

REGISTERED COMPANY NUMBER: SC365515 (Scotland)
REGISTERED CHARITY NUMBER: SC041414

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 30 September 2012
for
BUTE COMMUNITY LAND COMPANY

J. CAMERON SMITH CA
4-6 AUCHAMORE ROAD
DUNOON
Argyll
PA23 7DY

BUTE COMMUNITY LAND COMPANY

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for the Year Ended 30 September 2012

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BUTE COMMUNITY LAND COMPANY

Report of the Trustees for the Year Ended 30 September 2012

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 September 2012. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
SC365515 (Scotland)

Registered Charity number
SC041414

Registered office
UNIT 5
11 VICTORIA STREET
ROTHESAY
Isle of Bute
PA20 0AJ

Trustees

MR J MCGHEE	- resigned 16.6.12
MS S A K GOSS	- resigned 2.7.12
MR S TWEEDLIE	- resigned 16.6.12
MR D P VINCENT	- appointed 9.12.11
MS C MCARTHUR	
MR J MITCHELL	- appointed 9.3.12
MS M M C CARROLL	- appointed 30.7.12
	- resigned 30.7.12
MR I JARDINE	- appointed 31.7.12
MR R E MACINTYRE	- appointed 14.5.13

Company Secretary

Independent examiner
J. CAMERON SMITH CA
4-6 AUCHAMORE ROAD
DUNOON
Argyll
PA23 7DY

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Related parties

Bute Community Land Company owns 100% of the issued share capital of Brandish Bute Limited, which was incorporated on 19th May 2010. This company operated, throughout the year under review, a retail outlet on the Isle of Bute selling food and craft products from local suppliers. It ceased to trade on 31st December 2012, and striking off procedure has commenced. No loss has been suffered by Bute Community Land Company as a result of the operation of the subsidiary.

A fully owned subsidiary called Bute Forest Limited was incorporated on 23rd December 2010 to undertake the development work in the Rhudodach Forest on behalf of the community. It commenced operations on 1st March 2012, acting as a subcontractor for BCLC..

The registered office of both subsidiaries is at the same address as the parent company.

BUTE COMMUNITY LAND COMPANY

Report of the Trustees

for the Year Ended 30 September 2012

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the Financial Statements for the Company in accordance with applicable law and UK Generally Accepted Accounting Practice.

Company and charity law requires the directors to prepare company financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy, at any time, the financial position of the 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 and the Charities Accounts (Scotland) Regulations 2006. 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.

OBJECTIVES AND ACTIVITIES

Objectives and aims

Bute Community Land Company is governed by its Memorandum and Articles of Association. The original document created on incorporation was amended on 2nd May 2010 to accord with its charitable objectives.

Bute Community Land Company has been formed to benefit the community of the Isle of Bute as defined by all postcode units within postcode district PA20, with the undernoted objectives to be exercised following the principles of sustainable development (where sustainable development means development which meets the needs of the present without compromising the ability of future generations to meet their own needs).

The charitable objectives of Bute Community Land Company are:-

- to manage community land and associated assets for the benefit of the community and the public in general;
- to provide, or assist in providing recreational facilities, and/or organising recreational activities, which will be available to members of the community and the public at large with the object of improving the conditions of life of the community;
- to advance the education of the community in regard to its environment, culture, heritage and history;
- to advance environmental protection or improvement including preservation, and conservation of the natural environment, the maintenance, improvement or provision of environmental amenities for the community and/or the preservation of buildings or sites of architectural, historic or other importance to the community.

BUTE COMMUNITY LAND COMPANY

Report of the Trustees
for the Year Ended 30 September 2012

OBJECTIVES AND ACTIVITIES

Significant activities

The principle activities of the Company in the period under review were:

-
- The continued employment of a Forest Manager to progress the projects, identified by the Directors, which involve the use of the forest land and resources in the interests of the community,
- Consideration and investigation of developments including a Micro Hydro-Electric Scheme, the construction of ECO lodges, and any other appropriate developments.
- The operation of a small sawmill in the Forest

These are being implemented by a wholly owned subsidiary company, Bute Forest Limited, which was incorporated on 23rd December 2010., and commenced trading on 1st March 2012.

Volunteers

The group acknowledges the significant assistance provided during the year by volunteers, who assisted in the operation charity and raising public awareness of its objectives.

I.

ACHIEVEMENT AND PERFORMANCE

Fundraising activities

The principle source of funding during the year consisted of grants received from Highlands and Islands Enterprise and the LEADER FUND of Argyll and Bute Council, Keep Scotland Beautiful, Climate Challenge Fund and Talent Scotland.

Investment performance

The group's funds are held on deposit in bank accounts. The funds are held on deposit as they must be easily accessible. The low return on investment is acceptable given the need to ensure easy access to the funds held on deposit as they are required to fund the group's ongoing activities.

FINANCIAL REVIEW

Reserves policy

The Board has identified a minimum reserve requirement equivalent to three months' costs, which will enable the group to meet commitments as they fall due. At 30th September 2012, General Reserves of the company were in credit by £1811. The designated John Bute Fund was in credit in the sum of £74229.

ON BEHALF OF THE BOARD :



MR I JARDINE - Trustee

25 June 2013

Independent Examiner's Report to the Trustees of
BUTE COMMUNITY LAND COMPANY

I report on the accounts for the year ended 30 September 2012 set out on pages five to fourteen.

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's trustees 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 the independent examiner's report

My examination was 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 seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

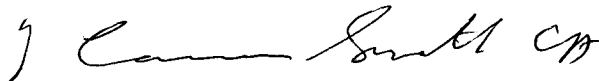
Independent examiner's statement

In connection with 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 to 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.



J. CAMERON SMITH CA
4-6 AUCHAMORE ROAD
DUNOON
Argyll
PA23 7DY

26 June 2013

BUTE COMMUNITY LAND COMPANY

**Statement of Financial Activities
for the Year Ended 30 September 2012**

	Notes	Unrestricted funds £	Restricted funds £	30.9.12 Total funds £	30.9.11 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income		2,678	-	2,678	4
Investment income	2	25	-	25	-
Incoming resources from charitable activities					
CHARITABLE		108,971	6,206	115,177	51,153
Total incoming resources		111,674	6,206	117,880	51,157
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	3	53,519	-	53,519	50,446
Charitable activities					
CHARITABLE		9,244	-	9,244	5,288
Governance costs		60,136	-	60,136	9,782
Total resources expended		122,899	-	122,899	65,516
NET INCOMING/(OUTGOING) RESOURCES					
		(11,225)	6,206	(5,019)	(14,359)
RECONCILIATION OF FUNDS					
Total funds brought forward		87,265	350,470	437,735	452,094
TOTAL FUNDS CARRIED FORWARD		76,040	356,676	432,716	437,735

The notes form part of these financial statements

BUTE COMMUNITY LAND COMPANY

Balance Sheet
At 30 September 2012

	Notes	Unrestricted funds £	Restricted funds £	30.9.12 Total funds £	30.9.11 Total funds £
FIXED ASSETS					
Tangible assets	8	23,258	346,391	369,649	349,038
Investments	9	2	-	2	2
		<u>23,260</u>	<u>346,391</u>	<u>369,651</u>	<u>349,040</u>
CURRENT ASSETS					
Debtors	10	37,478	9,008	46,486	14,127
Cash at bank		64,317	1,277	65,594	89,832
		<u>101,795</u>	<u>10,285</u>	<u>112,080</u>	<u>103,959</u>
CREDITORS					
Amounts falling due within one year	11	(49,015)	-	(49,015)	(15,264)
NET CURRENT ASSETS		<u>52,780</u>	<u>10,285</u>	<u>63,065</u>	<u>88,695</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>76,040</u>	<u>356,676</u>	<u>432,716</u>	<u>437,735</u>
NET ASSETS		<u><u>76,040</u></u>	<u><u>356,676</u></u>	<u><u>432,716</u></u>	<u><u>437,735</u></u>
FUNDS					
Unrestricted funds	12			76,040	87,265
Restricted funds				356,676	350,470
TOTAL FUNDS				<u><u>432,716</u></u>	<u><u>437,735</u></u>

The notes form part of these financial statements

BUTE COMMUNITY LAND COMPANY

Balance Sheet - continued

At 30 September 2012

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2012.

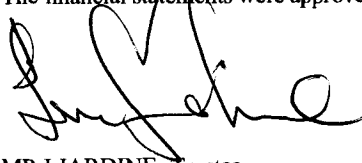
The members have not required the charitable company to obtain an audit of its financial statements for the year ended 30 September 2012 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each 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 financial statements, so far as applicable to the charitable company.

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

The financial statements were approved by the Board of Trustees on 25 June 2013 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'I Jardine', written over a horizontal line.

MR I JARDINE - Trustee

BUTE COMMUNITY LAND COMPANY

Notes to the Financial Statements for the Year Ended 30 September 2012

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - 20% on reducing balance

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. INVESTMENT INCOME

	30.9.12	30.9.11
	£	£
Deposit account interest	25	-
	<u>25</u>	<u>-</u>

3. COSTS OF GENERATING VOLUNTARY INCOME

	30.9.12	30.9.11
	£	£
Staff costs	43,180	46,895
Light and heat	595	37
Publicity, Events etc	-	1,308
Advertising	1,486	1,428
Support costs	8,258	778
	<u>53,519</u>	<u>50,446</u>

BUTE COMMUNITY LAND COMPANY

Notes to the Financial Statements - continued
for the Year Ended 30 September 2012

4. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	30.9.12	30.9.11
	£	£
Auditors' remuneration	-	748
Depreciation - owned assets	5,815	662
	<u> </u>	<u> </u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 September 2012 nor for the year ended 30 September 2011 .

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 September 2012 nor for the year ended 30 September 2011 .

6. STAFF COSTS

	30.9.12	30.9.11
	£	£
Wages and salaries	43,180	46,895
	<u> </u>	<u> </u>

7. ACCOUNTANCY FEES

J. Cameron Smith CA - INDEPENDENT EXAMINATION and Accounts Preparation	3000	2880
OTHER SERVICES	174	900
ONE TO ONE - PAYE SERVICES	484	400
C. SOANE CA- RECORD KEEPING	0	3265
TOTAL	3658	7445

BUTE COMMUNITY LAND COMPANY

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2012**

8. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 October 2011	346,391	3,309	349,700
Additions	-	26,426	26,426
At 30 September 2012	<u>346,391</u>	<u>29,735</u>	<u>376,126</u>
DEPRECIATION			
At 1 October 2011	-	662	662
Charge for year	-	5,815	5,815
At 30 September 2012	<u>-</u>	<u>6,477</u>	<u>6,477</u>
NET BOOK VALUE			
At 30 September 2012	<u>346,391</u>	<u>23,258</u>	<u>369,649</u>
At 30 September 2011	<u>346,391</u>	<u>2,647</u>	<u>349,038</u>

9. FIXED ASSET INVESTMENTS

The company has in two wholly owned subsidiary Companies, Bute Forest Ltd and Brandish Bute Ltd, the details of which are given below.

It would not be effective, in terms of time and cost to obtain a market valuation for these holdings.

BUTE FOREST LTD

100% OWNED. SHARE CAPITAL - 1 ORDINARY SHARE OF £1, fully paid.

Commenced trading 1st March 2012. Net profit , after tax, for period 1st March 2012 to 30th September 2012 - £3816 (2011-nil). Net assets at 30th September 2012 - £3817 (2011- £1).

BRANDISH BUTE LTD

100% OWNED - SHARE CAPITAL - 1 ORDINARY SHARE OF £1, fully paid.

Brandish Bute ceased trading on 31st December 2012. Striking off proceedings are in progress..

The Company met all its financial obligations in full, but the Directors considered that its future prospects did not justify continued trading.

BUTE COMMUNITY LAND COMPANY

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2012**

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.12	30.9.11
	£	£
Amounts owed by group undertakings	14,285	2,802
Other debtors	32,201	11,325
	<u>46,486</u>	<u>14,127</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.12	30.9.11
	£	£
Bank loans and overdrafts	37,751	9,699
Trade creditors	3,002	(2)
Amounts owed to group undertakings	8,261	-
Other creditors	1	5,567
	<u>49,015</u>	<u>15,264</u>

12. MOVEMENT IN FUNDS

	At 1.10.11	Net movement in funds	At 30.9.12
	£	£	£
Unrestricted funds			
General fund	2,073	(262)	1,811
JOHN BUTE FUND	85,192	(10,963)	74,229
	<u>87,265</u>	<u>(11,225)</u>	<u>76,040</u>
Restricted funds			
RHUBODACH FOREST CAPITAL FUND	346,391	-	346,391
RHUBODACH FOREST REVENUE FUND	4,079	-	4,079
VOLUNTARY ACTION FUND	-	6,206	6,206
	<u>350,470</u>	<u>6,206</u>	<u>356,676</u>
TOTAL FUNDS	<u>437,735</u>	<u>(5,019)</u>	<u>432,716</u>

BUTE COMMUNITY LAND COMPANY

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2012**

12. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	103,040	(103,302)	(262)
JOHN BUTE FUND	8,634	(19,597)	(10,963)
	<u>111,674</u>	<u>(122,899)</u>	<u>(11,225)</u>
Restricted funds			
VOLUNTARY ACTION FUND	6,206	-	6,206
	<u>6,206</u>	<u>-</u>	<u>6,206</u>
TOTAL FUNDS	<u><u>117,880</u></u>	<u><u>(122,899)</u></u>	<u><u>(5,019)</u></u>

BUTE COMMUNITY LAND COMPANY

Notes to the Financial Statements - continued
for the Year Ended 30 September 2012

13. RELATED PARTY DISCLOSURES

TRANSACTIONS WITH SUBSIDIARY COMPANIES;

The Company has two subsidiary Companies, both fully owned.. Details are as undernoted.

1. BRANDISH BUTE LIMITED.

Share capital 1 Ordinary share of £1 , fully paid

Operated throughout the year under review a retail outlet on the Isle of bute selling food and craft products from local suppliers. At 30th September 2012 Brandish Bute owed Bute Community Land Company the sum of £2802. This arose due to a grant due to BCLC being paid to BBL as a result of an error on the part of a Funder.This amount has since been repaid in full.

Brandish Bute Ltd ceased to trade with effect from 31st December 2012. BCLC has not sustained any loss in respect of that Company..

2. BUTE FOREST LIMITED

Share Capital 1 Ordinary Share of £1 , fully paid.

Incorporated on 23rd of December 2010, it commenced trading on 1st March 2012

Bute Forest received the sum of £20,000 from Bute Community Land Company to finance projects relating to the development of Rhubodach Forest on behalf of BCLC. Bute Forest Ltd spent the sum of £16,778 on behalf of the Holding company during the period from 1st march 2012 to 30 September 2012, and this sum has been set off against the sum advanced..

The net amount due to Bute Community Land Company from Bute Forest Ltd at the balance Sheet date is £3221 (2011 - nil)

RECONCILIATION:

These figures reconcile with Notes 10 and 11 as follows:-

NOTE 10- Amounts owed by Group undertakings	£14,285
NOTE 11 - Amounts owed to group undertakings	£ 8, 261
Difference	£ 6024
Comprising:-	
Bute Forest Ltd	£ 3222
Brandish Bute Ltd	£ 2802
Total as above	£ 6024

BUTE COMMUNITY LAND COMPANY

Notes to the Financial Statements - continued
for the Year Ended 30 September 2012

14. BANK BALANCES

FUNDS	TOTAL	GENERAL	JOHN BUTE	OTHER
NO. 1 ACCOUNT	12272	11900		372
RESERVE ACCOUNT	15571	-37751	52417	905
TOTAL	27843	-25851	52417	1277

NEGATIVE FIGURES IN THE ABOVE
TABLE ARE SHOWN AS OVERDRAFTS
IN NOTE 11

THUS- CASH AT BANK PER B/S			65594	
LESS "OVERDRAFT" PER NOTE 11			37751	
TOTAL BANK BALANCES AS ABOVE			27843	

BUTE COMMUNITY LAND COMPANY

Detailed Statement of Financial Activities
for the Year Ended 30 September 2012

	30.9.12	30.9.11
	£	£
INCOMING RESOURCES		
Voluntary income		
Gifts	-	4
Donations	2,678	-
	<hr/>	<hr/>
	2,678	4
Investment income		
Deposit account interest	25	-
Incoming resources from charitable activities		
Grants	115,177	51,153
	<hr/>	<hr/>
Total incoming resources	117,880	51,157
RESOURCES EXPENDED		
Costs of generating voluntary income		
Wages	43,180	46,895
Light and heat	595	37
Publicity, Events etc	-	1,308
Advertising	1,486	1,428
	<hr/>	<hr/>
	45,261	49,668
Charitable activities		
Postage and stationery	175	698
Governance costs		
Accountancy	3,658	7,455
Legal fees	300	551
Auditors' remuneration	-	748
Travel	3,309	1,028
ARCHITECTURAL SERVICES	12,264	-
FEASABILITY STUDY	40,605	-
	<hr/>	<hr/>
	60,136	9,782
Support costs		
Management		
Rent	6,167	2,642
SECRETARIAL ASSISTANCE	525	-
	<hr/>	<hr/>
	6,692	2,642

This page does not form part of the statutory financial statements

BUTE COMMUNITY LAND COMPANY

Detailed Statement of Financial Activities
for the Year Ended 30 September 2012

	30.9.12	30.9.11
	£	£
Finance		
Bank charges	215	20
Information technology		
Insurance	1,256	1,503
Repairs and renewals	2,566	72
Sundries	58	163
Bank interest	-	3
INTEREST ON PAYE	4	-
	<hr/>	<hr/>
	3,884	1,741
Other		
Telephone	518	303
CARRIAGE	204	-
Plant and machinery	5,814	662
	<hr/>	<hr/>
	6,536	965
	<hr/>	<hr/>
Total resources expended	122,899	65,516
	<hr/>	<hr/>
Net expenditure	<u>(5,019)</u>	<u>(14,359)</u>

This page does not form part of the statutory financial statements