

Charity number: SC037336
Company number: SC287343

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Directors' report and financial statements

for the year ended 31 July 2014

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Contents

	Page
Legal and administrative information	1 - 2
Directors' report	3 - 6
Auditors' report to the directors	7 - 8
Statement of financial activities	9
Balance sheet	10
Notes to the financial statements	11 - 25

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Legal and administrative information

Charity number SC037336
Company registration number SC287343

Business address Penmore Mill
Dervaig
Tobermory
Isle of Mull
PA75 6QS

Registered office Penmore Mill
Dervaig
Tobermory
Isle of Mull
PA75 6QS

Directors Colin James Morrison Chair
Andrew Mayo Treasurer
John Norman Morrison
Iain Thomson
John Addy
Neil Munro
Ian Hepburn Appointed 16 April 2014

Secretary Mrs Belinda Hale Appointed 15th March 2012

Auditors R A Clement Associates
Chartered Accountants & Registered
Auditors
5 Argyll Square
Oban
Argyll
PA34 4AZ

Bankers Clydesdale Bank plc
20 Main Street
Tobermory
Isle of Mull
PA75 6NY

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Legal and administrative information

Solicitors

MacPhee & Partners
Airds House
An Aird
Fort William
PH33 6BL

North West Mull Community Woodland Company Limited (A company limited by guarantee)

Report of the directors (incorporating the trustees' report) for the year ended 31 July 2014

The directors present their report and the financial statements for the year ended 31 July 2014. The directors, who are also trustees of North West Mull Community Woodland Company Limited for the purposes of charity law and who served during the year and up to the date of this report are set out on page 1 - 2.

Structure, governance and management

Membership

The company was formed in 2005 and obtained charitable status in May 2006. Membership is free and open to anyone resident in North West Mull aged 18 or over. Associate membership is open to all other individuals and organisations, and Junior Membership is open to those aged 12 to 17. Junior Members and Associate Members are not permitted to vote at Company meetings, or stand for election to the Board. There are 165 members as at 31 July 2014 which is over 50% of the electoral register for the eligible areas.

Election of Directors

The charity is managed by a board of directors elected by the members at the AGM. There can be between 5 and 16 directors including one director appointed by the Mull & Iona Community Council, and up to 3 co-opted directors. One third of the elected directors must resign at the AGM; a director can serve up to two consecutive terms of office and then must stand down for a minimum period of 12 months.

Board Training

Following directors' training sessions provided by DTAS in 2011, the charity has prepared a director's information pack which is given to all new directors on appointment. This includes information on the roles and responsibilities of a company director and charity trustee, copies of recent board minutes, company policies and other information regarding the operations of the company. Copies of the Articles of Association and the Business Plan are available on the charity website.

Board Procedures

Monthly board meetings are attended by the Board and the staff, with finance report and development manager's report being circulated beforehand. Minutes of the meeting are posted on the charity website once ratified by the board at the following meeting.

Risk Management

The Board of Directors is ultimately responsible for North West Mull Community Woodland Company Limited internal, financial and administrative controls and systems and for reviewing their effectiveness. However, such systems are designed to manage rather than eliminate risk of failure to achieve the Company's objectives, and can provide only reasonable but not absolute assurance against material misstatement or loss.

These systems of control include, a regular consideration by the Directors of financial results, variance from budgets and non financial performance indicators; delegation of authority and segregation of duties, identification and management of financial and non-financial risks.

Reserves policy

The aim of the Company's reserve policy will be, when repayment of the haul route loan is complete and timber harvesting net income permits, to establish a level of reserves which the Company may need in times of unexpected fluctuations in income to ensure its ability to provide uninterrupted services for a period of 12 months. During the current period of global economic uncertainty, the Company will continue to work towards this objective but recognises that this may not be achievable in the short term to medium term.

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Report of the directors (incorporating the trustees' report)
for the year ended 31 July 2014

Objectives and activities

Principal objects

The charity's principal objective is to manage community land and associated assets for the benefit of the Community and the public in general as an important part of the protection and sustainable development of Scotland's natural environment, where "sustainable development" means development which meets the needs of the present without compromising the ability of future generations to meet their own needs.

Strategic aims and objectives

In December 2006, the charity purchased Langamull and West Ardhù woodlands with a total area of 675 ha. This was the first Forestry Commission land to be purchased under the National Forest Land Scheme at a value of £340,000

Since then the charity has developed a Forest Design Plan for a 20 year period up to 2029 and achieved UK Woodland Assurance Certification. A contract was signed with Tilhill Harvesting for the management of the timber harvesting and transport with the total harvest estimated at 120,000 tonnes of timber.

At the time of purchase, there was no access route for timber extraction from either area. In order to enable harvesting to be carried out, a new 16.5km timber haul road was built, public road sections were upgraded, 4 bridges built or upgraded, and agreements reached with a number of landowners. This work was carried out with the assistance and funding from various parties including Argyll & Bute Council, the Scottish Strategic Timber Transport Scheme and the Forestry Commission. The charity's own contribution was covered by an agreement with UPM Tilhill that set the road construction costs against future timber sales.

Whilst the management of timber extraction and progress on the Forest Plan has been the main focus of the charity, it continues to work on various other aims and objectives;

Achievements and performance

Review of activities

By the end of this financial year, harvesting in the Langamull area is practically complete and focus in the coming year will now move to West Ardhù.

In November the company purchased Crannich Woodfuel, the only island based woodchip provider, from Robin and Sam Sedgewick with the aim of providing local employment and bolstering the company's on-going balance sheet.

In March a part time employee was taken on and it is hoped that within the next two years, this position will become full time.

Currently the operation is based at Crannich Farm, though the plan is to move this to West Ardhù within the next twelve months.

The cut and split firewood business also continues to grow and through a generous bequest, a firewood processor and Kindler were purchased to help cope with the increased demand

Work, though slow, continues to progress with SEPA and Argyll and Bute Council on the feasibility of installing a micro-hydro scheme in West Ardhù.

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Report of the directors (incorporating the trustees' report)
for the year ended 31 July 2014

Statement as to disclosure of information to auditors

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Statement of directors' responsibilities

The directors (who are also trustees of North West Mull Community Woodland Company Limited under charity law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company law requires the directors 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 directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Report of the directors (incorporating the trustees' report)
for the year ended 31 July 2014

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the trust deed. 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.

Auditors

R A Clement Associates were appointed auditors to the charitable company and are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

Small company provisions

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

This report was approved by the Board on 12th March 2015 and signed on its behalf by

Mrs Belinda Hale
Company Secretary

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Independent auditor's report to the trustees and members of North West Mull Community Woodland Company Limited

We have audited the financial statements of North West Mull Community Woodland Company Limited for the year ended 31 July 2014 which comprise the statement of financial activities, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

This report is made exclusively to the members and to the directors of the company, as a body, who are the trustees of the charity, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, s44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and directors those matters we are required to state to them in an auditor's 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 company, the members and the directors as trustees of the charity, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors (trustees) and auditor

As explained more fully in the Trustee's Responsibilities Statement in the Trustees' report, the trustees (who are also directors of the company for the purposes of company law), are responsible for the preparation of the financial statements and for being satisfied that the financial statements give a true and fair view.

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Opinion on financial statements

In our opinion, the financial statements:

give a true and fair view of the state of the charitable company's affairs as at 31 July 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 (as amended).

**North West Mull Community Woodland Company Limited
(A company limited by guarantee)**

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

.....

**Fiona McGlynn
Senior Statutory Auditor**

**For and on behalf of
R A Clement Associates
Registered Auditors**

(Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006)

.....

**5 Argyll Square
Oban
Argyll**

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Statement of financial activities (incorporating the income and expenditure account)

For the year ended 31 July 2014

	Notes	Unrestricted funds £	Restricted funds £	Designated funds £	2014 Total £	2013 Total £
Incoming resources						
Incoming resources from generating funds:						
Voluntary income	2	29,599	7,003	-	36,602	19,169
Activities for generating funds		1,143	-	-	1,143	1,546
Income from trading subsidiaries	3	-	-	-	-	6,187
Incoming resources from charitable activities	4	1,277,087	-	-	1,277,087	1,567,767
Other incoming resources	5	5,035	-	-	5,035	3,412
Total incoming resources		<u>1,312,864</u>	<u>7,003</u>	<u>-</u>	<u>1,319,867</u>	<u>1,598,081</u>
Resources expended						
Costs of generating funds:						
Fundraising trading:						
cost of goods sold and other costs		367	-	-	367	541
Charitable activities		1,114,197	3,903	-	1,118,100	1,389,223
Governance costs	7	3,478	-	-	3,478	1,913
Total resources expended		<u>1,118,042</u>	<u>3,903</u>	<u>-</u>	<u>1,121,945</u>	<u>1,391,677</u>
Net incoming resources before transfers		194,822	3,100	-	197,922	206,404
Transfer between funds		(2,529)	2,529	-	-	-
Transfer of Forest Asset/Liability		(971,859)	-	971,859	-	-
Net movement in funds/Net income/(expenditure) for the year		<u>(779,566)</u>	<u>5,629</u>	<u>971,859</u>	<u>197,922</u>	<u>206,404</u>
Total funds brought forward		<u>795,613</u>	<u>353,171</u>	<u>-</u>	<u>1,148,784</u>	<u>942,380</u>
Total funds carried forward		<u>16,047</u>	<u>358,800</u>	<u>971,859</u>	<u>1,346,706</u>	<u>1,148,784</u>

The notes on pages 11 to 25 form an integral part of these financial statements.

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Balance sheet
as at 31 July 2014

SC287343

(restated)

2013

	Notes	£	2014 £	£	2013 £
Fixed assets					
Intangible assets	11		16,000		-
Tangible assets	12		1,645,914		1,568,497
Investments	13		102		2
			<u>1,662,016</u>		<u>1,568,499</u>
Current assets					
Stocks		12,704		-	
Debtors	14	11,947		2,241	
Cash at bank and in hand		24,990		14,292	
			<u>49,641</u>	<u>16,533</u>	
Creditors: amounts falling due within one year	15	(69,426)		(4,897)	
Net current (liabilities)/assets			<u>(19,785)</u>		<u>11,636</u>
Total assets less current liabilities			1,642,231		1,580,135
Creditors: amounts falling due after more than one year	16	(93,863)		(10,959)	
Provisions for liabilities	17	(201,662)		(420,392)	
Net assets			<u>1,346,706</u>		<u>1,148,784</u>
Funds					
Designated funds	18		971,859		-
Restricted income funds			358,800		353,171
Unrestricted income funds			16,047		795,613
Total funds			<u>1,346,706</u>		<u>1,148,784</u>

The financial statements were approved by the board on 12th March 2015 and signed on its behalf by

Colin James Morrison
Director

The notes on pages 11 to 25 form an integral part of these financial statements.

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 July 2014

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

1.1. Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005) and the Companies Act 2006.

1.2. Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

Gifts donated for resale are included as incoming resources within activities for generating funds when they are sold.

Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable.

Legacies are included when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

1.3. Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

1.4. Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 5 years.

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 July 2014

1.5. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	Not depreciated
Infrastructure	-	Not depreciated
Micro Hydro Scheme	-	Depreciate on completion
Plant and machinery	-	25% straight line
Fixtures, fittings and equipment	-	25% straight line
Motor vehicles	-	25% straight line
Other Assets	-	25% straight line following year of purchase

The land and buildings cost in the accounts represents the purchase price, including legal costs of the Woodlands, Langamull and West Ardh. Depreciation is not normally charged on land unless it is subject to depletion. However the asset includes standing timber which is subject to extraction in the future and the directors have considered the matter further. In view of a recent valuation of the land at £1,000,000 despite the extraction which has taken place they continue to be of the opinion that depreciation is not appropriate.

1.6. Investments

Investments held consist of shares in group undertakings and are held at cost.

1.7. Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.8. Stock

Stock is valued at the lower of cost and net realisable value.

2. Voluntary income

	Unrestricted funds £	Restricted funds £	2014 Total £	2013 Total £
Donations	2,041	275	2,316	11,161
Legacies	11,000	-	11,000	-
Forestry Commission	-	3,088	3,088	-
Highlands & Islands Enterprise - Awards for All	-	-	-	4,779
SGRPID	16,558	-	16,558	3,229
Archaeology Scotland	-	1,500	1,500	-
Scottish Government - Strengthening Communities	-	2,140	2,140	-
	<u>29,599</u>	<u>7,003</u>	<u>36,602</u>	<u>19,169</u>

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 July 2014

3. Trading subsidiaries

The charity controls the companies listed below either by virtue of holding a controlling interest in the equity share capital: -

Name of subsidiary	Country of incorporation	% of equity share capital held
NWMCW Trading Company Limited	Scotland	100
Island Woodfuels Limited	Scotland	100
Ardhu Hydro (Financing) Limited	Scotland	100
Ardhu Power Limited	Scotland	100

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 July 2014

NWMCW Trading Company Limited

The Trading company was incorporated on 25th September 2006 and commenced trading on 14 July 2009.

Summary of trading results

	2014	2013
	£	£
Turnover	64,008	10,726
Total expenditure	(64,984)	(10,534)
Other income	976	-
Net profit for the year	<u>-</u>	<u>192</u>
Amount gift-aided to the charity	(1,000)	(6,187)
Retained loss	<u>(1,000)</u>	<u>(5,995)</u>

The assets and liabilities of NWMCW Trading Company Limited were:

Assets	18,616	4,649
Liabilities	(18,614)	(4,647)
Funds	<u>2</u>	<u>2</u>

Island Woodfuels Limited

The company has been dormant from the date of incorporation and continues to be dormant.

The assets and liabilities of Island Woodfuels Limited were:

Share capital	100	-
Funds	<u>100</u>	<u>-</u>

Ardhu Hydro (Financing) Limited

This company was set up in February 2014 in anticipation of the development of a micro hydro scheme. Shares in the company are held in a nominee account and are not reflected in the charity balance sheet at 31 July 2014

Ardhu Power Limited

This company was set up in February 2014 in anticipation of the development of a micro hydro scheme. Shares in the company are held in a nominee account and are not reflected in the charity balance sheet at 31 July 2014

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 July 2014

4. Incoming resources from charitable activities

	Unrestricted funds £	2014 Total £	2013 Total £
Sale of goods/services	781	781	1,247
Equipment Hire	15,360	15,360	-
Timber sales	1,249,696	1,249,696	1,564,289
Forest crofts	4,884	4,884	2,231
Bulk Woodfuel	6,366	6,366	-
	<u>1,277,087</u>	<u>1,277,087</u>	<u>1,567,767</u>

5. Other incoming resources

	Unrestricted funds £	2014 Total £	2013 Total £
Tax reclaimed on gift aid	-	-	3,049
Expenses reimbursed	486	486	238
Wayleaves	129	129	125
Management Fees	4,420	4,420	-
	<u>5,035</u>	<u>5,035</u>	<u>3,412</u>

6. Costs of charitable activities - by activity

	Activities undertaken directly £	2014 Total £	2013 Total £
General Development	59,397	59,397	34,935
Forestry & Timber	1,041,689	1,041,689	1,353,150
Housing & Woodland Crofts	10,040	10,040	-
Training	4,589	4,589	-
Energy & Renewables	2,385	2,385	-
Infrastructure, Haul Route	-	-	504
Access Project	-	-	61
Community & Schools	-	-	573
	<u>1,118,100</u>	<u>1,118,100</u>	<u>1,389,223</u>

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 July 2014

7. Governance costs

	Unrestricted funds £	2014 Total £	2013 Total £
Professional - Auditor remuneration	2,000	2,000	1,900
Companies House fees	13	13	13
Finance charges - Finance lease & HP	1,465	1,465	-
	<u>3,478</u>	<u>3,478</u>	<u>1,913</u>

8. Net incoming resources for the year

	2014 £	2013 £
Net incoming resources is stated after charging:		
Amortisation and other amounts written off intangible fixed assets	4,000	-
Depreciation and other amounts written off tangible fixed assets	14,318	431
	<u>18,318</u>	<u>431</u>

9. Employees

Employment costs	2014 £	2013 £
Wages and salaries	26,978	23,793
Employers NI	1,114	1,219
Recruitment and training	715	-
	<u>28,807</u>	<u>25,012</u>

No employee received emoluments of more than £60,000 (2013 : None).

Number of employees

The average monthly numbers of employees (excluding the directors) during the year, was as follows:

2014 Number	2013 Number
<u>2</u>	<u>2</u>

10. Taxation

The charity's activities fall within the exemptions afforded by the provisions of the Corporation Taxes Act 2010. Accordingly, there is no taxation charge in these accounts.

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 July 2014

11. Intangible fixed assets

	Goodwill	Total
	£	£
Cost		
Additions	20,000	20,000
At 31 July 2014	<u>20,000</u>	<u>20,000</u>
Charge for the year	4,000	4,000
At 31 July 2014	<u>4,000</u>	<u>4,000</u>
Net book values		
At 31 July 2014	<u>16,000</u>	<u>16,000</u>

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 July 2014

12. Tangible fixed assets	Land and buildings freehold £	Micro Infrastructure Hydro Scheme £	Roads & Bridges £	Plant and fittings and machinery £	Fixtures, equipment £	Tractors & trailers £	Other Assets £	Total £
Cost								
At 1 August 2013	342,383	4,686	1,130,875	2,413	2,190	-	5,019	1,487,566
Prior year adjustment	-	-	90,553	-	-	-	-	90,553
At 1 August 2013 (restated)	342,383	4,686	1,221,428	2,413	2,190	-	5,019	1,578,119
Additions	-	-	-	30,581	15,650	41,200	4,304	91,735
At 31 July 2014	<u>342,383</u>	<u>4,686</u>	<u>1,221,428</u>	<u>32,994</u>	<u>17,840</u>	<u>41,200</u>	<u>9,323</u>	<u>1,669,854</u>
Depreciation								
At 1 August 2013	-	-	-	2,413	2,190	-	5,019	9,622
Charge for the year	-	-	-	4,843	3,130	6,345	-	14,318
At 31 July 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,256</u>	<u>5,320</u>	<u>6,345</u>	<u>5,019</u>	<u>23,940</u>
Net book values								
At 31 July 2014	<u>342,383</u>	<u>4,686</u>	<u>1,221,428</u>	<u>25,738</u>	<u>12,520</u>	<u>34,855</u>	<u>4,304</u>	<u>1,645,914</u>
At 31 July 2013	<u>342,383</u>	<u>4,686</u>	<u>1,221,428</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,568,497</u>

The prior year adjustment represents costs incurred on the infrastructure on behalf of the company which were not accounted for in prior years. These additional costs were added to the repayment provision to Tilhill Forestry (see note 17)

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 July 2014

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2014		2013	
	Net book value	Depreciation charge	Net book value	Depreciation charge
	£	£	£	£
Plant and machinery	14,960	3,740	-	-
Tractors & trailers	34,855	6,345	-	-
	<u>49,815</u>	<u>10,085</u>	<u>-</u>	<u>-</u>

13. Fixed asset investments	Subsidiary undertakings	Subsidiary undertakings	Total
	shares	loans	
Valuation	£	£	£
At 1 August 2013	2	-	2
Additions	100	-	100
At 31 July 2014	<u>102</u>	<u>-</u>	<u>102</u>
Historical cost as at 31 July 2014	<u>2</u>	<u>-</u>	<u>2</u>

All fixed asset investments are held within the United Kingdom.

100 Ordinary shares in Island Woodfuels Limited, being 100% of the share capital of the company, were subscribed for during the year, but were unpaid at the year end. This company remains dormant.

Two other companies shown below were set up on behalf of the charity in 2014, but the shares continue to be held in nominee accounts and have not yet been formally transferred to the charity

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 July 2014

13.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
Subsidiary undertaking				
NWMCW Trading Company Limited	Scotland	Forestry activities	Ordinary shares	100%
Island Woodfuels Limited	Scotland	Dormant	Ordinary shares	100%
Ardhu Hydro (Financing) Limited	Scotland	Dormant	Ordinary shares (in nominee account)	100%
Ardhu Power Limited	Scotland	Dormant	Ordinary (in nominee account)	100%

The aggregate amount of capital and reserves and the results of the undertaking for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
	£	£
NWMCW Trading Company Limited	2	-
Island Woodfuels Limited	100	-
Ardhu Hydro (Financing) Limited	100	-
Ardhu Power Limited	100	-

14. Debtors

	2014	2013
	£	£
Amounts due from subsidiary and associated undertakings	9,681	2,091
Other debtors	2,266	150
	<u>11,947</u>	<u>2,241</u>

15. Creditors: amounts falling due within one year

	2014	2013
	£	£
Net obligations under finance leases and hire purchase contracts	10,782	-
Trade creditors	28,797	65
Other taxes and social security	330	415
Accrued expenses and deferred income	29,517	4,417
	<u>69,426</u>	<u>4,897</u>

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 July 2014

16. Creditors: amounts falling due after more than one year	2014	2013
	£	£
CARES Fund loan	6,024	4,959
Other loans	51,000	6,000
Other creditors	36,839	-
	<u>93,863</u>	<u>10,959</u>

An interest free loan of £6,000 was received by the charity in 2012. There are no fixed terms of repayment.

17. Provisions for liabilities - Amounts due to Tilhill Forestry Ltd (Harvesting)

	Haul Route Infrastructure
	£
At 1 August 2013	329,839
Prior year adjustment	(90,553)
At 1 August 2013 (restated)	<u>(420,392)</u>
Reduction in the year	<u>(218,730)</u>
At 31 July 2014	<u>201,662</u>

Future timber sales will continue to reduce the balance as the timber is harvested and receipts are expected to more than cover the outstanding amount.

The prior year adjustment represents costs incurred on the infrastructure on behalf of the company which were not accounted for in prior years. These additional costs were added to the repayment provision to Tilhill Forestry (see above). As the adjustment was both an addition to assets and the liability there is no effect on the reserves brought forward.

As of the end of January 2015, this balance of sums due to Tilhill Forestry for the infrastructure costs met on behalf of the charity, was cleared to nil. Future income from harvesting of the West Ardhru site is designated for the replanting and re-stocking of both sites in accordance with the Forest Plan.

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 July 2014

18. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Designated funds £	Total funds £
Fund balances at 31 July 2014 as represented by:				
Intangible fixed assets	16,000	-	-	16,000
Tangible fixed assets	73,113	351,373	1,221,428	1,645,914
Investment assets	102	-	-	102
Current assets	36,190	13,451	-	49,641
Current liabilities	(21,519)	-	(47,907)	(69,426)
Long-term liabilities	(87,839)	(6,024)	(201,662)	(295,525)
	<u>16,047</u>	<u>358,800</u>	<u>971,859</u>	<u>1,346,706</u>

19. Unrestricted funds

	At 1 August 2013 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 July 2014 £
General Funds	<u>795,613</u>	<u>1,312,864</u>	<u>(1,118,042)</u>	<u>(974,388)</u>	<u>16,047</u>

As the prior year adjustment in note 17 and note 12 was both an addition to assets and the provision for repayment to Tilhill Forestry, there is no net effect on the reserves brought forward.

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 July 2014

20. Restricted funds	At 1 August 2013 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 July 2014 £
Capital Asset Funds					
Purchase of Woodlands	342,383	-	-	-	342,383
Paths and signs	-	1,775	-	2,529	4,304
Revenue Funds					
Forest Shed	10,000	-	-	-	10,000
Strengthening Communities	-	2,140	(815)	-	1,325
Fireworks Night	238	-	-	-	238
Other restricted donations	550	-	-	-	550
Training Grant	-	3,088	(3,088)	-	-
	<u>353,171</u>	<u>7,003</u>	<u>(3,903)</u>	<u>2,529</u>	<u>358,800</u>

Purposes of restricted funds

A grant was received from Archaeology Scotland and from MICT towards the costs of paths and interpretation signs. The charity also contributed to the costs

Forest Shed

Donations amounting to £10,000 were received towards the costs of a forest shed. This amount continues to be carried forward to be spent.

The charity was successful in obtaining a grant totalling £69,877 over three years from the Scottish Government Strengthening Communities Programme. The grant received in the year was for costs of recruiting a development manager and was only partly spent.

Other Restricted Funds

£200 continues to be brought forward for the nature hide, £250 for Forest Schools and £100 for communications.

A training grant of £3,088 was received in the year towards training for equipment handling and operations.

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 July 2014

21. Designated funds

	At 1 August 2013 £	Transfers £	At 31 July 2014 £
Forestry and Timber Operations	-	971,859	971,859

Purposes of designated funds

The harvesting of the forests at Langamull and West Ardhu will eventually lead to reforestation and replanting in accordance with the Forest Plan. To meet the charity's obligations under this plan, funds realised from the harvesting will be set aside to achieve these objectives once the amounts incurred for the infrastructure costs have been cleared. As this is likely to happen in 2014-2015, the closing balances relating to the Forestry work has been transferred to a designated fund.

The balance is made up as follows (see also net asset note 18)

Infrastructure	1,221,428
Tilhill Provision	(201,662)
Deferred income	(25,000)
Trade Creditors	(22,907)
	<u>971,859</u>

22. Transactions with trustees

No director received any direct remuneration or other benefits in kind during the year.

One director was allocated one of the three forest crofts in 2012; all decisions in respect of this allocation were taken in accordance with the company policy on conflicts of interest and the director took no part in the decision making process.

One director received reimbursement of travel and other expenses amounting to £1,258 which were incurred partly during his employment with the charity, and partly whilst director.

One director carried out work for the charity in the normal course of business amounting to £1,963 as authorised by the Board.

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 July 2014

23. Company limited by guarantee

North West Mull Community Woodland Company Limited is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

The following pages do not form part of the statutory accounts.

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Detailed statement of financial activities

For the year ended 31 July 2014

	2014	2013
	£	£
Incoming resources		
Incoming resources from generating funds:		
<i>Voluntary income</i>		
Donations	2,316	11,161
Legacies	11,000	-
Forestry Commission	3,088	-
Highlands & Islands Enterprise - Awards for All	-	4,779
SGRPID	16,558	3,229
Archaeology Scotland	1,500	-
Scottish Government - Strengthening Communities	2,140	-
	<u>36,602</u>	<u>19,169</u>
<i>Activities for generating funds</i>		
Fundraising events	1,143	1,546
	<u>1,143</u>	<u>1,546</u>
<i>Income from trading subsidiaries</i>		
NWMCW Trading Limited	-	6,187
	<u>-</u>	<u>6,187</u>
Total incoming resources from generating funds	<u>37,745</u>	<u>26,902</u>
Incoming resources from charitable activities		
Sale of goods/services	781	1,247
Equipment Hire	15,360	-
Timber sales	1,249,696	1,564,289
Forest crofts	4,884	2,231
Bulk Woodfuel	6,366	-
	<u>1,277,087</u>	<u>1,567,767</u>
Other incoming resources		
Tax reclaimed on gift aid	-	3,049
Expenses reimbursed	486	238
Wayleaves	129	125
Management Fees	4,420	-
	<u>5,035</u>	<u>3,412</u>
Total incoming resources	<u>1,319,867</u>	<u>1,598,081</u>
Resources expended		
Costs of generating funds:		

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Detailed statement of financial activities

For the year ended 31 July 2014

Fundraising trading:			
cost of goods sold and other costs			
<i>Fundraising events</i>			
Events - Fundraising costs	367		541
	<u>367</u>		<u>541</u>
Total fundraising trading		367	541
cost of goods sold and other costs		<u>367</u>	<u>541</u>
Total costs of generating funds		<u>367</u>	<u>541</u>

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Detailed statement of financial activities

For the year ended 31 July 2014

	2014	2013
	£	£
Charitable activities		
General Development		
<i>Activities undertaken directly</i>		
Core; Staff - Wages & Salaries	26,978	23,793
Core; Staff - Employers NI	1,114	1,219
Core; Recruitment and training costs	715	-
Core; Office Rent	1,560	1,200
Core; Establishment - Rep. & maint.	1,828	-
Core; Establishment - Insurance	2,376	1,169
Core; Other motor & travel expenses	1,724	-
Core; Audit and accountancy	1,570	1,850
Core; Professional - Consultancy fees	1,027	1,086
Core; Professional - 5 Year review	-	1,605
Core; Website & IT; design and maintenance	1,489	1,370
Core - Amortisation & impairment	4,000	-
Core; Depreciation & impairment	14,318	431
Core; Subscriptions	374	1,165
Core; Other costs - miscellaneous	324	47
	<hr/>	<hr/>
	59,397	34,935
General Development total expenditure	<hr/>	<hr/>
	59,397	34,935
Forestry & Timber		
<i>Activities undertaken directly</i>		
Forestry - Bought in timber	6,386	-
Forestry & timber - haulage charges	247,881	319,762
Forestry & Timber - Contract felling	271,104	349,718
Forestry & Timber - Shipping	443,577	572,205
Forestry & Timber - Other fees	3,500	-
Forestry & Timber - Management charges	68,104	111,465
Forestry - UK Woodland Assurance Standard	750	-
Forestry- Other costs	387	-
	<hr/>	<hr/>
	1,041,689	1,353,150
Forestry & Timber total expenditure	<hr/>	<hr/>
	1,041,689	1,353,150
Housing & Woodland Crofts		
<i>Activities undertaken directly</i>		
Housing & Crofts - Consultancy and design	6,098	-
Housing & Crofts - Professional - Legal Fees	3,942	-
	<hr/>	<hr/>
	10,040	-
Housing & Woodland Crofts total expenditure	<hr/>	<hr/>
	10,040	-

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Detailed statement of financial activities

For the year ended 31 July 2014

Training			
<i>Activities undertaken directly</i>			
Training - Direct - Other costs	4,589	-	
	<u>4,589</u>	<u>-</u>	<u>-</u>
Training total expenditure	<u>4,589</u>		<u>-</u>
Energy & Renewables			
<i>Activities undertaken directly</i>			
Energy & Renewables - Consultancy	2,385	-	
	<u>2,385</u>	<u>-</u>	<u>-</u>
Energy & Renewables total expenditure	<u>2,385</u>		<u>-</u>
Infrastructure, Haul Route			
<i>Activities undertaken directly</i>			
Haul Route Infrastructure - Fees	-	504	
	<u>-</u>	<u>504</u>	<u>504</u>
Infrastructure, Haul Route total expenditure	<u>-</u>		<u>504</u>
Access Project			
<i>Activities undertaken directly</i>			
Access project - Professional fees	-	61	
	<u>-</u>	<u>61</u>	<u>61</u>
Access Project total expenditure	<u>-</u>		<u>61</u>
Community & Schools			
<i>Activities undertaken directly</i>			
	<u>-</u>	<u>-</u>	<u>-</u>
Community & Schools total expenditure	<u>-</u>		<u>-</u>
Total charitable activity expenditure	<u>1,118,100</u>		<u>1,388,650</u>
Governance costs			
<i>Activities undertaken directly</i>			
Professional - Auditor remuneration	2,000	1,900	
Companies House fees	13	13	
Finance charges - Finance lease & HP	1,465	-	
	<u>3,478</u>	<u>1,913</u>	<u>1,913</u>
Total governance costs	<u>3,478</u>		<u>1,913</u>
Net incoming/(outgoing) resources for the year	<u>197,922</u>		<u>206,977</u>