

**SCOTLAND'S FINEST WOODS**

A Company limited by guarantee  
And not having a Share Capital

**Charity Registration No. SC039099**

**Company Registration No. SC294388**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

TUESDAY



SCT	*S6X8LKW9*	09/01/2018	#546
		COMPANIES HOUSE	
SCT	*S6L3G5CH*	12/12/2017	#219
		COMPANIES HOUSE	

**Directors:** Sir Patrick Hunter Blair  
Christopher Inglis (Chairman)  
Guy Watt  
Shireen Chambers (resigned 24 June 2017)  
Angela Douglas  
Wilma Harper (appointed 15 June 2017)

**Secretary/Administrator:** Angela Douglas

**Bankers:** The Royal Bank of Scotland  
High Street  
Langholm  
DG13 0JH

**Independent Examiner:** James Anderson C.A.  
Pentland Estate  
Straiton  
EDINBURGH  
EH20 9QH

**Registered Office:** 3 Salisbury House  
Strathpeffer  
Ross-shire  
IV14 9AU

**Company Registration No:** SC294388

**Charity Registration No:** SC039099

**Governing Document:** Memorandum and Articles of Association

**Report of the Directors  
For the Year ended 30 September 2017**

The Directors are pleased to present their annual report together with the financial statements of the charity for the year ended 30 September 2017. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

**Structure, Governance and Management**

Scotland's Finest Woods is a company limited by guarantee and is governed by its Memorandum and Articles of Association dated 8<sup>th</sup> December 2005. The liability of each member is limited to £1. The company was registered at Companies House as a private limited company on 12<sup>th</sup> December 2005 and registered as a charity by the Office of the Scottish Charity Regulator (OSCR) with effect from 20<sup>th</sup> December 2007.

**Recruitment and Appointment of the Directors**

The Directors of the company are also charity trustees of the purpose of charity law and under the company's Articles are known as members of the Board of Directors.

Directors are appointed by agreement among the serving Directors. The Directors are recruited to maintain a balance of skills within the Board. Appointees are usually already familiar with the operations of Scotland's Finest Woods. They then participate in an induction programme which includes meeting with the Administrator and Board of Directors to familiarise themselves with the charity and the context within which it works.

No Director is remunerated for their service as a Director.

**Organisational Structure**

The charity is organised so that the Directors meet to manage the company as necessary. The Board is responsible for making decisions and a record of these is contained in the minutes of each meeting.

**Risk Statement**

In pursuing the Charity's objectives, the Directors are responsible for publicising, running and judging an annual competition to identify Scotland's Finest Woods and for arranging an appropriate Award ceremony. They maintain and keep updated a formal risk assessment matrix that is reviewed at least annually. There are three main risks: loss of key personnel, funds failing to meet requirements and the loss of Scottish Government support through the funding provided by Forestry Commission Scotland for meeting part of the cost of running the Awards and the hosting of the Awards ceremony. Steps to minimise each of these main risks are identified with the actions required detailed to mitigate each risk.

**Objectives and Activities**

For the benefit of the people of Scotland as a whole:

To promote sustainable woodlands and their environs for educational, research, environmental, social and recreational purposes for the benefit of local residents, visitors and the public in general.

To promote a greater understanding and appreciation of the environmental, social and recreational potential of trees, woods and forests.

**Report of the Directors (Continued)**

To promote, encourage and secure the educational value of Scotland's woodlands and its scenic and historic qualities including the provision of facilities in the interests of the physical, social and cultural welfare of the people of Scotland as a whole.

To promote and encourage others to undertake and develop innovative concepts to the benefit of the forestry industry as a whole.

**Achievements and Performance**

The company's principal activity is to hold an annual awards programme known as the Scotland's Finest Woods Awards to celebrate the contribution that woodlands can make to the people of Scotland and to its environment and economic prosperity.

The underlying principle of the Awards is that people from across Scotland work hard to support their local communities and the environment and the Awards provide a way to recognise and reward their achievements and so identify exemplars for others to follow.

**Financial support for the Awards** was provided by a range of Delivery Partners:

BSW Timber Ltd.  
Egger Forestry  
Forestry Commission Scotland  
Iggesund Forestry  
James Jones & Sons Ltd.  
Outdoor & Woodland Learning Scotland (in-kind support)  
Scottish Woodlands Ltd.  
Tilhill Forestry  
The Woodland Trust Scotland

Smaller contributions were made by the following Supporters:

Alba Trees Ltd. (in-kind support)  
Caledonia Play  
Central Scotland Green Network Trust  
Community Woodlands Association (in-kind support)  
Confor  
Institute of Chartered Foresters  
Royal Scottish Forestry Society

The awards programme attracted just under 20 entries. The prizes were presented by Mr Fergus Ewing MSP, Cabinet Secretary for the Rural Economy at a reception hosted by Forestry Commission Scotland at the Royal Highland Show, Edinburgh on 23rd June 2017.

The Trustees are grateful to the above partners and supporters and to the volunteer judging teams who make possible the annual Awards programme.

**Prize-winners**

The prize-winners for the Scotland's Finest Woods Awards 2017 were:

**Community Woodlands Award**

*Overall Winner of the Community Woods category and the Tim Stead Trophy and Winner of the Large Community Woodland competition:*

*- Ailor Common Grazings Native Woodland, Knoydart*

**Report of the Directors (Continued)**

**Prize-winners Continued**

*Winner of the Small Community Woodland competition:*

- Doune Ponds, Perthshire

*Highly Commended in the Large Community Woodland competition:*

- Aigas Community Forest, Inverness-shire

*Commended:*

- Butterybank Community Woodland, Coupar Angus – Small Community Woodland
- Denlethen Wood, Laurencekirk – Small Community Woodland
- Falkland Estate, Fife – Large Community Woodland

**New Native Woods Award**

*Joint Winners of the Woodland Trust Scotland Trophy for New Native Woods:*

- Borders Forest Trust for Carrifran Wildwood, Moffat Hills and
- National Trust for Scotland for Mar Lodge Estate Pinewoods, Braemar

**Quality Timber Awards**

*New Commercial Woodlands category*

*Winner of the James Jones Trophy for New Commercial Woods:*

- Mr John Hartz for Jerah, Sheriffmuir, Dunblane

*Commended:*

- Mr N Adams for Camis Eskin, Helensburgh

**Schools Award**

*Winner of the Crown Estate Schools Trophy:*

- Underbank Primary School, Crossford, South Lanarkshire

*Runner up:*

- Wild Willows, Kincaig, Highland

Winners receive custody of the relevant trophy for the coming year, an engraved wooden plaque to record their achievement, a certificate and a winner's cheque in support of their ongoing activities.

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**Report of the Directors (Continued)****Financial Review**

The financial statements follow on pages 8 to 12.

The principal funding sources are grants received from parties interested in the promotion of the objectives of the company and are shown in the financial statements.

Expenditure on these activities is disclosed in note 3 of the financial statements. A surplus resulted for the year which is added to the reserves brought forward for use in future years.

**Reserves Policy**

The Directors have taken the decision to increase the level of the General Reserve to 100% of the likely annual running costs. The fund stands at the year end at £30,000.

**Plans for Future Periods**

The Trustees will seek to build on the success of the previous years of competition. In particular, the Directors will seek to continue raising the profile and relevance of the Awards and to increase the financial contributions and the diversity of those contributing to the Awards.

**Key management personnel remuneration**

The Directors consider that they and the Administrator as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All Directors give of their time freely and no trustee remuneration or expenses were paid in the year.

Directors are required to disclose all relevant interests and register them with the Company Secretary and in accordance with the Charity's policy withdraw from decisions where a conflict of interest arises.

The Directors are responsible for appointing the Administrator who is not an employee and is appointed on a service contract basis. The level of the Administrators fee is reviewed annually in accordance with rates appropriate for the role.

**Report of the Directors (Continued)****Trustees' responsibilities in relation to the financial statements**

The charity Directors are responsible for preparing Directors' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements the trustees are required to:

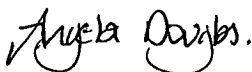
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities Statement of Recommended Practice;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the Memorandum and Articles of Association. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

*Independent Examiner*

The independent examiner James Anderson C.A. of James Anderson & Co Accountants is willing to continue in office and a resolution regarding this appointment will be put to the members at the Annual General Meeting.

**By Order of the Board**

**Angela Douglas**  
Director

**15 November 2017**

**Independent Examiner's Report to the Members  
For the Year ended 30 September 2017**

I report on the accounts of the Company for the year ended 30 September 2017 which are set out on pages 8 to 12.

**Respective responsibilities of the Directors and independent examiner**

The Directors are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The Directors consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44 (1) (c) of the Act and to state whether particular matters have come to my attention.

**Basis of Independent examiner's statement**

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the Directors 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 Directors 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 the view given in the accounts.

**Independent examiner's statement**

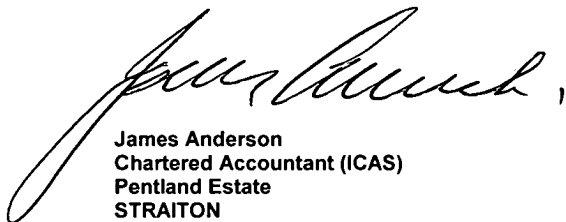
In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with Section 44 (1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
- to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



James Anderson  
Chartered Accountant (ICAS)  
Pentland Estate  
STRAITON  
Edinburgh  
EH20 9QH

15 November 2017



**Income and Expenditure Account and Statement of Financial Activities**  
**For the Year ended 30 September 2017**

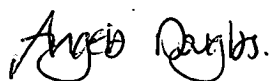
	Notes	2017 £	2016 £
<b>Income</b>			
Charitable activities	2	29,550	29,250
Investment income		10	30
		<u>          </u>	<u>          </u>
<b>Total Income</b>		<u>29,560</u>	<u>29,280</u>
 <b>Expenditure</b>			
Charitable activities	3	28,243	26,041
		<u>          </u>	<u>          </u>
<b>Total Expenditure</b>		<u>28,243</u>	<u>26,041</u>
 <b>Net Income</b>		<b>1,317</b>	<b>3,239</b>
 <b>Reconciliation of Funds</b>			
Total funds brought forward		<u>29,710</u>	<u>26,471</u>
 <b>Total Funds carried forward</b>	6	<u><b>31,027</b></u>	<u><b>29,710</b></u>

The results set out above derive wholly from the continuing operations of the company. The company has no recognised gains or losses other than as stated above. The above income and expenditure relate to an unrestricted fund.

**Balance Sheet**  
**As at 30 September 2017**

	Notes	2017 £	2016 £
<b>Current Assets</b>			
Bank		<u>31,513</u>	<u>32,678</u>
<b>Creditors</b>			
Amount falling due within one year	5	<u>486</u>	<u>2,968</u>
<b>Net Assets</b>		<u>31,027</u>	<u>29,710</u>
<b>Reserves</b>			
Unrestricted Funds	6	<u>31,027</u>	<u>29,710</u>

These annual accounts have not been audited because the company is entitled to the exemption provided by S477 of the Companies Act 2006 and members have not required the company to obtain an audit of its accounts for the period in accordance with S476 of the Companies Act 2006. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records that comply with S386 of the Companies Act 2006. The directors also acknowledge their responsibilities for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year in accordance with S396 Companies Act 2006, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company. These accounts have been prepared in accordance with the provisions applicable to companies subject to small companies' regime. The financial statements on pages 8 to 12 were approved on 15 November 2017 and signed on its behalf by



Angela Douglas      Director

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**Notes to the Financial Statements**  
**For the Year ended 30 September 2017****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 Accounting**

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 applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – (Charities SORP (FRS 102) and the Companies Act 2006.

Scotland's Finest Woods meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

This is the first year that the company has presented its financial statements under Financial Reporting Standard 102 (FRS102) issued by the Financial Reporting Council. The last financial statements for the year ended 30 September 2016 were prepared under the previous UK GAAP. The transition date to FRS 102 is therefore 1 October 2015.

There have been no changes to the financial performance or position of the charity as a result of complying with the new standard.

**b) The financial statements are prepared on a going concern basis.****c) Funds structure**

Unrestricted income funds comprise those funds which the directors are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the directors, at their discretion, have created a fund for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor.

Further details of each fund are disclosed in note 6.

**d) Income recognition**

All income is recognised once the charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations, are recognised when they have been communicated is received in writing with notification of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the Bank.

**Notes to the Financial Statements (continued)**  
**For the Year ended 30 September 2017**

**Account Policies Continued**

**e) Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities.

All expenditure relates to charitable actions and governance cost in respect of an Independent Examiner.

**f) Cash at bank and in hand**

Cash at bank and cash in hand includes costs and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**g) 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. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**h) Irrecoverable VAT**

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

**i) Donations in Kind**

During the year the charity was fortunate to have the assistance of organisations recognised in the directors report. No financial recognition of these benefits is made in the accounts.

	2017 £	2016 £
<b>2. Income - Charitable Activities</b>		
Grants & Sponsorship		
Forestry Commission Scotland	17,000	17,000
Woodland Trust Scotland	3,000	3,000
BSW Timber Ltd	1,000	1,000
Iggesund Forestry	1,500	1,000
Egger Forestry Products Ltd	1,800	1,800
James Jones & Sons Ltd	2,000	2,000
Scottish Woodlands Ltd	1,500	1,500
Tilhill Forestry	750	750
Confor	200	200
Institute of Chartered Foresters	200	200
Royal Scottish Forestry Society	200	200
Central Scotland Green Network Trust	200	200
Caledonia Play	200	200
Sylva Foundation	-	200
	<hr/> 29,550 <hr/>	<hr/> 29,250 <hr/>

**Notes to the Financial Statements (continued)**  
**For the Year ended 30 September 2017**

	2017 £	2016 £
<b>3. Expenditure - Charitable Activities</b>		
Plaques & trophy maintenance	1,393	1,196
Prize money	5,750	5,750
Judging expenses	1,740	1,824
Awards ceremony	1,385	1,340
Visual presentation	-	2,000
Administrator's fee	12,500	12,508
Media & event consultant	4,200	-
Insurance	424	386
Website & internet costs	220	434
Miscellaneous outlays	145	135
Independent Examiner	486	468
	<u>28,243</u>	<u>26,041</u>

**4. Related party transactions and trustees' expenses and remuneration**

The Directors give freely of their time and expertise without any form of remuneration for acting as a Director in this and the previous year.

One Director acts as administrator and receives a fee for this service as described below:

Administrator's fee

Angela Douglas £12,500 (2016 - £12,508)

Fee re visual presentation

Angela Douglas £Nil (2016 - £1,600)

	2017 £	2016 £
<b>5. Creditors</b>		
Amounts falling due within one year		
Accruals	<u>486</u>	<u>2,968</u>

**6. Statement of Funds**

	Balance 30/09/16 £	Incoming Resources £	Outgoing Resources £	Transfer £	Balance 30/09/17 £
<b>Unrestricted Funds</b>					
Income & expenditure account	17,210	29,560	28,243	( 17,500)	1,027
General Reserve	<u>12,500</u>	<u>-</u>	<u>-</u>	<u>17,500</u>	<u>30,000</u>
	<u>29,710</u>	<u>29,560</u>	<u>28,243</u>	<u>-</u>	<u>31,027</u>

The Income & Expenditure balance is an unrestricted fund which is for use for the objects of the charity. The General Reserve is a fund designated by the Directors to be retained to meet unforeseen and statutory obligations which might arise in the future. The Directors consider the formation of this fund to be prudent and not available for the normal activities of the Charity. The target for this fund is based on 100% of likely annual running costs.