

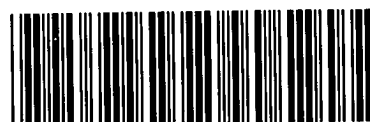
# KNOYDART FOREST TRUST

Company limited by guarantee (No. SC 194055) with charitable status (Charity No. SC 029274)



## DIRECTORS' REPORT AND ACCOUNTS for the year to 31 March 2018

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## **THE KNOYDART FOREST TRUST**

### **DIRECTORS' REPORT AND ACCOUNTS** for the year to 31 March 2018

#### **LEGAL AND ADMINISTRATIVE INFORMATION**

<b>Constitution</b>	The Knoydart Forest Trust is a company limited by guarantee, governed by its Memorandum and Articles of Association, and with charitable status
<b>Registered No.</b>	SC 194055
<b>Charity No.</b>	SC 029274
<b>Directors</b>	The directors serving throughout the year and since the year end were: Jim Brown (Chair) (re-elected 9 December 2017) Fred Rous (retired 15 May 2018) Fiona Lennie Roger Trussell Iain Wilson
<b>Company Secretary</b>	Paul Williams (retired 15 May 2018)
<b>Foresters</b>	Grant Holroyd Ian Dow
<b>KFT Manager</b>	Lorna Schofield
<b>Registered and Administrative Office</b>	KFT Office Inverie Knoydart PH41 4PL
<b>Independent Examiner</b>	Colin Gray C.A. B.Com. FKF Accounting Limited 4 <sup>th</sup> Floor Metropolitan House 31-33 High Street INVERNESS IV1 1HT

## **THE KNOYDART FOREST TRUST**

### **DIRECTORS' REPORT**

for the year 31 March 2018

The directors present their report and accounts for the year ended 31 March 2018. The accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's memorandum and articles of association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

#### **Structure, Governance and Management**

The Knoydart Forest Trust ("the Trust") was incorporated on 5 March 1999 as the successor to the Knoydart Forestry Project, a community group which initiated the first Knoydart 20 Year Woodland Management Plan. The Woodland Management Plan was renewed in 2006 when the first 20 Year Long Term Forest Plan was established. Both plans have been renewed in 2018. The Woodland management aims of the Trust include the encouragement of public access, awareness and appreciation, the enhancement of native woodland and the restructuring or diversification of non-native species, the creation of a sustainable, locally useful resource and the promotion of local employment and community involvement, all with consideration for the long term health of the peninsula's ecosystem.

The directors who served during the year were: Jim Brown (Chair) (re-elected 9 December 2017), Fred Rous (retired 15 May 2018), Fiona Lennie, Roger Trussell and Iain Wilson. None of the directors has any beneficial interest in the company.

Under the Trust's Articles of Association, membership is open to any person or organisation, but only members who are permanently resident on Knoydart are entitled to vote at meetings. The Annual General Meeting has the power to fix a subscription (at present nil). There are currently 70 members (2017: 69) whose liability is limited to their guarantee of £1 each. The directors are the trustees for the purposes of charity law. One third retire at each Annual General Meeting. The board decides the Trust's policy, which is implemented under the direction of the KFT Manager. New directors are provided with relevant background information to the Trust including its Memorandum of Association, business plan and woodland management plan and information regarding OSCR. The directors have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to major risks.

The Trust's aims and aspirations are closely aligned with those of the Knoydart Foundation, a charitable body which acquired the Knoydart Estate, including its woodlands in 1999. In 1999, the Trust signed an agreement with the Knoydart Foundation to implement the Woodland Plan, with community involvement. The Trust is given first option to carry out any forestry work on the Knoydart Estate and may retain the proceeds of any timber sales from the estate for use in the implementation of the Woodland Plan. It is also authorised by the Knoydart Foundation to seek and obtain grants from funding bodies in connection with its responsibilities under the agreement.

#### **Objectives and Principal Activities**

Under the Memorandum of Association, the Trust's objects are to "conserve, regenerate and promote the restoration of native woodlands and other woodlands in the geographical region of Knoydart as an important part of Scotland's natural environment for the benefit of the public". Accordingly, the Trust's principal activities during the period have been the management and development of the Knoydart woodlands. Its policies encourage local community participation, education and training.

## **THE KNOYDART FOREST TRUST**

### **DIRECTORS' REPORT**

for the year 31 March 2018

#### **Achievements in the Year**

The Trust's twentieth year since incorporation has been a successful and active year.

The renewed Woodland Management and Forest Plan which set out the Trust's work and aspirations for the next 20 years was approved in January 2018. A number of community consultation and engagement events throughout 2017 ensured that the community's views are reflected in the plans. The vision is that over the next 20 years Knoydart's woodland will be bigger, better and more resilient and that the use of this valuable resource will continue to increase with timber being used for making, building, renewable and sustainable fuel, reducing the community's carbon footprint, providing employment, putting money back into the local economy and providing a legacy for future generations.

In partnership with Knoydart Foundation the Trust hosted a community photography competition which showcased the community's photography talents and their connection with the woodlands and landscape of Knoydart.

#### **1. Woodland Management, Planting and Regeneration**

The core activity of the Trust is the management and establishment of woodland on Knoydart to create multi-purpose forests. The woodland resource provides an economic and environmental resource to the local community, enhances biodiversity and provides landscape and recreation benefits to the wider community. This is achieved by restructuring and enhancing existing woodlands, expanding the woodland habitat and adding value to the timber resource.

As part of the restructuring in Inverie Woods, the areas harvested in 2015 were replanted with 42,000 trees comprising of a diverse mix of tree species. Some of the areas harvested and replanted in 2007/8 were respaced/thinned to increase the resilience of the woodland and improve the quality of timber for the future.

Significant achievements towards the shared long term vision to link up the woodland habitat across the peninsula from Loch Nevis to Loch Hourn include planting 54,500 trees in the new White Gate woodland and general maintenance throughout the year on existing woodlands. The Trust explored the feasibility of woodland regeneration in the area between Scottas and Torr Morr, with funding support from the FCS Co-operation Fund. Following feedback from the local stakeholders, it was concluded that alternative smaller scale opportunities would be more appropriate at this time.

In working to achieve the eradication of *Rhododendron ponticum*, mature *Rhododendron* bushes in sawmill wood were removed in addition to the annual monitoring and removal of regrowth.

The other main activities in the year were:

- Completion and approval of renewed Woodland Management & Forest Plans
- Planting and weeding 27 hectare new woodland at The White Gate
- Maintenance of native woodlands and fencing at Fank Burn, Guiserein Bridge, Sandaig burn, Garsley, Croulin, Cnoc Gorm, Abhainn Bheag and Inverie
- Deer Control in Inverie Woods achieving a level that allows successful development of planted and regenerating young trees
- Maintenance of *Rhododendron ponticum* eradication by removal of regrowth with the help of a JMT work party
- Removal of redundant fencing at Scottas Woods
- Maintenance of woodland sculpture trail and addition of 2 new chainsaw carved features

## **THE KNOYDART FOREST TRUST**

### **DIRECTORS' REPORT**

for the year 31 March 2018

#### **Woodland Management, Planting and Regeneration (cont'd)**

- Mountain bike track inspections and maintenance
- Strimming and maintenance of informal paths and bridges to encourage public access and enjoyment of woodland areas
- Production of new leaflets about Knoydart's community woodland owned woodlands
- Provision of guided walks during the summer season via Knoydart Foundation Ranger
- Annual vegetation monitoring in partnership with Knoydart Foundation to study effects of browsing on woodland habitat and inform deer management in woodland areas
- Firewood processing
- Community volunteer sessions in partnership with Knoydart Foundation Rangers
- Tree safety risk management in partnership with Knoydart Foundation
- Felling and milling of the larder oak
- Community christmas tree day event

#### **2. Timber and Seed Sales**

Developing and maximising ways to use and add value to the timber resource is central to increasing the sustainability of the Trust, woodland management and the Knoydart community. Development of the Forest Workshop complex plays an integral role in the Trust's future growth and ongoing woodland management.

With support from the Plunkett Foundation's Making Local Woods Work project the Trust is developing the milled timber enterprise whilst also addressing the need for affordable accommodation for workers required to expand activities. As part of this project some of the Trust's team went on a study visit to Scottish Wood, a successful small scale timber processing venture in Fife, which was informative and inspiring. The Trust hosted a Knowledge Share visit from the Isle of Eigg Heritage Trust who were researching firewood processing and sales.

To expand the Trust's capacity to produce locally useful timber products a timber drying kiln and other secondary processing equipment was purchased with support from Forestry Commission Scotland's secondary processing grant.

Phase One of the Forest Workshop has enabled the Trust to develop and improve the quality and quantity of firewood provision. During the year the Trust produced 251m<sup>3</sup> of firewood (2017: 213m<sup>3</sup>) to help to meet the community and Mallaig area demand for firewood. The Trust also milled and processed timber for local construction and DIY projects. Local timber sales in the year are made up of £21,998 (2017: £17,460) for firewood and £4,971 (2017: £12,476) in relation to milled timber.

#### **3. Contracting and Consultancy**

The ability of the Trust to use its resources to carry out contract work brings in valuable income that is re-invested in its core activities. The majority of this work is now undertaken by the Trust's trading subsidiary, Wood Knoydart CIC, however the contract with Highland Council remains with the Trust.

#### **4. Training**

Training was undertaken by members of the KFT team in the following to further develop their skills and the capacity of the Trust:

- First Aid
- Excavator operation
- Mapping

## **THE KNOYDART FOREST TRUST**

### **DIRECTORS' REPORT**

for the year 31 March 2018

#### **Financial Review**

The Trust's financial position remains satisfactory. The Statement of Financial Activities on page 8 shows that total resources expended in the year exceeded total incoming resources by £26,696 (2017: *outgoing resources exceeded incoming resources by £11,230*). This amount was made up of a deficit of £18,259 in the Unrestricted Funds (2017: *£1,306 surplus*) and a deficit in Restricted Funds of £8,437 (2017: *£12,536 deficit*).

The deficit in the Unrestricted Fund is represented mainly the significant reduction in grant funding from the Scottish Government in the year.

The shortfall in the Restricted Funds was caused by the charge for depreciation on restricted assets (i.e. assets whose use is subject to conditions laid down by a funder).

The Restricted Funds balance of £55,528 (2017: *£63,965*) is represented by the depreciated value of buildings, plant and machinery. Tangible assets accounted for £23,840 (2017: *£20,983*) of the Unrestricted Funds balance of £316,026 (2017: *£334,285*). The remaining balance reflects the fact that some of the Trust's general forestry funding must be conserved to cover long growing periods, ongoing maintenance and contingencies including our commitment to maintain Rhododendron eradication and native woodland establishment, and includes the expendable endowment (£142,855) donated to the Trust in 2001.

#### **Investment Policy**

The Endowment Fund is invested in two investment accounts in order to maximise interest and to safeguard these funds via the Financial Services Compensation Scheme, with the interest being used to support general expenses. The Royal Bank of Scotland manages the Trust's current and special high interest account to ensure that the maximum amount is held in the latter account at all times. This arrangement enables the Trust to easily access funds for day to day running whilst gaining a higher level of interest. The Trust is investigating new investment options.

#### **Policy on Reserves**

The Trust is in the process of identifying its ongoing commitments and thereafter will develop a formal policy of management of reserves. Currently the Trust has sufficient reserves to meet its commitments.

#### **Plans for the Future**

##### **Native Woodland**

To develop and enhance the native woodland habitat on Knoydart the Trust will develop potential sites identified in the Forest Plan in consultation with the Knoydart Foundation, the community and neighbouring landowners. The Trust (via Wood Knoydart) will also work with neighbouring landowners to develop their proposals for native woodland expansion. The first area to be progressed will be at Mary Ann's Point, between Sandaig and Doune.

With increasing uncertainty about future grant funding for woodland creation, the Trust will look into alternative means of funding projects including carbon sequestration schemes where investors offset their carbon footprint against woodland creation schemes.

## **THE KNOYDART FOREST TRUST**

### **DIRECTORS' REPORT**

for the year 31 March 2018

#### **Plans for the Future (continued)**

##### **Woodland Management and Public Access**

The Trust will continue to undertake works to restructure Inverie Woods to convert the woods from clearfell systems to a continuous cover management system and to maintain and improve public access within the woodland area. As part of this restructuring the Trust will continue to respace areas that were harvested and replanted in 2007 and 2008 respectively. Planning for Phase one felling will start.

##### **Woodfuel**

The Trust will continue to increase its capacity and efficiency to meet the ongoing community need for firewood and improve the quality of the product and to supply firewood to Mallaig and surrounding area.

##### **Growth**

Development of the Trust's capacity to sell and market milled and processed timber will continue in the forthcoming year. Having identified that lack of affordable accommodation for workers is a major constraint the Trust intends to develop and showcase a range of timber products by building a house/office using local resources. Through its trading subsidiary, Wood Knoydart CIC, the Trust will continue to develop income generating activities which make use of the woodland resource. This will include developing wood products and markets and exploring other options.

##### **Other Activities**

Other main activities for the coming year are the ongoing woodland maintenance activities and continued work with volunteers. The Trust will work closely with the Knoydart Foundation to maximise the community benefit of these activities.

#### **Acknowledgements**

The Trust's directors wish to thank all the organisations and individuals whose generosity and support enable it to continue and develop its efforts to improve and conserve the woodlands on Knoydart.

The directors would especially like to thank the family of Jean M. Aitken who made a generous donation to the Trust in her memory.

The directors are grateful to the community for its ongoing interest and enthusiasm in the future of the woodlands, to the Knoydart Foundation for its continued encouragement, and to the staff, subcontractors and volunteer workers for their labours which make it all happen on the ground.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.



Jim Brown  
Director

Date: 4 December 2018

## THE KNOYDART FOREST TRUST

### Independent examiner's report to the trustees on the unaudited financial statements of The Knoydart Forest Trust.

I report on the accounts for the year ended 31 March 2018 set out on pages 8 to 19.

#### Respective responsibilities of trustees and independent examiner

The charity's trustees (who are also the directors of the company for purposes of company law) are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 (the Act) and the Charities Accounts (Scotland) Regulations 2006. The charity's trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to state, on the basis of my examination as required under section 44(1) (c) of the Act, whether particular matters have come to my attention.

#### Basis of Independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on whether the accounts present a 'true and fair view'.

#### Independent examiner's statement

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the trustees have not met the requirements to ensure that:
  - proper accounting records are kept in accordance with section 386 of the Companies Act 2006;
  - accounts are prepared which agree with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



.....  
Colin Gray B.Com. C.A.

Independent examiner

FKF Accounting Limited

4<sup>th</sup> Floor Metropolitan House,

31-33 High Street

Inverness, IV1 1HT

4 December 2018



**THE KNOYDART FOREST TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES** (including Income & Expenditure Account)  
for the year to 31 March 2018

	Note	Restricted Funds £	Unrestricted Funds £	Endowed Funds £	2018 Total £	2017 Total £
<b>Income:</b>						
Donations	2	-	19,214	-	19,214	3,041
<b>Income from charitable activities:</b>						
Grants receivable	3	3,160	54,361	-	57,521	140,130
Rent (employee accommodation)		-	3,120	-	3,120	3,120
Timber and seed sales	4	-	26,969	-	26,969	29,937
Timber harvesting sales	4	-	-	-	-	-
Contracting income generation	5	-	10,849	-	10,849	10,624
Recharge income (Trading Subsidiary)		-	12,677	-	12,677	3,702
		<u>3,160</u>	<u>107,976</u>	<u>-</u>	<u>111,136</u>	<u>187,513</u>
<b>Income from trading activities:</b>						
Contracting and consultancy	5	-	-	-	-	720
Training & event fees		-	103	-	103	-
		<u>-</u>	<u>103</u>	<u>-</u>	<u>103</u>	<u>720</u>
<b>Investment income</b>	6	-	63	-	63	451
<b>Total incoming resources</b>		<u>3,160</u>	<u>127,356</u>	<u>-</u>	<u>130,516</u>	<u>191,725</u>
<b>Expenditure:</b>	7					
<b>Costs of raising funds:</b>						
Cost of contracting and consultancy		-	-	-	-	-
Training costs		-	2,478	-	2,478	507
		<u>-</u>	<u>2,478</u>	<u>-</u>	<u>-</u>	<u>507</u>
<b>Expenditure on charitable activities:</b>						
Woodland management, regeneration and planting		-	58,765	-	58,765	98,981
Cost of timber and seed sales	11,597	-	23,446	-	35,043	54,453
Generation of incoming resources		-	15,534	-	15,534	4,504
Contracting income generation		-	6,886	-	6,886	9,390
Governance costs		-	1,550	-	1,550	1,575
Other resources expended		-	36,956	-	36,956	33,545
		<u>11,597</u>	<u>14,137</u>	<u>-</u>	<u>154,734</u>	<u>202,448</u>
<b>Total expenditure</b>		<u>11,597</u>	<u>145,615</u>	<u>-</u>	<u>157,212</u>	<u>202,955</u>
<b>Net income/(expenditure) and net movement in funds for the year</b>		(8,437)	(18,259)	-	(26,696)	(11,230)
<b>Reconciliation of funds</b>						
Total funds brought forward		63,965	334,285	142,855	541,105	552,335
<b>Total funds carried forward</b>		<u>55,528</u>	<u>316,026</u>	<u>142,855</u>	<u>514,409</u>	<u>541,105</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities.  
The notes on pages 11-19 form part of these accounts.

# THE KNOYDART FOREST TRUST

## BALANCE SHEET

as at 31 March 2018

	Note	2018 £	2017 £
<b>Tangible fixed assets</b>			
Buildings		45,184	52,930
Plant and machinery		34,184	31,845
Motor vehicles		-	74
Office equipment		-	99
		<hr/>	<hr/>
	13	79,368	84,948
		<hr/>	<hr/>
<b>Investments</b>			
Investment in subsidiary	14	100	100
		<hr/>	<hr/>
<b>Total fixed assets</b>		79,468	85,048
		<hr/>	<hr/>
<b>Current assets</b>			
Stock		26,282	28,919
Debtors and prepayments	15	112,525	155,862
Due from subsidiary undertakings		114,117	85,182
Cash at bank		188,161	189,791
Cash in hand		23	1,489
		<hr/>	<hr/>
<b>Total current assets</b>		441,108	461,243
<b>Liabilities</b>			
Creditors falling due within one year	16	(6,167)	(5,186)
		<hr/>	<hr/>
<b>Net Current Assets</b>		434,941	456,057
		<hr/>	<hr/>
<b>Net assets</b>		514,409	541,105
		<hr/>	<hr/>
<b>The funds of the charity:</b>			
Restricted funds	17,22	55,528	63,965
Unrestricted funds	22	316,026	334,285
Endowed funds	19,22	142,855	142,855
		<hr/>	<hr/>
<b>Total charity funds</b>		514,409	541,105
		<hr/>	<hr/>

## THE KNOYDART FOREST TRUST

### BALANCE SHEET (continued) at 31 March 2018

#### STATEMENT BY THE DIRECTORS

For the financial year ended 31 March 201 the company was entitled to exemption from audit under section 477 Companies Act 2006. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These financial are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act and are for circulation to members of the company.

Approved by the Board for issue on 4 December 2018



Roger Trussell  
Director  
Company Registration No SC194055

The Notes on pages 11-20 form part of these accounts.

## THE KNOYDART FOREST TRUST

### NOTES TO THE ACCOUNTS

for the year to 31 March 201

#### 1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**(a) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**(b) Preparation of the accounts on a going concern basis**

The trustees consider that the charity is a going concern. The trustees remain in regular contact with funding entities in order to secure their on-going financial support.

**(c) Income recognition policies**

Items of income are recognised and included in the accounts when all of the following criteria are met:

- The charity has entitlement to the funds;
- Any performance conditions attached to the items of income have been met or are fully within the control of the charity;
- There is sufficient certainty that receipt of the income is considered probable; and
- The amount can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally on notification of the interest paid or payable by the bank.

**(d) Endowed funds**

Grants, donations and other incoming resources intended by donors to provide investment income to assist the Trust to achieve its objects over time are classified as Endowed Funds. Interest earned on endowed funds is classed as unrestricted income.

**(e) Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Trust's work or for specific project being undertaken by the Trust.

**(f) Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of commercial trading and their associated support costs.
- Expenditure on charitable activities includes the costs relating to projects and activities undertaken to further the purposes of the charity and their support costs and includes the costs of trading activities which are directly related to the primary purpose of the charity.

## THE KNOYDART FOREST TRUST

### NOTES TO THE ACCOUNTS

for the year to 31 March 201

#### 1. ACCOUNTING POLICIES (continued)

**(g) Tangible fixed assets**

Individual fixed assets costing £250 or more are capitalized at cost and are depreciated over their estimated useful economic lives as follows (pro rata for assets acquired during the year):

Buildings	10% straight line
Plant and Machinery	20% reducing balance
Motor Vehicles	25% straight line
Office and Other Equipment	25% straight line

Assets purchased or partly purchased with the assistance of grants or donation are, where the terms of the grant or donation require it, held in the restricted Asset Purchase Fund, to which the appropriate depreciation is charged.

**(h) Stock and work in progress**

Stocks and work in progress are valued at the lower of cost and net realisable value. Provision is made for obsolete and slow-moving items.

**(i) Debtors**

Trade and other debtors are recognised at the settlement amount due after any discount offered.

**(j) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

**(k) Financial instruments**

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

#### 2. VOLUNTARY INCOME

	2018 £	2017 £
<b>Unrestricted</b>		
Gifts from individuals	1,640	208
Donation from trading subsidiary	17,574	2,833
	<hr/>	<hr/>
	19,214	3,041
	<hr/>	<hr/>

# THE KNOYDART FOREST TRUST

## NOTES TO THE ACCOUNTS

for the year to 31 March 2018

### 3. GRANTS RECEIVABLE

		2018 £	2017 £
<b>Unrestricted</b>			
Woodland management, Regeneration and planting	Scottish Government	54,061	140,130
Event	CWA	300	-
<b>Total Unrestricted</b>		<u>54,361</u>	<u>140,130</u>
<b>Restricted</b>			
Timber Harvesting & Processing	Scottish Government	3,160	-
<b>Total Restricted</b>		<u>3,160</u>	<u>-</u>
<b>Total Restricted and Unrestricted</b>		<u>57,521</u>	<u>140,130</u>

### 4. TIMBER AND SEED SALES

Under its Management Agreement with the Knoydart Foundation, the Trust is permitted to sell timber, seed and other forest products, including young trees, from the area under management provided that the income from such sales is reinvested in the agreed woodland plan. Timber sales in the year totalled £26,969 (2017: £ 29,937) comprising of woodfuel sales of £21,998 (2017: £17,584) and milled timber sales of £4,971 (2017: £12,353).

### 5. CONTRACTING AND CONSULTANCY FEES

The Trust encourages all landowners on Knoydart to manage and develop their woodlands in line with the aims of the Trust and the woodland management plan. When appropriate, contracting and consultancy fees (2017: £720) are charged to landowners and others, in the year all such work was carried out by the Trust's trading subsidiary.

The Trust holds the contract for road maintenance for the Highland Council which provides an income stream to support the charitable work of the Trust. Income for the year from this contract was £10,849 (2017: £10,624).

### 6. INVESTMENT INCOME

	2018 £	2017 £
Interest receivable	63	451
	<u>63</u>	<u>451</u>

THE KNÓYDART FOREST TRUST

NOTES TO THE ACCOUNTS  
for the year ending 31 March 2018

7. STATEMENT OF TOTAL RESOURCES EXPENDED

	Woodland Management, Regeneration and Planting £	Timber and Seed Sales £	Training £	Generation of Incoming Resources £	Contracting - Income Generation £	Governance Costs £	Other Resources Expended £	Total 2018	Total 2017 £
Staff costs (Note 9)	6,006	12,412	819	15,534	2,111		22,148	59,030	63,821
Pension costs							921	921	1,190
Subcontractors' charges (Note 8)	29,062	1,810			1,395			32,267	30,181
Forestry supplies	18,784	738			109		1,750	21,381	45,695
Repairs and maintenance	447	3,681			919		1,988	7,035	4,672
Insurance	3,902	1,452			575		2,202	8,131	7,496
Rent and electricity		1,111					1,209	2,320	2,432
Office supplies and equipment							346	346	1,296
Postage and telephones							1,284	1,284	1,264
Subscriptions and publications							506	506	547
Independent examination fee						1,550		1,550	1,575
Other professional fees							1,920	1,920	-
Travel and subsistence	40		255				40	335	217
Worker accommodation costs							1,262	1,262	1,432
Depreciation	524	11,042			1,777		963	14,306	15,759
Plant hire		60						60	3,962
Transport		100						100	15
Sundry							99	99	560
Bank charges & other interest							318	318	209
Course costs			1,404					1,404	66
Stock movement/W.I.P.		2,637						2,637	21,241
Disposal of asset								-	(675)
<b>Total Resources Expended</b>	<b>58,765</b>	<b>35,043</b>	<b>2,478</b>	<b>15,534</b>	<b>6,886</b>	<b>1,550</b>	<b>36,956</b>	<b>157,212</b>	<b>202,955</b>
Total Restricted		10,822					775	11,597	12,536
Total Unrestricted	58,765	24,221	2,478	15,534	6,886	1,550	32,770	145,651	190,419
<b>Total Resources Expended 2017</b>	<b>98,981</b>	<b>54,453</b>	<b>507</b>	<b>4,504</b>	<b>9,390</b>	<b>1,575</b>	<b>33,545</b>	<b>202,955</b>	
Total Restricted		11,561					975	12,536	
Total Unrestricted	98,981	42,892	507	4,504	9,390	1,575	32,570	190,419	

# THE KNOYDART FOREST TRUST

## NOTES TO THE ACCOUNTS

for the year to 31 March 2018

### 8. SUBCONTRACTORS' CHARGES

Nature of Work	2018 £	2017 £
<b>Regeneration and Planting</b>		
Ground preparation	-	2,475
Tree planting & layout	8,913	9,115
Tree protection	790	-
Fence maintenance	750	-
Bracken weeding	8,389	720
Fence construction	-	9,950
Site surveys	-	487
Mapping	-	1,085
<b>Total Regeneration and Planting</b>	<b>18,842</b>	<b>23,832</b>
<b>Woodland Management</b>		
Deer control	1,638	1,397
Track & path work	700	1,180
Mapping	-	465
Leaflet design & printing	536	-
Rhododendron eradication	1,930	1,425
Restock tree planting	3,880	-
Respacing & felling	1,536	-
<b>Total Woodland Management</b>	<b>10,220</b>	<b>4,467</b>
<b>Contracting</b>		
Road maintenance	1,395	963
<b>Total Contracting</b>	<b>1,395</b>	<b>963</b>
<b>Timber sales</b>	<b>1,810</b>	<b>919</b>
	<b>32,267</b>	<b>30,181</b>

### 9. STAFF

The total emoluments payable to staff was £68,981 (2017: £62,510). Employers' National Insurance contributions amounted to £3,141 (2017: £3,207) after Employment Allowance deductions of £3,000 (2017: £3,000). There were no employees whose annual emoluments were £60,000 or more. Pension contributions amounted to £921 (2017: £1,190). The average number of employees, with part time staff shown as full-time equivalents, over the whole period covered by the accounts was 3 (2017:3).



## THE KNOYDART FOREST TRUST

### NOTES TO THE ACCOUNTS

for the year to 31 March 2018

#### 10. DIRECTORS' REMUNERATION AND EXPENSES

No director received any remuneration for services as a director or received reimbursement for expenses (2017: nil).

No directors (2017: nil) received payment for services provided. The Trust conducted sales transactions with 3 directors (2017: 5) to the effect of £498 (2017: £718) to Fred Rous, £711 (2017: £674) to Jim Brown for firewood sales and £50 (2017: nil) to Fiona Lennie for sale of timber. Amounts outstanding at 31 March 2018 include £486 from Jim Brown (2017: £674) and £71 from Fred Rous (2017: nil). All such transactions are charged at the commercial arms length basis for the services and products supplied.

#### 11. NET INCOME/EXPENDITURE FOR THE YEAR

Net income/(expenditure) for the year is stated after charging depreciation of £14,306 (2017: £15,759).

#### 12. RELATED PARTY TRANSACTIONS

As at 31 March 2018 the Trust was owed £114,117 (2017: £77,498) by Wood Knoydart CIC.

#### 13. TANGIBLE FIXED ASSETS

	Buildings £	Plant & Machinery £	Motor Vehicles £	Office & Other Equipment £	Total £
<b>Cost</b>					
At 1 April 2017	77,458	90,826	3,550	788	172,622
Additions in the year	-	8,727	-	-	8,727
Disposals in the year	-	-	(3,550)	(788)	(4,338)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2018	77,458	99,553	-	-	177,011
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
At 1 April 2017	24,528	58,981	3,476	689	87,674
Charge for the year	7,746	6,388	74	99	14,307
Disposals in the year	-	-	(3,550)	(788)	(4,338)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2018	32,274	65,369	-	-	97,643
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Book Value at 31 March 2018</b>	45,184	34,184	-	-	79,368
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>31 March 2017</b>	52,930	31,845	74	99	84,948
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

# THE KNOYDART FOREST TRUST

## NOTES TO THE ACCOUNTS

for the year to 31 March 2018

### 14. INVESTMENTS

	2018 £	2017 £
Investment in subsidiary	100	100
	<hr/>	<hr/>
	100	100
	<hr/>	<hr/>

The trust holds 100% of the share capital of the following company;

Company	Country of registration of incorporation	Nature of business	Share Class Held
<b>Subsidiary Undertaking</b>			
Wood Knoydart CIC	Scotland	Woodland management and enhancement and the promotion of employment and community involvement.	Ordinary

	Capital and Reserves £	Profit for the Year £
Wood Knoydart CIC	100	0

### 15. DEBTORS

	2018 £	2017 £
Grants receivable	77,878	135,444
Other debtors	31,038	18,095
Prepayments	3,609	2,323
	<hr/>	<hr/>
	112,525	155,862
	<hr/>	<hr/>

### 16. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	526	346
Accruals	4,085	3,397
Rent deposits	100	100
Other taxes and social security	1,456	1,343
	<hr/>	<hr/>
	6,167	5,186
	<hr/>	<hr/>

## THE KNOYDART FOREST TRUST

### NOTES TO THE ACCOUNTS

for the year to 31 March 2018

#### 17. TAXATION

The charity is exempt from tax and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. Any commercial trading activities are carried out by the Trust's wholly owned trading subsidiary.

The Trust is able to claim Gift Aid on donations from individuals paying UK Income Tax. Gift Aid receipts of £294 (2017: £nil) are included in donations.

#### 18. RESTRICTED FUNDS

The purposes of the Restricted Funds are:

Asset Purchase Fund:

To distinguish assets purchased wholly or partly out of grants or donations which are subject to conditions imposed by the donors.

#### 19. ENDOWED FUNDS

The Endowed Funds consist of a single expendable endowment. The Endowed Funds are intended to provide investment income over time but, since the endowment is expendable, the directors also have the power to convert all or part into income if they consider it necessary or expedient in order to help the Trust meet its objects. The funds have been reinvested in three different accounts to increase the interest and to ensure security of the funds under the Financial Services Compensation Scheme.

#### 20. CONTROL

The company is controlled by the trustees on behalf of the members of the company.

# THE KNOYDART FOREST TRUST

## NOTES TO THE ACCOUNTS

for the year to 31 March 2018

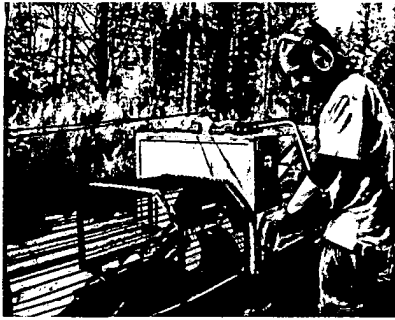
### 21. FUND MOVEMENTS IN THE YEAR

	1 April 2017 £	Incoming Resources £	Resources Expended £	Transfers In/(Out) £	31 March 2018 £
<b>Restricted Funds</b>					
Asset Purchase Fund	63,965	3,160	11,597	-	55,528
	<u>63,965</u>	<u>3,160</u>	<u>11,597</u>	<u>-</u>	<u>55,528</u>
<b>Unrestricted Funds</b>	334,285	127,356	145,615	-	316,026
<b>Endowed Funds</b>	142,855	-	-	-	142,855
	<u>142,855</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>142,855</u>
<b>All Funds</b>	<u>541,105</u>	<u>130,516</u>	<u>157,212</u>	<u>-</u>	<u>514,409</u>

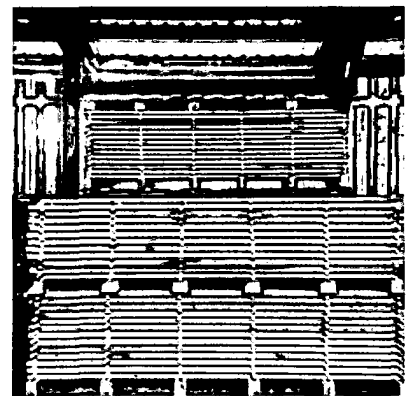
Interest of £27 (2017: £296) earned on endowed funds is included in unrestricted funds.

### 22. ANALYSIS OF NET ASSETS AT 31 MARCH BETWEEN FUNDS

	Restricted Funds £	Unrestricted Funds £	Endowed Funds £	All Funds £
<b>Tangible fixed assets</b>	55,528	23,840	-	79,368
<b>Fixed assets</b>	-	100	-	100
<b>Current assets:</b>				
Debtors	-	112,525	-	112,525
Due from subsidiary undertakings	-	114,117	-	114,117
Stock	-	26,282	-	26,282
Cash at bank and in hand	-	45,329	142,855	188,184
	<u>-</u>	<u>298,253</u>	<u>142,855</u>	<u>441,108</u>
<b>Total current assets</b>	-	298,253	142,855	441,108
<b>Less creditors</b>	-	(6,167)	-	(6,167)
	<u>-</u>	<u>292,086</u>	<u>142,855</u>	<u>434,941</u>
<b>Net current assets</b>	-	292,086	142,855	434,941
<b>Net assets at 31 March 2018</b>	<u>55,528</u>	<u>316,026</u>	<u>142,855</u>	<u>514,409</u>
<b>Net assets at 31 March 2017</b>	<u>63,965</u>	<u>334,285</u>	<u>142,855</u>	<u>541,105</u>



**FIREWOOD PROCESSING**

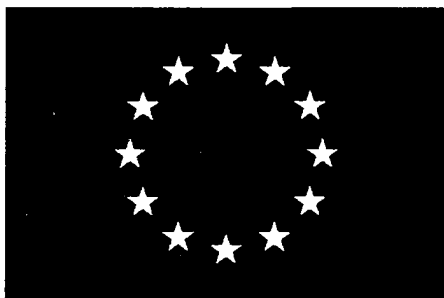


**MILLING THE LARDER OAK**

The Trust wishes to acknowledge the support of the following organisations:



**The European Agricultural Fund for Rural  
Development:  
Europe investing in the Rural Areas**



Community  
Woodlands  
Association



**Highlands and Islands Enterprise**  
Iomairt na Gàidhealtachd 's nan Eilean



**Forestry Commission**  
Scotland



**MAKING  
LOCAL WOODS  
WORK**