

Charity Number: SC038374
Company number: SC275097

The Community Woodlands Association

Directors' Report and Financial Statements

Year ended 31 March 2011

The Community Woodlands Association

Contents of the Financial Statements *for the year ended 31 March 2011*

	Page
Report of the Directors	1 - 4
Report of the Independent Examiner	5
Statement of Financial Activities	6
Balance Sheet	7
Notes to the Financial Statements	8 – 14

The Community Woodlands Association

Report of the Directors for the year ended 31 March 2011

The Directors are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2011.

Legal and Administrative Information

Charity name The Community Woodlands Association

Charity number SC038374

Company number SC275097

Registered Office Old Poltalloch
Kilmartin
Lochgilphead
PA31 8RQ

Operational Address Steading Cottage
Craigfield Farm
Kintessack, Forres
IV36 2SP

Directors M C Davidson (until October 2010)
HJK Fosbrooke (until October 2010)
P Voysey
A Craigen (until October 2010)
G T Gray Stephens (until October 2010)
I Whitehead (until October 2010)
P Cookson (until October 2010)
S Mitchell (until November 2010)
M Hunter
M Steele
M Lazzeri
J Barnett (from October 2010)
I Knox (from October 2010)
A Calvert (from October 2010)

Company Secretary G T Gray Stephens

Accountants T P Wright CA
396 Elphin
By Lairg
Sutherland
IV27 4HH

Solicitors Burness LLP
120 Bothwell Street
Glasgow G2 7JL

Bankers The Co-operative Bank plc
1 Balloon Street
Manchester M60 4EP

The Community Woodlands Association

Report of the Directors for the year ended 31 March 2011

Structure, governance and management

The Community Woodlands Association is a company limited by guarantee and not having a share capital, governed by its Memorandum and Articles of Association incorporated on 25th October 2003, and is registered as a charity with the Scottish Charity Register. In the event of the company being wound up, members are required to contribute a sum not exceeding £1.00p.

The management of the company is the responsibility of the directors who are elected and co opted under the terms of the Memorandum and Articles of Association. New directors are elected annually at the AGM by vote in person or by proxy.

The company is a membership organisation and the members are responsible for electing the Board of Directors which meets on a regular basis to consider the strategic decisions. The implementation is then delegated to employees.

Aims, Objectives and Activities

The company's objects are:

- 1) The advancement of community development through the provision of support and assistance to voluntary organisations and social enterprises engaged in land and woodland management, by encouraging the involvement of individuals in such organisations, and by representing and promoting such organisations and raising public awareness of the benefits they provide.
- 2) The relief of poverty through the provision of skills training.
- 3) The advancement of education by promoting, commissioning and delivering learning and research relating to community development or land and woodland management.
- 4) The advancement of environmental protection and the promotion of sustainable development by encouraging and supporting best practice for land and woodland management in Scotland for the benefit of the natural heritage and the general public.

The association has developed a comprehensive information support service for existing and aspiring groups. During the year, monthly e-bulletins and e-newsletters are issued as well as two issues of the magazine *Woodland Voices* which highlights new initiatives, relevant policy information and forthcoming events.

Achievements and Performance

2010/11 was a transitional year for CWA, with major changes in funding necessitating significant restructuring of our staffing arrangements. Increasingly, our focus has been on income generation to support long term sustainability, both for ourselves and for our members.

In June 2010 we reached the scheduled end of a 3 year Business Plan period and a core-funding package supported by the Big Lottery Fund, Forestry Commission Scotland and the Community Land Unit of Highlands and Islands Enterprise, although our funders generously permitted us to use under-spends to extend for a period afterwards to complete delivery of project outcomes.

The Community Woodlands Association

Report of the Directors for the year ended 31 March 2011

A smaller package of transitional core funding was secured from Forestry Commission Scotland and the Community Land Unit which, together with donations, memberships and earned income, was sufficient to enable continuity of CWA member services, albeit with a reduced core staff of 2 FTE offering specialist advice and support on all aspects of woodland management and governance. At the same time, two new projects were initiated, each with a dedicated project officer and a specific focus on business and income generation.

Support from the Scottish Government's Third Sector Enterprise Fund enabled the employment on a 10 month contract of a Business Development Manager to oversee the establishment of our new trading subsidiary, Community Woodland Enterprise CIC, develop a number of our business ideas, and build up our promotional and marketing capacity.

We also began a 2 year Employability Service project, with funding from the Highland Council and the Highland LEADER programme, which employs a Social Enterprise Development Officer to support the development of employability initiatives at 10 member groups in the Highlands.

Membership continues to grow and has now reached 187. We represent 162 community woodland groups: 132 as direct members, including 4 'umbrellas' who represent a further 30 community groups. We also have 13 associate members and 42 individual members. During the year 55% of the current membership received direct assistance on a wide range of topics and a further 20+ non-member groups were assisted.

Networking the community woodland movement has always been central to CWA's role, with the highlight being our annual conference, held this year in Callander. Once again delegates from community woodlands across Scotland gathered for an educational and inspirational weekend of presentations, workshops, site-visits and of course the Saturday evening ceilidh.

CWA's focus on training continues to grow, supporting groups to organise and deliver their own training wherever possible. Over the year we delivered 12 events through our Skills Development Project (funded by the SRDP Skills Development Scheme, the Robertson Trust and the Hugh Fraser Foundation). A total of 240 participants attended events ranging from Woodland Management Planning and Developing Community Involvement to Moth and Butterfly Identification and Staging and Managing Theatre Events.

Supporting member groups to earn income from their woodlands has been a major focus this year. We organised a wood-fuel seminar in conjunction with the Cairngorms National Park Authority, produced full wood-fuel resource assessments for three groups and advised a number of others on various aspects of developing wood-fuel supply chains. A second strand of work has focussed on the development of new wood products: we carried out a survey of member groups to establish what was being sold already and what was planned, and to identify opportunities for joint marketing and support for product development.

Nationally, although much of government policy is supportive, the funding landscape for community woodlands (and the third sector generally) remains difficult. CWA staff continue to assist community woodland groups to apply for funding for development and delivery of public benefits from a range of sources, including various streams of the Scotland Rural Development Programme, whilst making the case to Government for additional (and accessible) resources.

The Community Woodlands Association

Report of the Directors for the year ended 31 March 2011

With limited resources, effective promotion and publicity are essential. Our monthly e-bulletin remains a cornerstone of information provision to members, complemented by the quarterly e-newsletter and our biannual magazine "Woodland Voices" whose readership continues to grow.

Additionally we have given our website www.communitywoods.org a thorough upgrade and we are increasingly using Facebook and Youtube to communicate with members and the rest of the world.

Partnership working is increasingly important and we continue to strengthen our links with fellow third sector intermediaries through our participation in Local People Leading (now the Scottish Community Alliance) and the Scottish Social Enterprise Coalition.

Financial review

The accounts report a net deficit for the year of £16,754 (2010 – £8,085 deficit). In both years, the deficit has arisen on restricted funds, due to the completion of a number of long-term projects for which income had been received in advance of the related expenditure. The charity has maintained, but not managed to increase, unrestricted funds in the current year and continues to endeavour to attain a level of reserves that would permit six months expenditure to be met.

Directors' responsibilities in relation to the financial statements

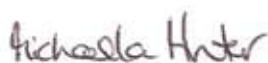
Company law requires the Directors to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and its surplus or deficit for the financial year. In doing so the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make sound judgements and estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

This report was approved by the Board and signed on its behalf by



M Hunter
Chair of Board of Directors

Date: 27 October 2011

The Community Woodlands Association

Report of the Independent Examiners to the Trustees for the year ended 31 March 2011

I report on the accounts of the charity for the year ended 31 March 2011 which are set out on pages 6 to 14.

Respective responsibilities of trustees and examiner

The charity's trustees 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. The charity trustees consider that the audit requirement of Regulation 10(1) (a-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. 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 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 by 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 Regulationshave 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.

Name T P Wright
Qualification Chartered accountant
Address 396 Elphin, By Lairg, IV27 4HH
Date 27 October 2011

The Community Woodlands Association

Statement of financial activities

Year ended 31 March 2011

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Incoming resources					
<i>From generated funds</i>					
Voluntary income	2	3,828	217,480	221,308	236,344
Investment income	3	78	-	78	120
<i>From charitable activities:</i>	4	8,283	-	8,283	5,263
Total incoming resources		12,189	217,480	229,669	241,727
Resources expended					
<i>Costs of generating voluntary income</i>					
Charitable activities	5	4,874	236,931	241,805	243,411
Governance costs	6	4,618	-	4,618	6,401
Total resources expended		9,492	236,931	246,423	249,812
Net incoming/outgoing resources before transfers					
		2,697	(19,451)	(16,754)	(8,085)
Transfers					
		(2,543)	2,543	-	-
Net movement in funds after transfers					
		154	(16,908)	(16,754)	(8,085)
Total funds brought forward	13	31,094	32,598	63,692	71,777
Total funds carried forward	13	31,248	15,690	46,938	63,692

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The notes form part of these financial statements.

The Community Woodlands Association

Balance sheet

As at 31 March 2011

	Notes	£	2011 £	£	2010 £
Fixed Assets					
Tangible assets	9		1,916		2,406
Investments	10		100		-
			<u>2,016</u>		<u>2,406</u>
Current assets					
Debtors	11	5,714		21,425	
Cash at bank and in hand		65,833		65,546	
		<u>71,547</u>		<u>86,971</u>	
Creditors: falling due within one year	12	<u>26,625</u>		<u>25,685</u>	
Net Current Assets			44,922		61,286
Total Net Assets			<u>46,938</u>		<u>63,692</u>
Represented by:					
Restricted income funds	13		15,690		32,598
Unrestricted income funds	13		31,248		31,094
Total funds			<u>46,938</u>		<u>63,692</u>

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

The company is entitled to exemption from the audit requirement contained in section 477 of the Companies Act 2006 for the year ended 31 March 2011.

No member of the company has deposited a notice pursuant to section 476 requiring an audit of the accounts.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and 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 and 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.

Approved by the Board and signed on its behalf on 27 October 2011.



P Voysey

Director and Treasurer

Company registration number SC275097

The Community Woodlands Association

Notes to the financial statements

Year ended 31 March 2011

1. Accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice 'Accounting and Reporting by Charities' (revised March 2005) and the Companies Act 2006.

The charity has availed itself of s396 of the Companies Act 2006 and adapted the Companies Act formats to reflect the nature of the charity's activities.

Donations

Donations received are recorded at the time the charity becomes entitled to the resource.

Membership fees

Membership fees received are recorded at the time of receipt.

Grants

Grants received are included in incoming resources when they are receivable, except when conditions attached to such grants have not yet been fulfilled, when the income is deferred. Grants of a capital nature are treated as a restricted fund and released to the unrestricted funds over the life of the asset.

Expenditure

Expenditure is included on the accruals basis and recognised when there is a legal or constructive obligation to pay.

Fund accounting

Restricted funds: funds held which are restricted for use for specific purposes.

Unrestricted funds: funds which the trustees are free to use, in accordance with the charitable objects.

Designated funds: funds which the trustees set aside for a specific purpose.

Tangible fixed assets and 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:

Plant and machinery	-	25% per annum reducing balance
Office equipment, fittings etc	-	20% per annum reducing balance

Pensions

The charity operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable, in accordance with the rules of the scheme.

Taxation

The Association is a charity for tax purposes and relief given under S.505 Income and Corporation Taxes Act 1988.

The Community Woodlands Association

Notes to the financial statements

Year ended 31 March 2011

2. Voluntary income

	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Donations				
Donations	38	-	38	201
Grants etc				
Main Core Project	-	38,728	38,728	184,370
Transitional Core Project	-	51,945	51,945	-
Business Development Project	-	53,023	53,023	1,873
Employability Services	-	38,122	38,122	-
Skills Development	-	32,855	32,855	30,880
Arts Development	-	2,807	2,807	750
Conference Community Project	-	-	-	4,845
Eigg Woodfuel Contract	-	-	-	9,730
Train the Trainer	-	-	-	115
Membership fees	3,790	-	3,790	3,580
	<u>3,828</u>	<u>217,480</u>	<u>221,308</u>	<u>236,344</u>
		Note 14		

3. Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Bank interest receivable	78	-	78	120
	<u>78</u>	<u>-</u>	<u>78</u>	<u>120</u>

4. Charitable activities income

	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Income from charitable activities	8,208	-	8,208	5,163
Miscellaneous income	75	-	75	100
	<u>8,283</u>	<u>-</u>	<u>8,283</u>	<u>5,263</u>

The Community Woodlands Association

Notes to the financial statements

Year ended 31 March 2011

5. Resources expended on charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Charitable activities				
Wages and salaries	-	129,337	129,337	126,975
Employer's national insurance	-	12,596	12,596	12,542
Pension costs	-	5,733	5,733	6,327
Conference and events costs (speakers, venues etc)	4,874	38,041	42,915	59,390
Travel and subsistence	-	11,682	11,682	14,747
Publicity, promotion and information provision	-	21,486	21,486	2,259
Depreciation	-	490	490	445
	<u>4,874</u>	<u>219,365</u>	<u>224,239</u>	<u>222,685</u>
Support costs				
Office costs and supplies	-	6,126	6,126	9,024
Insurance	-	1,720	1,720	1,379
Telephone	-	298	298	849
Training costs	-	2,728	2,728	1,954
Computer expenses	-	950	950	665
Legal and professional fees	-	3,014	3,014	4,250
Sundry expenses	-	2,730	2,730	2,605
	-	<u>17,566</u>	<u>17,566</u>	<u>20,726</u>
Total	<u>4,874</u>	<u>236,931</u>	<u>241,805</u>	<u>243,411</u>

6. Governance costs

	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Accountancy fees	3,396	-	3,396	3,589
Directors' expenses and meeting costs	1,222	-	1,222	2,812
	<u>4,618</u>	-	<u>4,618</u>	<u>6,401</u>

The Community Woodlands Association

Notes to the financial statements

Year ended 31 March 2011

7. Staff costs and emoluments

	2011	2010
	£	£
Wages and salaries	129,337	126,975
Employer's national insurance	12,596	12,542
Pension costs	5,733	6,327
	<u>147,666</u>	<u>145,844</u>

Particulars of employees

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2011	2010
Directors / trustees	11	11
Staff	5	5
	<u>16</u>	<u>16</u>

No employee received emoluments of more than £60,000 in the year (2010 - Nil).

8. Directors remuneration and expenses

None of the directors (or any persons connected with them) received any remuneration during the year (2010 - nil). Total directors' expenses and meeting costs amounting to £1,222 were paid (2010 - £2,812).

9. Tangible fixed assets

	Plant and machinery £	Office equipment, fittings etc £	Total £
Cost			
At 1 April 2010	248	3,192	3,440
At 31 March 2011	<u>248</u>	<u>3,192</u>	<u>3,440</u>
Depreciation			
At 1 April 2010	101	933	1,034
Charge for year	38	452	490
At 31 March 2011	<u>139</u>	<u>1,385</u>	<u>1,524</u>
Net Book Value			
At 31 March 2011	<u>109</u>	<u>1,807</u>	<u>1,916</u>
At 31 March 2010	<u>147</u>	<u>2,259</u>	<u>2,406</u>

The Community Woodlands Association

Notes to the financial statements

Year ended 31 March 2011

10. Investments

Unlisted investments (unrestricted fund)

	2011	2010
<i>Historic cost and market value</i>	£	£
At 1 April	100	-
At 31 March	<u>100</u>	<u>-</u>

The investment comprises a 100% shareholding in Community Woodland Enterprise CIC, a community interest company established in December 2010 as a trading subsidiary of the Community Woodlands Association. The company was dormant as at 31 March 2011.

11. Debtors: falling due within one year

	2011	2010
	£	£
Sundry debtors and prepayments	5,714	21,425
	<u>5,714</u>	<u>21,425</u>

12. Creditors: falling due within one year

	2011	2010
	£	£
Sundry creditors and accruals	26,625	25,685
	<u>26,625</u>	<u>25,685</u>

The Community Woodlands Association

Notes to the financial statements

Year ended 31 March 2011

13. Reserves

	At 01/04/10 £	Income £	Expenditure £	Transfers £	At 31/03/11 £
Restricted funds					
Main Core Project	11,790	38,728	(55,301)	4,783	-
Transitional Core Project	-	51,945	(68,747)	16,802	-
Business Development Project	(112)	53,023	(53,003)	92	-
Employability Services	-	38,122	(22,432)	-	15,690
Skills Development	21,170	32,855	(37,448)	(16,577)	-
Arts Development	(250)	2,807	-	(2,557)	-
	<u>32,598</u>	<u>217,480</u>	<u>(236,931)</u>	<u>2,543</u>	<u>15,690</u>
Unrestricted funds					
Accumulated unrestricted fund	31,094	4,381	(4,618)	391	31,248
Cairngorms Woodfuel Project		3,290	(1,678)	(1,613)	
Wood products survey		4,518	(3,197)	(1,321)	
	<u>31,094</u>	<u>12,189</u>	<u>(9,492)</u>	<u>(2,543)</u>	<u>31,248</u>
Total reserves	<u>63,692</u>	<u>229,669</u>	<u>(246,423)</u>	<u>-</u>	<u>46,938</u>

Represented by:

	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Fixed assets	-	1,916	1,916	2,406
Investments	100	-	100	-
Current assets	33,398	38,149	71,547	86,971
Creditors: falling due within one year	(2,250)	(24,375)	(26,625)	(25,685)
Total funds	<u>31,248</u>	<u>15,690</u>	<u>46,938</u>	<u>63,692</u>

The Community Woodlands Association

Notes to the financial statements

Year ended 31 March 2011

14. Analysis of Restricted Funds income received, by project and funder

The charity is grateful to acknowledge income received from its supporters as follows:

	£
Main Core Project	
Big Lottery Fund	30,127
Highlands & Islands Enterprise Community Land Unit	8,601
	<u>38,728</u>
Transitional Core Project	
Highlands & Islands Enterprise Community Land Unit	29,845
Forestry Commission Scotland	11,500
Private donation	10,000
Delegate fees	600
	<u>51,945</u>
Business Development Project	
The Scottish Government Third Sector Enterprise Fund	53,023
	<u>53,023</u>
Employability Services	
Highland Council	28,000
Highland LEADER	10,122
	<u>38,122</u>
Skills Development	
Scotland Rural Development Programme	30,856
Highlands & Islands Enterprise Community Land Unit	1,999
	<u>32,855</u>
Arts Development	
Highland LEADER	2,807
	<u>2,807</u>
Total	<u><u>217,480</u></u>

15. Ultimate controlling party

The Community Woodlands Association is a company limited by guarantee. The liability of members is limited and is not to exceed £1. The ultimate controlling party is therefore considered to be the board of trustees.