this to be sufficient to meet the Trust's ongoing short-term funding requirements should grant support cease. These funds are maintained at these levels by extensive fund raising and investment activities.

Restricted funds are maintained in the form of assets or cash. The cash funds represent funds yet to be expended and are not available to the Trust. The assets are held on behalf of the various projects.

b. RESULTS FOR THE YEAR

BFT income for 2011 totalled £765,076 against an expenditure of £607,579. The net surplus in 2011 was £157,497 compared to a net deficit of £80,391 in 2010. This surplus is attributable to a very large grant for tree planting at Corehead received during 2011 for work done during 2010. Significant changes in income from 2010 to 2011 were :-

- Donations to BFT decreased from £95,098 in 2010 to £69,611 in 2011, largely due to a fall off in donations for Corehead which were related to the original purchase.
- Membership income decreased from £12,846 in 2010 to £10,760 in 2011. The Trust's membership is 698 and a priority for the Trust is to increase membership further.

Investment income decreased from £12,964 in 2010 to £5,470 in 2011. This is attributable mainly to the low interest rates currently available on cash investments.

- An increase in overall grant income from £283,044 in 2010 to £575,323 in 2011. This was due entirely to a very large grant from SGRPID for woodland and other restoration work at Corehead. However significant grant income was also gratefully received from the Forestry Commission, the Tubney Charitable Trust, LEADER, Scottish Natural Heritage, the Voluntary Action Fund and Scottish Borders Council.

Direct costs of conservation work increased significantly from £446,352 in 2010 to £522,620 in 2011. This increase is mainly due to further major expenditure at Corehead and additional work to benefit Black Grouse.

The Trust's overall staff costs increased from £177,954 in 2010 to £214,468 in 2011. This increase was due mainly to having a full time Director for the first time for most of the year and to a greater input of staff time into Corehead as well as the employment of several young people under the Future Jobs Fund.

The Trust's support costs decreased from £63,139 in 2010 to £51,869 in 2011. The main reduction was due to not holding a conference as happened in 2010.

Total assets of the Trust at the end of 2011 were £1,720,050 of which £1,571,091 was restricted and £148,959 was unrestricted. Within this larger figure is the value of land (at cost price) owned by the Trust which is

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TRUSTEES' REPORT (continued)
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£1,035,413.

PLANS FOR THE FUTURE

a. FUTURE DEVELOPMENTS

The priorities for the Trust in 2012 are:-

- To secure funding for its staff and core work. It is anticipated that it will continue to be difficult to secure funding because of public sector and other cutbacks.
- To successfully manage the transition period between the departure of the previous Director and the arrival of a new one.
- To continue the major programme of tree planting at Corehead as approved under the SRDP and to progress the other habitat improvement work.
- 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 deliver other projects to time and budget
- Continue to promote the restoration of the wider Ettrick Forest.

MEMBERS' LIABILITY

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

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Borders Forest Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on 19 June 2012 and signed on their behalf, by:

John Hunt

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE BORDERS FOREST TRUST

We have audited the financial statements of The Borders Forest Trust for the year ended 31 December 2011 set out on pages 11 to 32. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's Trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the charitable company's Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's Trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditors under the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE BORDERS FOREST TRUST

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the company has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' report.

David Campbell (senior statutory auditor)

for and on behalf of

Deans Accountants and Business Advisors Limited

Chartered Accountants
Registered Auditors

1 Melgund Place
Hawick
TD9 9HY

Deans Accountants and Business Advisors Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	Endowment funds 2011 £	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	<i>Total funds 2010 £</i>
INCOMING RESOURCES						
Incoming resources from generated funds:						
Donations, membership etc	2	2,814	33,460	44,097	80,371	107,944
Activities for generating funds	3	-	101,583	2,329	103,912	85,232
Investment income	4	17	2,690	2,763	5,470	12,964
Incoming resources from charitable activities	5	-	558,447	16,876	575,323	283,044
TOTAL INCOMING RESOURCES		2,831	696,180	66,065	765,076	489,184
RESOURCES EXPENDED						
Costs of generating funds:						
Costs of generating voluntary income	6	-	-	12,275	12,275	20,573
Fundraising expenses and other costs	3	-	3,280	-	3,280	19,140
Charitable activities	12	-	531,060	43,429	574,489	509,491
Governance costs	8	89	226	14,862	15,177	20,371
TOTAL RESOURCES EXPENDED	11	89	534,566	70,566	605,221	569,575
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS		2,742	161,614	(4,501)	159,855	(80,391)

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STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	Endowment funds 2011 £	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
Transfers between Funds	22	-	(120,491)	120,491	-	-
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE REVALUATIONS		2,742	41,123	115,990	159,855	(80,391)
Gains and losses on revaluations of investment assets		9	(2,406)	39	(2,358)	-
NET MOVEMENT IN FUNDS FOR THE YEAR		2,751	38,717	116,029	157,497	(80,391)
<i>Total funds at 1 January 2011</i>		-	1,529,623	32,930	1,562,553	1,642,944
TOTAL FUNDS AT 31 DECEMBER 2011		2,751	1,568,340	148,959	1,720,050	1,562,553

The surplus of £157,497 is mainly due to a large grant for woodland work at Corehead carried out in 2010.

The notes on pages 14 to 32 form part of these financial statements.

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REGISTERED NUMBER: SC162581

BALANCE SHEET
AS AT 31 DECEMBER 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	16		1,063,233		1,069,064
Investments	17		96,671		25
			<u>1,159,904</u>		<u>1,069,089</u>
CURRENT ASSETS					
Stocks	18	27,033		30,634	
Debtors	19	283,983		192,200	
Cash at bank and invested		410,505		398,652	
		<u>721,521</u>		<u>621,486</u>	
CREDITORS: amounts falling due within one year	20		<u>(90,775)</u>		<u>(83,535)</u>
NET CURRENT ASSETS			<u>630,746</u>		<u>537,951</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,790,650</u>		<u>1,607,040</u>
CREDITORS: amounts falling due after more than one year	21		<u>(70,600)</u>		<u>(44,487)</u>
NET ASSETS			<u><u>1,720,050</u></u>		<u><u>1,562,553</u></u>
CHARITY FUNDS					
Endowment funds	22		2,751		-
Restricted funds	22		1,568,340		1,529,623
Unrestricted funds	22		148,959		32,930
			<u>1,720,050</u>		<u>1,562,553</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Trustees on 19 June 2012 and signed on their behalf by

John Hunt

Rosalind Grant-Robertson

The notes on pages 14 to 32 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, applicable accounting standards and the Companies Act 2006.

1.2 COMPANY STATUS

The company is a company limited by guarantee. 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.

1.3 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 INCOMING RESOURCES

All incoming resources are included in the statement of financial activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES (continued)

1.5 RESOURCES EXPENDED

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

1.6 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).

1.7 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.8 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £500 are capitalised.

The policy with respect to impairment reviews of fixed assets is that an annual review is carried out by the directors. As at 31 December 2011, in the directors opinion, there is no difference between the market value and the carrying value in the accounts.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	not depreciated
Plant & machinery	-	25% reducing balance
Other fixed assets	-	10% straight line

1.9 INVESTMENTS

Investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES (continued)

1.10 LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.11 OPERATING LEASES

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.12 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2. VOLUNTARY INCOME

	Endowment funds 2011 £	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	<i>Total funds 2010 £</i>
Donations	2,814	33,460	33,337	69,611	95,098
Membership	-	-	10,760	10,760	12,846
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	2,814	33,460	44,097	80,371	<i>107,944</i>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE BORDERS FOREST TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

3. TRADING ACTIVITIES

	Endowment funds 2011 £	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	<i>Total funds 2010 £</i>
CHARITY TRADING INCOME					
Product sales	-	-	966	966	-
Corehead farming income	-	41,091	-	41,091	32,594
Net income - all trading activities	-	60,492	1,363	61,855	52,638
	<u>-</u>	<u>101,583</u>	<u>2,329</u>	<u>103,912</u>	<u>85,232</u>
TRADING EXPENSES					
Farm stock movement	-	3,280	-	3,280	19,140
	<u>-</u>	<u>3,280</u>	<u>-</u>	<u>3,280</u>	<u>19,140</u>
Net income from trading activities	<u>-</u>	<u>98,303</u>	<u>2,329</u>	<u>100,632</u>	<u>66,092</u>

The Corehead farming income represents sale of animals & subsidies received.

4. INVESTMENT INCOME

	Endowment funds 2011 £	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	<i>Total funds 2010 £</i>
Investment income - local listed investments	17	1,146	80	1,243	-
Interest received	-	1,544	2,683	4,227	12,964
	<u>17</u>	<u>2,690</u>	<u>2,763</u>	<u>5,470</u>	<u>12,964</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Endowment funds 2011 £	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
Borders Forest Trust	-	-	16,876	16,876	33,964
Community Woodlands	-	37,288	-	37,288	62,902
Corehead	-	382,413	-	382,413	84,219
Education - General	-	48,215	-	48,215	37,482
Wildwood	-	11,600	-	11,600	6,838
Woodland Habitats	-	62,264	-	62,264	57,639
Black Grouse	-	16,667	-	16,667	-
	-	558,447	16,876	575,323	283,044

Grants receivable

	2011 £	2010 £
Apex Scotland	-	400
Awards For All	2,062	-
Blackford Trust	-	2,000
Buccleuch Estates	2,713	-
Cattanach Charitable Trust	8,000	8,000
Ernest Cook Trust	-	2,058
F4P	25,591	11,337
Forestry Commission	12,317	15,201
Hugh Fraser Foundation	-	2,000
J Watson Trust	1,500	-
LEADER	47,045	52,692
Lloyds TSB	-	6,000
Robertson Trust	9,000	8,000
Scottish Borders Council	28,340	6,699
Skill Development Scotland	-	4,991
Scottish Natural Heritage	47,356	54,434
SCVO - Future Jobs Fund	14,230	27,035
SGRPID	313,627	20,197
The Tubney Charitable Trust	50,000	50,000
The Woodland Trust	1,102	-
Voluntary Action Fund	12,440	12,000
Total	575,323	283,044

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

6. COSTS OF GENERATING VOLUNTARY INCOME

	Endowment funds 2011 £	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	<i>Total funds 2010 £</i>
Voluntary income staff costs	-	-	12,275	12,275	20,573

7. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Endowment funds 2011 £	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	<i>Total funds 2010 £</i>
Borders Forest Trust	-	-	42,118	42,118	56,569
Borders Forest Trust - trading	-	-	1,311	1,311	-
Community Woodlands	-	63,596	-	63,596	59,506
Corehead	-	301,507	-	301,507	223,878
Education - General	-	39,575	-	39,575	48,573
Ettrick Marshes	-	125	-	125	300
Wildwood	-	32,163	-	32,163	36,490
Woodland Habitats	-	76,899	-	76,899	77,674
Black Grouse	-	17,195	-	17,195	6,501
	-	531,060	43,429	574,489	509,491

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2011 £	Depreciation 2011 £	Other costs 2011 £	Total 2011 £	<i>Total 2010 £</i>
Borders Forest Trust	8,748	4,104	29,266	42,118	56,569
Borders Forest Trust - trading	-	-	1,311	1,311	-
Community Woodlands	30,281	5,169	28,146	63,596	59,506
Corehead	45,733	-	255,774	301,507	223,878
Education - General	33,754	-	5,821	39,575	48,573
Ettrick Marshes	-	-	125	125	300
Wildwood	13,827	-	18,336	32,163	36,490
Woodland Habitats	55,387	-	21,512	76,899	77,674
Black Grouse	8,211	-	8,984	17,195	6,501
	195,941	9,273	369,275	574,489	509,491

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

8. GOVERNANCE COSTS

	Endowment funds 2011 £	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
Accountancy fees	-	-	2,668	2,668	1,357
Trust management	-	-	4,037	4,037	8,534
Audit fee	-	-	1,500	1,500	-
Investment management fee	89	226	405	720	-
Governance expense - wages & salaries	-	-	5,739	5,739	9,769
Governance expense - NI	-	-	513	513	711
	<u>89</u>	<u>226</u>	<u>14,862</u>	<u>15,177</u>	<u>20,371</u>

9. DIRECT COSTS

	Borders Forest Trust £	BFT Trading £	Community Woods £	Corehead £	Education - General £	Ettrick Marshes £
Materials	-	1,251	1,923	76,704	-	-
Contractors	-	-	3,069	136,326	-	-
Advertising	2,383	-	-	1,067	-	-
Insurance	3,391	-	1,430	581	-	125
Grants paid	173	-	-	-	-	-
Repairs & maintenance	3,328	-	735	4,167	592	-
Motor expenses	1,616	-	2,239	2,996	2,739	-
Professional fees	158	-	373	19,044	-	-
Printing & stationery	6,687	-	-	82	-	-
Travel	-	-	4,519	149	996	-
Training	-	-	9,842	87	1,400	-
Wages and salaries	-	-	27,834	41,953	30,892	-
National insurance	-	-	2,447	3,780	2,862	-
	<u>17,736</u>	<u>1,251</u>	<u>54,411</u>	<u>286,936</u>	<u>39,481</u>	<u>125</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

9. DIRECT COSTS (continued)

	Wildwood £	Woodland Habitats £	Black Grouse £	Total 2011 £	Total 2010 £
Materials	8,187	1,468	-	89,533	101,321
Contractors	5,628	150	72	145,245	64,344
Advertising	-	1,800	-	5,250	7,670
Insurance	1,751	950	-	8,228	8,219
Grants paid	-	-	8,688	8,861	-
Repairs & maintenance	739	2,551	-	12,112	29,276
Motor expenses	898	5,576	54	16,118	15,248
Professional fees	170	6,163	170	26,078	41,584
Printing & stationery	230	10	-	7,009	11,062
Travel	-	-	-	5,664	6,631
Training	-	-	-	11,329	28,758
Wages and salaries	12,768	51,346	7,508	172,301	121,826
National insurance	1,059	4,041	703	14,892	10,413
	<u>31,430</u>	<u>74,055</u>	<u>17,195</u>	<u>522,620</u>	<u>446,352</u>

10. SUPPORT COSTS

	Borders Forest Trust £	BFT Trading £	Community Woods £	Corehead £	Education - General £
Printing & stationery	-	-	-	218	-
Subscriptions	1,038	-	100	125	-
Bank charges	366	-	-	2	-
Telephone	853	-	133	1,052	10
Heat & light	907	-	-	-	-
Rent	1,265	-	938	11,993	-
Training	919	-	-	-	-
Travel	110	-	-	567	-
Postage	2,198	60	-	169	10
Room hire	158	-	2,814	377	-
Sundries	3,716	-	31	68	74
Legal fees	-	-	-	-	-
Wages and salaries	8,031	-	-	-	-
National insurance	717	-	-	-	-
Depreciation	4,104	-	5,169	-	-
	<u>24,382</u>	<u>60</u>	<u>9,185</u>	<u>14,571</u>	<u>94</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

10. SUPPORT COSTS (continued)

	Wildwood	Woodland	Total	Total
	£	Habitats	2011	2010
	£	£	£	£
Printing & stationery	-	-	218	113
Subscriptions	-	438	1,701	1,647
Bank charges	12	-	380	382
Telephone	125	371	2,544	2,522
Heat & light	-	-	907	921
Rent	-	-	14,196	11,722
Training	-	1,933	2,852	1,952
Travel	-	-	677	4,527
Postage	456	-	2,893	3,661
Room hire	90	30	3,469	10,771
Sundries	50	72	4,011	2,813
Legal fees	-	-	-	30
Wages and salaries	-	-	8,031	13,667
National insurance	-	-	717	995
Depreciation	-	-	9,273	7,416
	733	2,844	51,869	63,139

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

11. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2011 £	Depreciation 2011 £	Other costs 2011 £	Total 2011 £	Total 2010 £
Costs of generating voluntary income	12,275	-	-	12,275	20,573
Cost of sales	-	-	3,280	3,280	19,140
COSTS OF GENERATING FUNDS	12,275	-	3,280	15,555	39,713
Borders Forest Trust	8,748	4,104	29,266	42,118	56,569
Borders Forest Trust - trading	-	-	1,311	1,311	-
Community Woodlands	30,281	5,169	28,146	63,596	59,506
Corehead	45,733	-	255,774	301,507	223,878
Education - General	33,754	-	5,821	39,575	48,573
Ettrick Marshes	-	-	125	125	300
Wildwood	13,827	-	18,336	32,163	36,490
Woodland Habitats	55,387	-	21,512	76,899	77,674
Black Grouse	8,211	-	8,984	17,195	6,501
CHARITABLE ACTIVITIES	195,941	9,273	369,275	574,489	509,491
GOVERNANCE	6,252	-	8,925	15,177	20,371
	214,468	9,273	381,480	605,221	569,575

12. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2011 £	Support costs 2011 £	Total 2011 £	Total 2010 £
Borders Forest Trust	17,736	24,382	42,118	56,569
BFT Trading	1,251	60	1,311	-
Community Woodlands	54,411	9,185	63,596	59,506
Corehead	286,936	14,571	301,507	223,878
Education - General	39,481	94	39,575	48,573
Ettrick Marshes	125	-	125	300
Wildwood	31,430	733	32,163	36,490
Woodland Habitats	74,055	2,844	76,899	77,674
Black Grouse	17,195	-	17,195	6,501
Total	522,620	51,869	574,489	509,491

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

13. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging:

	2011	<i>2010</i>
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	9,273	<i>7,416</i>
Accountancy fees	2,668	<i>1,357</i>
Audit fee	1,500	<i>-</i>
	=====	=====

During the year, no Trustees received any remuneration (2010 - £NIL).

During the year, no Trustees received any benefits in kind (2010 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2010 - £NIL).

14. AUDITORS' REMUNERATION

	2011	<i>2010</i>
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	1,500	<i>-</i>
Fees payable to the company's auditor and its associates in respect of:		
All other services	2,668	<i>1,357</i>
	=====	=====

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15. STAFF COSTS

Staff costs were as follows:

	2011 £	2010 £
Wages and salaries	197,419	164,439
Social security costs	17,049	13,515
	<u>214,468</u>	<u>177,954</u>

The average monthly number of employees during the year was as follows:

	2011 No.	2010 No.
Administration	2	1
Project Staff	12	10
	<u>14</u>	<u>11</u>

No employee received remuneration amounting to more than £60,000 in either year.

16. TANGIBLE FIXED ASSETS

	Freehold property £	Plant & machinery £	Other fixed assets £	Total £
COST				
At 1 January 2011	1,035,413	49,616	51,694	1,136,723
Additions	-	3,442	-	3,442
At 31 December 2011	<u>1,035,413</u>	<u>53,058</u>	<u>51,694</u>	<u>1,140,165</u>
DEPRECIATION				
At 1 January 2011	-	36,644	31,015	67,659
Charge for the year	-	4,104	5,169	9,273
At 31 December 2011	<u>-</u>	<u>40,748</u>	<u>36,184</u>	<u>76,932</u>
NET BOOK VALUE				
At 31 December 2011	<u>1,035,413</u>	<u>12,310</u>	<u>15,510</u>	<u>1,063,233</u>
At 31 December 2010	<u>1,035,413</u>	<u>12,972</u>	<u>20,679</u>	<u>1,069,064</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

16. TANGIBLE FIXED ASSETS (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2011	<i>2010</i>
	£	£
Plant and machinery	3,755	<i>5,007</i>

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.

Land is not depreciated.

17. FIXED ASSET INVESTMENTS

	Listed securities	Sub total carried forward	
	£	£	
MARKET VALUE			
At 1 January 2011	-	-	
Additions	96,646	96,646	
At 31 December 2011	96,646	96,646	
HISTORICAL COST			
	99,004	99,004	
	Sub total brought forward	Shares in group undertakings	Total
	£	£	£
MARKET VALUE			
At 1 January 2011	-	25	25
Additions	96,646	-	96,646
At 31 December 2011	96,646	25	96,671
HISTORICAL COST	99,004	25	99,029

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

17. FIXED ASSET INVESTMENTS (continued)

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

Name	Holding	2011 £	2010 £
Woodschool Limited	25%	<u>25</u>	<u>25</u>

Name	Business	Registered office
Woodschool Limited	Timber operations	Monteviot Nurseries, Ancrum

INVESTMENTS AT MARKET VALUE COMPRISE:

	UK £	Overseas £	2011 £	2010 £
Listed investments	55,866	40,780	96,646	-
Group	<u>25</u>	<u>-</u>	<u>25</u>	<u>25</u>
Total market value	<u><u>55,891</u></u>	<u><u>40,780</u></u>	<u><u>96,671</u></u>	<u><u>25</u></u>

VALUATION

All listed investments are held with Brewin Dolphin, stockbrokers under a discretionary fund management agreement. The trustees meet with Brewin Dolphin on a regular basis to discuss investment strategy and risk matters. A quarterly report is prepared for the trustees by the brokers to assist in the discussions.

18. STOCKS

	2011 £	2010 £
Sheep	25,050	28,330
Finished goods and goods for resale	1,983	2,304
	<u><u>27,033</u></u>	<u><u>30,634</u></u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

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19. DEBTORS

	2011	2010
	£	£
Trade debtors	267,586	178,869
Other debtors	13,587	10,614
Prepayments and accrued income	2,810	2,717
	283,983	192,200

Included in trade debtors is an amount of £48,296 for the Single Farm Payment related to Corehead Farm.

**20. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2011	2010
	£	£
Other loans	-	35,000
Net obligations under finance leases and hire purchase contracts	2,154	2,350
Trade creditors	11,585	12,904
Social security and other taxes	4,564	3,175
Accruals and deferred income	72,472	30,106
	90,775	83,535

The finance lease is secured on the relevant asset.

**21. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2011	2010
	£	£
Net obligations under finance leases and hire purchase contracts	-	2,154
Accruals and deferred income	70,600	42,333
	70,600	44,487

Deferred income relates to the Black Grouse project, where £50,000 was received in December 2010 for expenditure in 2011, 2012 & 2013. The Tubney Trust advanced £150,000 during 2011, of which £100,000 is for use in 2012 & 2013.

22. STATEMENT OF FUNDS

Brought Forward	Incoming resources	Resources Expended	Transfers in/out	Gains/ (Losses)	Carried Forward
£	£	£	£	£	£

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UNRESTRICTED FUNDS

Borders Forest Trust - general funds	26,479	65,099	(69,256)	120,491	39	142,852
Borders Forest Trust - trading	6,451	966	(1,310)	-	-	6,107
	<u>32,930</u>	<u>66,065</u>	<u>(70,566)</u>	<u>120,491</u>	<u>39</u>	<u>148,959</u>

ENDOWMENT FUNDS

A Smith expendable endowment	-	2,831	(89)	-	9	2,751
	<u>-</u>	<u>2,831</u>	<u>(89)</u>	<u>-</u>	<u>9</u>	<u>2,751</u>

RESTRICTED FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Borders Forest Trust - restricted	59,638	-	-	-	-	59,638
Community Woodlands	97,400	55,544	(63,598)	-	-	89,346
Corehead	645,792	438,051	(304,791)	(120,491)	-	658,561
Education - general	11,207	48,315	(39,575)	-	-	19,947
Ettrick	3,903	-	(125)	-	-	3,778
Wildwood	638,730	46,124	(32,382)	-	(2,406)	650,066
Woodland Habitat	17,807	90,479	(76,899)	-	-	31,387
Black Grouse	55,146	17,667	(17,196)	-	-	55,617
	<u>1,529,623</u>	<u>696,180</u>	<u>(534,566)</u>	<u>(120,491)</u>	<u>(2,406)</u>	<u>1,568,340</u>
Total of funds	<u><u>1,562,553</u></u>	<u><u>765,076</u></u>	<u><u>(605,221)</u></u>	<u><u>-</u></u>	<u><u>(2,358)</u></u>	<u><u>1,720,050</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

Brewin Dolphin Investment Portfolio - cash and investments

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains and (Losses) £	Carried forward £
Borders Forest Trust - unrestricted funds	-	2,906	(405)	10,000	39	12,540
Wildwood - restricted funds	-	1,167	(226)	100,000	(2,406)	98,535
Borders Forest Trust - expendable endowment	-	2,831	(89)	-	9	2,751
Total	-	6,904	(720)	110,000	(2,358)	113,826

The Wildwood investments held by Brewin Dolphin are included in the Wildwood restricted funds as above.

Expendable endowment - during the year, a donation was given to the trust with specific terms attached to it. The trustees consider that this donation is an expendable endowment and have identified the funds accordingly. The terms of the donation allow trustee discretion in relation to the use of the capital in specific situations. This donation is held in the Brewin Dolphin investment portfolio.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	32,930	66,065	(70,566)	120,491	39	148,959
Endowment funds	-	2,831	(89)	-	9	2,751
Restricted funds	1,529,623	696,180	(534,566)	(120,491)	(2,406)	1,568,340
	1,562,553	765,076	(605,221)	-	(2,358)	1,720,050

THE BORDERS FOREST TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
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23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Endowment funds 2011 £	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
Tangible fixed assets	-	1,035,413	27,820	1,063,233	1,069,064
Fixed asset investments	2,751	86,150	7,770	96,671	25
Current assets	-	602,547	118,974	721,521	621,486
Creditors due within one year	-	(85,170)	(5,605)	(90,775)	(83,535)
Creditors due in more than one year	-	(70,600)	-	(70,600)	(44,487)
	<u>2,751</u>	<u>1,568,340</u>	<u>148,959</u>	<u>1,720,050</u>	<u>1,562,553</u>

24. 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.

25. OPERATING LEASE COMMITMENTS

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2011 £	2010 £
EXPIRY DATE:		
Within 1 year	1,274	882
After more than 5 years	-	1,436
	<u>1,274</u>	<u>2,318</u>

26. RELATED PARTY TRANSACTIONS

During the year ended 31st December 2011, the Trust had made grants to, received grants from and had expenses/fees charged by organisations associated with certain of the Trustees. A register of interests is kept by the Trust and there are certain transactions and relationships which are material and should be disclosed.

Woodschool Limited was a subsidiary of the Trust during 2011. Transactions are entered into at normal commercial rates.

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27. CONTROLLING PARTY

There is no ultimate controlling party, the charity being under the control of its members.

28. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Woodschool Limited	Scotland	25	Trading in wood products

With effect from February 2009, the ownership of Woodschool Limited changed with the Trust now owning 25% of the company. The new share issue was valued on the basis of fair value after independent valuations were carried out of all assets, liabilities and stock.