

Charity number: SC041864
Company number: SC385572

Community Land Scotland
(A company limited by guarantee)

Directors' report and financial statements
for the period ended 31 December 2011

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(A company limited by guarantee)

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Community Land Scotland
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Legal and administrative information

Charity number SC041864
Company registration number SC385572

Registered office Hill Cottage
Tarbert
Isle of Harris
HS3 3DL

Directors	David Ewan Cameron	Chair, appointed 17 September 2010
	Ian Alexander Hepburn	Appointed 28 September 2010
	John Charles Hutchison	Appointed 28 September 2010
	Iain MacLennan MacIver	Appointed 28 September 2010
	Lorne Buchanan MacLeod	Appointed 17 September 2010
	Angela Judith Williams	Appointed 17 September 2010
	Brian David Henderson Wilson	Appointed 28 September 2010

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

Community Land Scotland
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Report of the directors (incorporating the trustees' report)
for the period ended 31 December 2011

The directors present their report and the financial statements for the period ended 31 December 2011. The directors, who are also trustees of Community Land Scotland for the purposes of charity law and who served during the period and up to the date of this report are set out on page 1.

Structure, governance and management

Structure of the company

The structure of the company consists of:

Members

The members have the right to attend the annual general meeting (and any other general meeting) and have important powers under the articles of association; in particular they elect people to serve as directors and take decisions in relation to changes in the organisation

Directors

The directors hold regular meetings during the period between annual general meetings and generally control and supervise the activities of the company. In particular, the directors are responsible for monitoring the financial position of the company. The maximum number of directors is 12 of whom no more than 7 shall be elected directors, and no more than 5 shall be co-opted directors. Co-opted directors are those appointed by the Board on the basis that that person has special skills or experience which would be of assistance to the Board

Membership

Full Membership is open to any organisation led and managed by the community which has a stated interest in owning or managing land for the benefit of the community. Associate membership is open to any other individual or organisation which wishes to support the aims and activities of the company. A register of membership is maintained by the company

In order to pursue the objectives of the company, the directors attend meetings, conferences, and discussions on behalf of the company to promote its aims and objectives. The Board has also appointed a policy consultant to research and prepare policy documents on relevant issues and to present these as required on the company's behalf.

Risk policy

The directors have assessed the major risks to which the charity is exposed, and in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to mitigate any exposure to these risks.

Reserves policy

The policy of the Trust is to aim to retain sufficient reserves to meet the cost of any commitments, as well as a contingency to enable it to continue to develop further projects. At this time, the main activities of the company are grant funded, but there are insufficient reserves to pursue additional projects.

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Report of the directors (incorporating the trustees' report) for the period ended 31 December 2011

Objectives and activities

The company's objects are to advance community development in Scotland, by maximising the impact of the community land movement as a major driver for community development throughout Scotland, and in particular through;

- * promoting and representing the interests of community landowners across Scotland, at all levels of local and national government and their agencies;
- * promoting the benefits of community landownership and proactively encouraging new community landowners;
- * working with like-minded relevant organisations to ensure appropriate support for community landownership
- * facilitating networking and mutual support amongst community landowners

Achievements and performance

Community Land Scotland is a membership based organisation set up to represent existing and aspiring community landowners in Scotland. It promotes sustainable communities across Scotland through the ownership and active management of land.

Community Land Scotland has represented its members in many diverse areas.

Regular meetings, contacts and presentations have taken place with representatives of the Scottish and UK Parliament, civil servants, local authorities, third sector organisations, research institutions and funders. The success of this can now be demonstrated by regular requests to contribute to national discussions on matters of relevance to community landowners.

Requests have been made to Community Land Scotland to give presentations to groups who are looking at the possibility of community landownership. Membership is increasing.

In addition to our Annual Conference which includes knowledge exchange workshops and regular informal contact between members, Community Land Scotland held one other information exchange meeting for all members in November.

Financial review

Community Land Scotland has kept a very close eye on its budget. For this first year the main funding was for the appointment of a Policy Director and it has been necessary to tailor activities to match that level of funding. Other funds were raised for specific purposes and again activity was matched to funds available.

This situation cannot continue and work has started to find ways by which Community Land Scotland can not only raise its own core funding but eventually build up reserves.

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Report of the directors (incorporating the trustees' report)
for the period ended 31 December 2011

Statement of directors' responsibilities

The directors (who are also trustees of Community Land Scotland 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 period 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.

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, 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.

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 2012 and signed on its behalf by

Lorne MacLeod

Secretary
Lorne Buchanan MacLeod

Community Land Scotland
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**Independent examiner's report to the directors on the unaudited financial statements of
Community Land Scotland.**

I report on the accounts for the period ended 31 December 2011 set out on pages 2 to 12.

This report is made to the charity's Trustees, who are also directors of the company, in accordance with the terms of my engagement. My work has been undertaken to enable me to prepare the financial statements on behalf of the charity's Trustees and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees, as a body, for my work or this report.

Respective responsibilities of trustees and independent examiner

The charity's trustees (who are also the directors of the company for purposes of company law) are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 (the Act) and the Charities Accounts (Scotland) Regulations 2006. The charity's trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. 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 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 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 Regulations
 - to prepare accounts which agree with the accounting records, comply with Regulation 8 of the 2006 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.

Fiona McGlynn

12th March 2012

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Fiona McGlynn C.A.
Chartered Accountant
Independent examiner

Of R A Clement Associates
5 Argyll Square
Oban
Argyll
PA34 4AZ

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

For the period ended 31 December 2011

	Notes	Unrestricted funds £	Restricted funds £	Period ended 31/12/11 Total £
Incoming resources				
Incoming resources from generating funds:				
Voluntary income	2	700	30,039	30,739
Investment income		11	-	11
Total incoming resources		<u>711</u>	<u>30,039</u>	<u>30,750</u>
Resources expended				
Charitable activities	3	700	30,032	30,732
Governance costs	4	-	14	14
Total resources expended		<u>700</u>	<u>30,046</u>	<u>30,746</u>
Net incoming/(outgoing) resources before transfers		11	(7)	4
Transfer between funds		<u>(7)</u>	<u>7</u>	<u>-</u>
Net movement in funds/Net income for the period		4	-	4
Total funds brought forward		<u>-</u>	<u>-</u>	<u>-</u>
Total funds carried forward		<u>4</u>	<u>-</u>	<u>4</u>

The notes on pages 9 to 12 form an integral part of these financial statements.

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Balance sheet
as at 31 December 2011
SC385572

	Notes	31/12/11	£	£
Current assets				
Debtors	7	654		
Cash at bank and in hand		5,180		
		<u>5,834</u>		
Creditors: amounts falling due within one year	8	(5,830)		
Net current assets				<u>4</u>
Net assets				<u>4</u>
Funds	9			<u>4</u>
Unrestricted income funds				<u>4</u>
Total funds				<u>4</u>

The directors statements required by s475(2) and s475(3) are shown on the following page which forms part of the Balance Sheet.

The notes on pages 9 to 12 form an integral part of these financial statements.

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Balance sheet (continued)

SC385572

**Directors' statements required by the Companies Act 2006
for the period ended 31 December 2011**

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the period stated above the company was entitled to the exemption conferred by section 477 of the Companies Act 2006 ;

(b) that no notice has been deposited at the registered office of the company pursuant to section 476 of the Companies Act 2006 requesting that an audit be conducted for the period ended 31 December 2011.

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps proper accounting records which comply with section 386 of the Companies Act 2006, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its surplus or deficit for the period then ended in accordance with the requirements of sections 394 and 395, and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

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

The financial statements were approved by the board on 12th March 2012 and signed on its behalf by

David Cameron

David Ewan Cameron
Director

The notes on pages 9 to 12 form an integral part of these financial statements.

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Notes to financial statements
for the period ended 31 December 2011

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

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.

Income from investments is included in the year in which it is receivable.

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.

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Notes to financial statements
for the period ended 31 December 2011

2. Voluntary income

	Unrestricted £	Restricted £	Period ended 31/12/11 £
Awards for All	-	10,000	10,000
Highlands & Islands Enterprise	-	20,039	20,039
Membership Subscriptions	700	-	700
	<u>700</u>	<u>30,039</u>	<u>30,739</u>

3. Costs of charitable activities - by fund type

	Unrestricted funds £	Restricted funds £	Period ended 31/12/11 Total £
Policy and development	700	30,032	30,732
	<u>700</u>	<u>30,032</u>	<u>30,732</u>

4. Governance costs

	Restricted funds £	Period ended 31/12/11 Total £
Professional - Legal fees	14	14
	<u>14</u>	<u>14</u>

5. Employees

Employment costs

No salaries or wages have been paid to employees, including the directors, during the year.

There were no direct employees during the year. Advertising costs were incurred to appoint a consultant to advise on policy. The engagement was on a consultancy basis and not under a contract of employment.

Board members expenses

6 directors received reimbursement of travel and meeting costs which amounted to £3,925.

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Notes to financial statements
for the period ended 31 December 2011

6. Taxation

The charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 1988. Accordingly, there is no taxation charge in these accounts.

7. Debtors

	31/12/11
	£
Trade debtors	654
	<u>654</u>

8. Creditors: amounts falling due within one year

	31/12/11
	£
Trade creditors	5,130
Other creditors	700
	<u>5,830</u>

9. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 31 December 2011 as represented by:			
Current assets	704	5,130	5,834
Current liabilities	(700)	(5,130)	(5,830)
	<u>4</u>	<u>-</u>	<u>4</u>

10. Unrestricted funds

	At			At
	17 September	Incoming	Outgoing	31 December
	2010	resources	resources	2011
	£	£	£	£
Unrestricted funds	-	711	(700)	(7)
	<u>-</u>	<u>711</u>	<u>(700)</u>	<u>(7)</u>

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Notes to financial statements
for the period ended 31 December 2011

11. Restricted funds	At				At
	17 September	Incoming	Outgoing	Transfers	31 December
	2010	resources	resources		2011
	£	£	£	£	£
Awards for All	-	10,000	(10,007)	7	-
Highlands and Islands Enterprise	-	19,385	(19,385)	-	-
	<u>-</u>	<u>29,385</u>	<u>(29,392)</u>	<u>7</u>	<u>-</u>
	<u>-</u>	<u>29,385</u>	<u>(29,392)</u>	<u>7</u>	<u>-</u>

Purposes of restricted funds

A grant was received from Awards for all towards the costs of establishing the charity, travel and meeting costs and office equipment. A small overspend of £7 was met from unrestricted reserves.

An award was made by HIE of £60,000 over a period of 3 years towards the costs of obtaining policy advice and direction, directors travel and the costs of attending meetings and consultations, with £20,250 (100% of costs) in year one, £18,000 (or 90% of costs) in year 2, and £15,750 (or 80% of costs) in year three. An additional £6,000 was awarded over the three year period towards Board operational costs.

12. Company limited by guarantee

Community Land Scotland 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.