
THE BORDERS FOREST TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

THE BORDERS FOREST TRUST
(A company limited by guarantee)

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THE BORDERS FOREST TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2009

Trustees

Philip Ashmole
Michael Baker (appointed 18/6/2009)
John Bathgate (resigned 18/6/2009)
Neil Campbell
Rose Clarkson
Rosalind Grant-Robertson
Pierre-Alban Guy (appointed 18/6/2009)
John Hunt, Chairman
Michael Ireland
Daphne Jackson
Jim Knight (appointed 18/6/2009)
Brenda Robertson
Reuben Singleton
Jeremy Thompson (resigned 18/6/2009)

Company registered number

SC162581

Charity registered number

SC024358

Registered office

Monteviot Nurseries
Ancrum
Jedburgh
TD8 6TU

Company secretary

Nicola J Hunt

Chairman

John Hunt

Auditors

Deans Accountants and Business Advisors Limited
Chartered Accountants
Registered Auditors
1 Melgund Place
Hawick
TD9 9HY

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2009**

Advisers (continued)

Bankers

Bank of Scotland
40 High Street
Jedburgh
TD8 6DQ

Solicitors

J & H Mitchell
51 Atholl Road
Pitlochry
PH16 5BU

THE BORDERS FOREST TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009

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 2009. 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 allow this procedure to be adopted and the requirement for one third of the trustees to retire at the AGM was removed.

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:-

Daphne Jackson
Brenda Robertson
Pierre-Guy Alban
Neil Campbell
Rosalind Grant-Robertson

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 Director and the Projects Manager. The day to day management decisions are delegated to Mr W McGhee (Director) and Mrs N Hunt (Project Manager). The Trust employs dedicated project officers within each of the Trust's operational themes:- Woodland Habitat Restoration; 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2009

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.

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 in the past been guided by an overarching Development Plan which was submitted to Scottish Natural Heritage as part of the Trust's grant application process. A Development Plan for 2010 to 2012 has been produced though this plan excludes much of the Trust's SRDP related work, the Wildwood and Corehead.

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.

BFT Trustees and Staff are committed to producing a Trust Strategy document in 2010. This document will provide guidance on Trust priorities.

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

The Trust works to achieve its objectives by financing and resourcing projects which in turn necessitate involving people, completing practical tasks, and outreach activities. On a day to day basis the Trust is broadly engaged in

- Securing funding
- Employing staff
- Engaging with communities
- Partnering with organisations, groups and landowners
- Establishing, conserving or expanding native woodlands
- Promoting all aspects of woodland culture

d. PROGRAMME RELATED INVESTMENTS

The Trust holds 3 bank accounts, a 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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2009

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

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 2009 the Trust continued its work of restoring and conserving native woodlands and developing a woodland culture in the south of Scotland. This is being carried out through two areas or themes – Woodland Habitat Restoration and Involving People.

Restoration of the Ettrick Forest

The Restoration of the Ettrick Forest programme contains four projects: Woodland Habitat Restoration located in the western Borders, Wildwood, Corehead and the Ettrick Marshes project. 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 2000 such as Ancient Woodlands, Riparian Woodlands, Juniper Conservation and Wood Pasture, as well as new native woodland planting schemes within the Scottish Borders and Dumfries and Galloway under the Scottish Rural Development Programme.

Wildwood outputs for 2009 include

- The planting of 7.5 hectares of new native woodland
- Planting of 10,700 trees and shrubs for enrichment of existing planting throughout the site and preparation of ground for planting a further 760 enrichment trees and shrubs
- Management and establishment of 660 hectares of new native woodland planted since 2000
- 1km of path maintenance
- Co-ordination of 58 volunteer work days (431 volunteer day input)

Ettrick Floodplain Restoration outputs for 2009 include

- Maintenance of 13km of path network

Woodland Habitats outputs for 2009 include

- 51.1 hectares of new planting (81,760 new trees)
- Development and implementation of planting proposals for over 450 hectares of new native woodland
- Planting of 3800 trees to beat up losses on existing sites
- Managing approximately 1600ha of recently planted and regenerating woodlands through bracken control, herbicide applications, maintenance of tree protection and stock proof fencing and deer control.

Corehead

- Purchase of 660 hectares of hill sheep farm
- Secure £200,000 of conditional grant funding for management
- Sale of 350 head of sheep
- Preparation of SRDP grant application for initial restoration works

Involving People

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2009

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

Community Woodlands outputs for 2009 include

- 14 community woodland groups assisted
- Supported management of 20 community woodlands (249ha)
- 1 Borders Community Woodland Forum meeting
- 14 training courses with 65 people trained
- 43 work sessions with volunteers and community woodland groups (251 volunteer day input)
- 27 trainee work sessions (94 trainee day input)
- 8 community woodland public events supported

Education and Forest Schools outputs for 2009 include

- Educational activities with approximately 1600 young people
- Worked with 20 schools and 6 groups and clubs associated with young people
- 6 children's/ family events
- 10 Forest School Projects benefiting approximately 150 children
- 5 woodland education presentations (e.g. RSFS, head teacher meetings)
- Facilitation and delivery of Forest School Teacher Training project (started Nov 2009)

Education Green Grounds outputs for 2009 include

- 3 existing Green Grounds projects supported
- 7 new Green Ground projects developed and delivered
- 163 pupils involved
- allocation of all grant moneys to the 10 schools that applied for SNH funding for green grounds which were managed by BFT (£3,000 in total)
- production of the green grounds resources information document for schools downloadable from BFT (NB: Project ended - March 2009)

Borders Big Tree Hunt

The project began in April 2009 and aimed to recruit and train volunteers to identify and record ancient and veteran trees of the Borders on the Woodland Trust National Inventory

- 18 people have now been trained and have been recording trees
- 27 volunteers recruited in total
- 2 training days attended - Solway Heritage and Shambellie
- 4 Training events delivered -Monteviot, Bowhill, Kailzie, The Hirsell.
- 7 promotional events to support project

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 investment. The group meets regularly and reviews interest rates on the Trust's accounts to ensure healthy rates are maintained on accounts, and that the level of accessibility of funds is adequate. The group has agreed that funds should be held on account until sufficient capital funds are available for establishing an investment portfolio. This policy is reviewed annually.

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 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 13 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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2009

and assists the Trust in securing areas for native woodland and community management.

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 2009 totalled £1,041,501 against an expenditure of £309,737. The actual expenditure in 2009 included £600,000 which was expended on the land purchase at Corehead. However land purchase is not shown in Resources Expended, since, accounting convention requires that the value of the land appears on the Balance Sheet as a Tangible Fixed Asset. The net surplus in 2009 was £731,764 compared to a net surplus of £78,252 in 2008. Most of this surplus is attributable to Corehead land purchase donations.

Significant changes in income from 2008 to 2009 were :-

1. Donations to BFT increased as a result of the Corehead land purchase appeal, from £164,642 in 2008 to £724,726 in 2009
2. A decrease in overall grant income from £296,821 in 2008 to £227,208 in 2009
3. A decrease in Forestry Commission grants from £223,851 in 2008 to £27,102 in 2009.
4. Membership income increased from £7,066 in 2008 to £9,832 in 2009.
5. Sales and services increased from £54,390 in 2008 to £64,283 in 2009.

The Corehead land purchase appeal accounted for 85% of donations received, and the bulk of the £724,726 donated to the Trust came from individuals, most of whom are members.

Forestry Commission grant to the Trust reduced by almost 90% from 2008 to 2009 because the grant framework in Scotland changed. Pre 2009 the Trust acted as forest managers and received capital grant directly from the Forestry Commission; since the inception of the Scottish Rural Development Programme (SRDP) the Trust has acted as agents on behalf of landowners and all capital works are paid by the landowners who receive capital grants from Rural Payments and Inspections Directorate.

In 2008 Forestry Commission Scotland (FCS) grants accounted for approximately 75% of the Trusts grant income, whereas in 2009 the FCS grant contribution was just under 12% of Trust funding. The Trust has responded by increasing the number of grant giving bodies from which it received funding, from eight in 2008 to fourteen in 2009. The Trust briefly gained a Fundraising Manager in 2009 who brought new ideas and methods of fundraising to the Trust. Fundraising has now been taken on by the Communications Officer, who is diversifying the Trust's funding sources and who will produce a funding strategy for the Trust in 2010.

The Trust's membership increased mainly as a result of the Corehead appeal, rising from some 600 to nearly 800. The Trust will work hard to increase membership further.

Governance costs decreased slightly from £27,862 in 2008 to £27,501 in 2009, and Direct Costs decreased significantly from £364,992 in 2008 to £211,619 in 2009. This decrease is directly related to the change in the Trust's role with landowners. As noted above, the Trust no longer receives capital grants to pay for contractors and physical site works, rather it acts in a more conventional land agent role. There was also consequent reduction in salary costs due to the non replacement of the Site Manager in 2009.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2009

The Trust's overall staff costs remained constant from 2008 to 2009, with a total salary bill of £136,912 in 2008 and £136,431 in 2009. The Trust lost its Fund Raising Manager and the Green Grounds Education Officer and gained a Communications Officer, who has taken on much of the Fund Raising Manager's responsibilities.

The Trust's support costs increased from £38,866 in 2008 to £42,215 in 2009. The main areas of increase were in wages and salaries (from £13,787 to £16,017), postage (from £2,180 to £4,509) and room hire (£1,440 to £2,908). Both postage and room hire increases can be attributed to the fundraising efforts for Corehead.

Depreciation of £7,137 is due to a combination of the Trust buildings and IT systems.

As a result of donations unrestricted funds have increased since 2008 from £9,706 to £18,378. Restricted Funds increased by £723,092 from £911,080 to £1,642,944 because of the land purchase at Corehead.

PLANS FOR THE FUTURE

a. FUTURE DEVELOPMENTS

The priorities for the Trust in 2010 are:- to secure SRDP grant towards managing Corehead, to secure funding for Trust project staff, to secure core funding for 2010 and 2011, and to deliver projects to timetable and within budget. It is anticipated that it will become increasingly difficult to secure core funding because of public sector cuts so this will be a particular challenge.

Prior to taking maternity leave the Trust's Project Officer submitted an SRDP application for Corehead seeking grant towards a programme of practical works, including restoration of native woodland and other habitat improvements. Subject to that funding being forthcoming a start will be made during 2010.

The new BFT Site Manager will work with landowners in the Scottish Borders to secure SRDP funding for new areas of native woodland planting. UK government funding will be used to employ a small team of unemployed young people to establish and maintain sites. It is intended to improve further sites to benefit Black Grouse for which the Trust anticipates further funding through Scottish Borders Council.

The Restoration of the Ettrick Forest, which includes Wildwood, Corehead and the Woodland Habitats project, will continue to be promoted.

The Trust will develop a Strategic Forward Look document during 2010 to guide its future strategic direction and clarify strategic priorities.

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.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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;

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2009

- 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 proper 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 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 April 2010 and signed on their behalf, by:

John Hunt

THE BORDERS FOREST TRUST
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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 2009 set out on pages 12 to 28. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 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

The Trustees' (who are also the directors of the company for the purposes of company law) responsibilities 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), and for being satisfied that the financial statements give a true and fair view, are set out in the statement of Trustees' responsibilities.

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 those Acts.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether in our opinion the information given in the Trustees' report is consistent with those financial statements.

We also report to you if, in our opinion, the company has not kept adequate and proper accounting records, if the company's financial statements are not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read other information contained in the Trustees' report and consider whether it is consistent with the audited financial statements. This other information comprises only the Trustees' report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

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

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

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 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities;
- the financial statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information given in the Trustees' report is consistent with the financial statements.

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

19 April 2010

THE BORDERS FOREST TRUST
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STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Restricted funds 2009 £	Unrestricted funds 2009 £	Total funds 2009 £	Total funds 2008 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	652,710	81,848	734,558	171,708
Activities for generating funds	3	63,496	787	64,283	54,390
Investment income	4	10,273	5,179	15,452	8,181
Incoming resources from charitable activities	5	209,875	17,333	227,208	296,821
TOTAL INCOMING RESOURCES		936,354	105,147	1,041,501	531,100
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating voluntary income	6	-	24,563	24,563	20,973
Fundraising expenses and other costs	3	3,062	777	3,839	155
Charitable activities	12	210,200	43,634	253,834	403,858
Governance costs	8	-	27,501	27,501	27,862
TOTAL RESOURCES EXPENDED	11	213,262	96,475	309,737	452,848
MOVEMENT IN TOTAL FUNDS FOR THE YEAR - NET INCOME FOR THE YEAR		723,092	8,672	731,764	78,252
<i>Total funds at 1 January 2009</i>		<i>901,474</i>	<i>9,706</i>	<i>911,180</i>	<i>832,928</i>
TOTAL FUNDS AT 31 DECEMBER 2009		1,624,566	18,378	1,642,944	911,180

The notes on pages 14 to 28 form part of these financial statements.

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REGISTERED NUMBER: SC162581

BALANCE SHEET
AS AT 31 DECEMBER 2009

	Note	£	2009 £	£	2008 £
FIXED ASSETS					
Tangible fixed assets	16		1,067,166		473,678
Fixed asset investments	17		25		2
			<hr/>		<hr/>
			1,067,191		473,680
CURRENT ASSETS					
Stocks	18	49,923		3,230	
Debtors	19	128,096		65,121	
Cash at bank and invested		439,793		385,755	
		<hr/>		<hr/>	
		617,812		454,106	
CREDITORS: amounts falling due within one year	20		(42,059)		(16,606)
			<hr/>		<hr/>
NET CURRENT ASSETS			575,753		437,500
TOTAL ASSETS LESS CURRENT LIABILITIES			<hr/> 1,642,944 <hr/>		<hr/> 911,180 <hr/>
CHARITY FUNDS					
Restricted funds	21		1,624,566		901,474
Unrestricted funds	21		18,378		9,706
			<hr/>		<hr/>
			1,642,944 <hr/>		911,180 <hr/>

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 April 2010 and signed on their behalf, by:

John Hunt

Rosalind Grant-Robertson

The notes on pages 14 to 28 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

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. The members of the company are the Trustees named on page 1. 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 cost 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

1. ACCOUNTING POLICIES (continued)

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.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

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.

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, exclusive of Value Added Tax and trade discounts.

THE BORDERS FOREST TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

1. ACCOUNTING POLICIES (continued)

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 2009, 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:

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.

1.10 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.

1.11 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

2. VOLUNTARY INCOME

	Restricted funds 2009 £	Unrestricted funds 2009 £	Total funds 2009 £	Total funds 2008 £
Donations - Corehead	616,722	-	616,722	120,823
Donations - other	35,988	72,016	108,004	43,819
Membership	-	9,832	9,832	7,066
	<u>652,710</u>	<u>81,848</u>	<u>734,558</u>	<u>171,708</u>

Corehead fundraising has been very successful this year - leading to the purchase of the land. The land is a capital asset and is included in the balance sheet rather than being expended in the income and expenditure account.

3. TRADING ACTIVITIES

	Restricted funds 2009 £	Unrestricted funds 2009 £	Total funds 2009 £	Total funds 2008 £
CHARITY TRADING INCOME				
Product sales	-	1,044	1,044	3,130
Corehead farming income	31,823	-	31,823	-
Sales & sundry income	31,673	(257)	31,416	51,260
	<u>63,496</u>	<u>787</u>	<u>64,283</u>	<u>54,390</u>
FUNDRAISING TRADING EXPENSES				
Cost of product sales	-	777	777	155
Farm stock movement	3,062	-	3,062	-
	<u>3,062</u>	<u>777</u>	<u>3,839</u>	<u>155</u>
Net income from trading activities	<u>60,434</u>	<u>10</u>	<u>60,444</u>	<u>54,235</u>

4. INVESTMENT INCOME

	Restricted funds 2009 £	Unrestricted funds 2009 £	Total funds 2009 £	Total funds 2008 £
Interest received	10,273	5,179	15,452	8,181

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted funds 2009 £	Unrestricted funds 2009 £	Total funds 2009 £	<i>Total funds 2008 £</i>
Borders Forest Trust	-	17,333	17,333	10,000
Community Woodlands	70,283	-	70,283	30,343
Corehead	8,122	-	8,122	-
Education - Green Grounds SNH	3,100	-	3,100	12,400
Education - General	32,859	-	32,859	13,000
Ettrick Marshes	325	-	325	1,618
Wildwood	20,021	-	20,021	25,345
Woodland Habitats	75,165	-	75,165	204,115
	<u>209,875</u>	<u>17,333</u>	<u>227,208</u>	<u>296,821</u>

Grants receivable

	2009 £	2008 £
RS Hayward Trust	1,000	-
Voluntary Action Fund	13,000	-
Brown Forbes	-	2,268
Forestry Commission	27,102	223,851
Lloyds TSB	8,611	-
Gannochy Trust	6,000	6,000
J Watson Trust	1,500	-
Robertson Trust	9,000	9,000
Black Grouse	61,125	-
Scottish Borders Council	2,789	2,393
Ernest Cook Trust	942	-
Scottish Natural Heritage	44,812	48,846
Leader Plus	12,905	-
SGRPID	37,922	3,938
Sundry	500	525
Total	<u>227,208</u>	<u>296,821</u>

6. COSTS OF GENERATING VOLUNTARY INCOME

	Restricted funds 2009 £	Unrestricted funds 2009 £	Total funds 2009 £	<i>Total funds 2008 £</i>
Voluntary income staff costs	-	24,563	24,563	20,973

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

7. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Restricted funds 2009 £	Unrestricted funds 2009 £	Total funds 2009 £	Total funds 2008 £
Borders Forest Trust	-	43,634	43,634	52,646
Community Woodlands	68,546	-	68,546	38,270
Corehead	17,976	-	17,976	8,557
Education - Green Grounds	5,206	-	5,206	7,466
Education - General	33,610	-	33,610	16,463
Ettrick Marshes	279	-	279	1,240
Wildwood	49,471	-	49,471	78,709
Woodland Habitats	35,112	-	35,112	200,507
	<u>210,200</u>	<u>43,634</u>	<u>253,834</u>	<u>403,858</u>

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2009 £	Depreciation 2009 £	Other costs 2009 £	Total 2009 £	Total 2008 £
Borders Forest Trust	17,505	1,968	24,161	43,634	52,646
Community Woodlands	27,690	5,169	35,687	68,546	38,270
Corehead	1,260	-	16,716	17,976	8,557
Education - Green Grounds	1,801	-	3,405	5,206	7,466
Education - General	18,426	-	15,184	33,610	16,463
Ettrick Marshes	-	-	279	279	1,240
Wildwood	10,801	-	38,670	49,471	78,709
Woodland Habitats	21,873	-	13,239	35,112	200,507
	<u>99,356</u>	<u>7,137</u>	<u>147,341</u>	<u>253,834</u>	<u>403,858</u>

8. GOVERNANCE COSTS

	Restricted funds 2009 £	Unrestricted funds 2009 £	Total funds 2009 £	Total funds 2008 £
Accountancy fees	-	1,401	1,401	1,404
Trust management	-	12,288	12,288	14,474
Auditor's remuneration	-	1,300	1,300	1,300
Governance expense - wages & salaries	-	11,449	11,449	9,717
Governance expense - NI	-	1,063	1,063	967
	<u>-</u>	<u>27,501</u>	<u>27,501</u>	<u>27,862</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

9. DIRECT COSTS

	Borders Forest Trust £	Community Woods £	Corehead £	Education - Green £	Education - General £
Materials	8	1,944	2,436	-	75
Contractors	-	-	50	-	-
Advertising	175	1,500	1,540	-	-
Insurance	3,338	1,946	-	-	-
Grants paid	-	460	-	2,899	-
Repairs & maintenance	1,059	3,282	817	361	-
Motor expenses	2,512	2,584	398	145	1,702
Professional fees	675	4,131	7,797	-	-
Printing & stationery	6,559	121	1,349	-	-
Travel	-	3,406	70	-	2,808
Training	-	13,486	-	-	9,767
Wages and salaries	-	25,366	1,146	1,751	16,850
National insurance	-	2,324	114	50	1,576
	<u>14,326</u>	<u>60,550</u>	<u>15,717</u>	<u>5,206</u>	<u>32,778</u>
	Etrick Marshes £	Wildwood £	Woodland Habitats £	Total 2009 £	Total 2008 £
Materials	-	9,708	277	14,448	35,253
Contractors	-	13,576	7,467	21,093	139,981
Advertising	-	660	586	4,461	5,542
Insurance	279	1,270	315	7,148	7,505
Grants paid	-	-	112	3,471	37,922
Repairs & maintenance	-	984	659	7,162	3,546
Motor expenses	-	684	1,668	9,693	13,271
Professional fees	-	734	1,918	15,255	19,113
Printing & stationery	-	9,467	4	17,500	11,064
Travel	-	-	-	6,284	1,212
Training	-	-	-	23,253	276
Wages and salaries	-	9,955	19,992	75,060	82,931
National insurance	-	846	1,881	6,791	7,376
	<u>279</u>	<u>47,884</u>	<u>34,879</u>	<u>211,619</u>	<u>364,992</u>

THE BORDERS FOREST TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

10. SUPPORT COSTS

	Borders Forest Trust £	Community Woods £	Corehead £	Education - General £
Subscriptions	1,073	50	326	-
Bank charges	379	-	95	-
Telephone	1,134	60	-	15
Heat & light	875	-	-	-
Rent	1,247	938	-	-
Training	851	-	-	-
Travel	-	-	-	-
Postage	3,080	-	155	-
Room hire	675	1,490	-	726
Sundries	521	89	33	91
Legal fees	-	200	1,650	-
Wages and salaries	16,017	-	-	-
National insurance	1,488	-	-	-
Depreciation	1,968	5,169	-	-
	<u>29,308</u>	<u>7,996</u>	<u>2,259</u>	<u>832</u>
	Wildwood £	Woodland Habitats £	Total 2009 £	Total 2008 £
Subscriptions	47	-	1,496	834
Bank charges	102	-	576	188
Telephone	132	140	1,481	1,725
Heat & light	-	-	875	1,468
Rent	-	-	2,185	3,259
Training	-	-	851	1,166
Travel	-	-	-	419
Postage	1,274	-	4,509	2,180
Room hire	17	-	2,908	1,440
Sundries	15	93	842	1,602
Legal fees	-	-	1,850	1,936
Wages and salaries	-	-	16,017	13,787
National insurance	-	-	1,488	1,161
Depreciation	-	-	7,137	7,701
	<u>1,587</u>	<u>233</u>	<u>42,215</u>	<u>38,866</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

11. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2009 £	Depreciation 2009 £	Other costs 2009 £	Total 2009 £	<i>Total 2008 £</i>
Costs of generating voluntary income	24,563	-	-	24,563	20,973
Fundraising expenses	-	-	3,839	3,839	155
COSTS OF GENERATING FUNDS	24,563	-	3,839	28,402	21,128
Borders Forest Trust	17,505	1,968	24,161	43,634	49,695
Community Woodlands	27,690	5,169	35,687	68,546	38,270
Corehead	1,260	-	16,716	17,976	8,557
Education - Green Grounds SNH	1,801	-	3,405	5,206	7,466
Education - General	18,426	-	15,184	33,610	16,463
Ettrick Marshes	-	-	279	279	1,473
Wildwood	10,801	-	38,670	49,471	78,476
Woodland Habitats	21,873	-	13,239	35,112	200,507
CHARITABLE ACTIVITIES	99,356	7,137	147,341	253,834	400,907
GOVERNANCE	12,512	-	14,989	27,501	30,813
	136,431	7,137	166,169	309,737	452,848

12. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2009 £	Support costs 2009 £	Total 2009 £	<i>Total 2008 £</i>
Borders Forest Trust	14,326	29,308	43,634	49,695
Community Woodlands	60,550	7,996	68,546	38,270
Corehead	15,717	2,259	17,976	8,557
Education - Green Grounds SNH	5,206	-	5,206	7,466
Education - General	32,778	832	33,610	16,463
Ettrick Marshes	279	-	279	1,473
Wildwood	47,884	1,587	49,471	78,476
Woodland Habitats	34,879	233	35,112	200,507
Total	211,619	42,215	253,834	400,907

THE BORDERS FOREST TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

13. NET INCOME

This is stated after charging:

	2009	2008
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	7,137	7,701
Accountancy fees	1,401	1,404
Audit fee	1,300	1,300
	<u>13,838</u>	<u>10,705</u>

During the year, no Trustees received any remuneration (2008 - £NIL).

During the year, no Trustees received any benefits in kind (2008 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2008 - £NIL).

14. AUDITORS' REMUNERATION

	2009	2008
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	1,300	1,300
Fees payable to the company's auditor and its associates in respect of:		
All other services	1,401	1,404
	<u>2,701</u>	<u>2,704</u>

15. STAFF COSTS

Staff costs were as follows:

	2009	2008
	£	£
Wages and salaries	125,001	125,667
Social security costs	11,430	11,245
	<u>136,431</u>	<u>136,912</u>

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

	2009	2008
	No.	No.
Administration	1	1
Project Staff	5	7
	<u>6</u>	<u>8</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

16. TANGIBLE FIXED ASSETS

	Freehold Land £	Plant and machinery £	Buildings £	Total £
COST				
At 1 January 2009	434,788	40,302	51,694	526,784
Additions	600,625	-	-	600,625
At 31 December 2009	<u>1,035,413</u>	<u>40,302</u>	<u>51,694</u>	<u>1,127,409</u>
DEPRECIATION				
At 1 January 2009	-	32,429	20,677	53,106
Charge for the year	-	1,968	5,169	7,137
At 31 December 2009	<u>-</u>	<u>34,397</u>	<u>25,846</u>	<u>60,243</u>
NET BOOK VALUE				
At 31 December 2009	<u>1,035,413</u>	<u>5,905</u>	<u>25,848</u>	<u>1,067,166</u>
At 31 December 2008	<u>434,788</u>	<u>7,873</u>	<u>31,017</u>	<u>473,678</u>

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.

The only addition this year was the land at Corehead - at a cost of £600,000 plus fees.

Land is not depreciated.

17. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 January 2009	2
Additions	23
At 31 December 2009	<u>25</u>
HISTORICAL COST	
	<u>25</u>

THE BORDERS FOREST TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

17. FIXED ASSET INVESTMENTS (continued)

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

Name	Holding	2009 £	2008 £
Woodschool Limited	25%	<u>25</u>	<u>2</u>
Name	Business	Registered office	
Woodschool Limited	Timber operations	Monteviot Nurseries, Ancrum	

The aggregate of the share capital and reserves as at 31 December 2009 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Woodschool Limited	<u>13,530</u>	<u>6,004</u>

INVESTMENTS AT MARKET VALUE COMPRISE:

	2009 £	2008 £
Group	<u>25</u>	<u>2</u>

All the fixed asset investments are held in the UK

18. STOCKS

	2009 £	2008 £
Sheep	47,470	-
Finished goods and goods for resale	2,453	3,230
	<u>49,923</u>	<u>3,230</u>

THE BORDERS FOREST TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

19. DEBTORS

	2009	2008
	£	£
Trade debtors	124,682	58,675
Other debtors	837	3,791
Prepayments and accrued income	2,577	2,655
	128,096	65,121
	128,096	65,121

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

	2009	2008
	£	£
Trade creditors	5,028	2,884
Social security and other taxes	2,872	3,144
Accruals and deferred income	34,159	10,578
	42,059	16,606
	42,059	16,606

21. STATEMENT OF FUNDS

	Brought Forward	Incoming resources	Resources Expended	Carried Forward
	£	£	£	£
UNRESTRICTED FUNDS				
Borders Forest Trust - general funds	3,522	104,103	(95,698)	11,927
Borders Forest Trust - trading	6,184	1,044	(777)	6,451
	9,706	105,147	(96,475)	18,378
	9,706	105,147	(96,475)	18,378

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

21. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

Borders Forest Trust - restricted	59,638	-	-	59,638
Community Woodlands	71,462	80,322	(63,378)	88,406
Corehead	110,941	659,603	(21,038)	749,506
Education - general	8,690	33,159	(33,262)	8,587
Education - Green Grounds	13,249	3,100	(4,845)	11,504
Ettrick	4,157	325	(279)	4,203
Wildwood	605,879	76,225	(55,349)	626,755
Woodland Habitat	27,458	83,620	(35,111)	75,967
	<u>901,474</u>	<u>936,354</u>	<u>(213,262)</u>	<u>1,624,566</u>
Total of funds	<u>911,180</u>	<u>1,041,501</u>	<u>(309,737)</u>	<u>1,642,944</u>

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
General funds	9,706	105,147	(96,475)	18,378
Restricted funds	901,474	936,354	(213,262)	1,624,566
	<u>911,180</u>	<u>1,041,501</u>	<u>(309,737)</u>	<u>1,642,944</u>

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2009 £	Unrestricted funds 2009 £	Total funds 2009 £	Total funds 2008 £
Tangible fixed assets	1,061,261	5,905	1,067,166	473,678
Fixed asset investments	-	25	25	2
Current assets	601,553	16,259	617,812	454,106
Creditors due within one year	(38,248)	(3,811)	(42,059)	(16,606)
	<u>1,624,566</u>	<u>18,378</u>	<u>1,642,944</u>	<u>911,180</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

23. 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.

24. OPERATING LEASE COMMITMENTS

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2009	2008
	£	£
EXPIRY DATE:		
Within 1 year	882	-
After more than 5 years	1,436	1,436
	=====	=====

25. RELATED PARTY TRANSACTIONS

During the year ended 31st December 2009, 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. Daphne Jackson's family are landowners who receive material amounts from the Trust. The Trustees have taken steps to ensure that there are no independence issues and that decisions relating to the family's land are taken without input from Daphne Jackson. Daphne Jackson is also the sister of the Trusts bookkeeper.

Woodschool Limited was a subsidiary of the Trust during 2009. Transactions are entered into at normal commercial rates.

26. CONTROLLING PARTY

The members of The Borders Forest Trust are considered to be the ultimate controlling party.

27. 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.