

Charity number: SC041864
Company number: SC385572

Community Land Scotland
(A company limited by guarantee)

Directors' report and financial statements
for the year ended 31 December 2015

Community Land Scotland
(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	Lorne Buchanan MacLeod	Chair
	David Ewan Cameron	
	Ian Alexander Hepburn	
	John Charles Hutchison	
	Margaret Agnes McSporrان	appointed 21 May 2015, resigned 26 October 2015
	Angela Judith Williams	resigned 25 November 2015
	Angus Morrison Robertson	resigned 21 May 2015
	Iain MacLennan MacIver	resigned 21 May 2015
	Margaret Nicolson	Appointed 21 May 2015

Secretary John Charles Hutchison

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 year ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015. The directors, who are also trustees of Community Land Scotland 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.

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 director 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.

Community Land Scotland **(A company limited by guarantee)**

Report of the directors (incorporating the trustees' report) for the year ended 31 December 2015

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 in 2010 to represent the views of existing and aspiring community landowners in Scotland. It also facilitates knowledge exchange between members and both funds and encourages research into the development of community land ownership.

The organisation continues to contribute on behalf of members by engaging with national and local government, third sector organisations, research institutions and other interested parties and individuals.

A huge amount of work has been undertaken in terms of input to the Community Empowerment Bill, the development of the Land Reform Bill, developing a strategy for achieving one million acres of community owned land by 2020, together with consultation responses on feed in tariffs, the croft house grant scheme, the proposed Islands' Bill, and others. Membership has grown to 65 communities, with growing interest in community land ownership being developed in areas of Scotland such as the Borders and Dumfries & Galloway, where projects have not previously emerged.

Our members have achieved a great deal in 2015, and the immense contribution by numerous volunteer boards, together with energetic and committed staff, has resulted in major advancements for the sector. We were pleased to see Paic Trust's lengthy battle for community land ownership eventually succeeding, meaning that 70% of the population of the Western Isles now live on community owned land.

Community Land Scotland has been successful in winning some notable funding support during the year. A grant of £175,000 over three years was awarded from the Scottish Government to promote community land ownership, £90,000 from Highlands & Islands Enterprise over three years for policy development and membership support, as well as other funding from Big Lottery, Carnegie UK Trust, Esmee Fairbairn, Highland Council, and Comhairle nan Eilean Siar. An international dimension to the work of Community Land Scotland has developed further during the year, with representatives speaking at conferences in Senegal, Belgium and Italy.

The board and staff of Community Land Scotland have shown tremendous commitment, energy and enthusiasm, and have made a valuable contribution towards developing community land ownership. Special thanks go to those board members who left the board at various times during 2015.

Financial review

Community Land Scotland has operated within its financial budget, and has closely monitored its income and expenditure against forecast figures throughout the year.

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Report of the directors (incorporating the trustees' report)
for the year ended 31 December 2015

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 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.

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.

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

and signed on its behalf by

John Charles Hutchison
Secretary

**Community Land Scotland
(A company limited by guarantee)**

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

I report on the accounts for the year ended 31 December 2015 set out on pages 2 to 14.

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 (as amended). 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 (as amended). 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.

.....
Duncan Grout ACCA

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 year ended 31 December 2015

	Notes	Unrestricted funds £	Restricted funds £	2015 Total £	2014 Total £
Incoming resources					
Incoming resources from generating funds:					
Voluntary income	2	2,607	86,088	88,695	89,508
Investment income		19	-	19	29
Incoming resources from charitable activities	3	7,060	-	7,060	17,596
Total incoming resources		<u>9,686</u>	<u>86,088</u>	<u>95,774</u>	<u>107,133</u>
Resources expended					
Charitable activities	4	2,715	80,321	83,036	103,912
Total resources expended		<u>2,715</u>	<u>80,321</u>	<u>83,036</u>	<u>103,912</u>
Net incoming resources before transfers					
		6,971	5,767	12,738	3,221
Transfer between funds		<u>(6,899)</u>	<u>6,899</u>	<u>-</u>	<u>-</u>
Net movement in funds/Net income for the year		72	12,666	12,738	3,221
Total funds brought forward		<u>1,269</u>	<u>3,953</u>	<u>5,222</u>	<u>2,001</u>
Total funds carried forward		<u>1,341</u>	<u>16,619</u>	<u>17,960</u>	<u>5,222</u>

The notes on pages 9 to 14 form an integral part of these financial statements.

Community Land Scotland
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Balance sheet
as at 31 December 2015
SC385572

	Notes	£	2015 £	£	2014 £
Current assets					
Debtors	7	274		7,486	
Cash at bank and in hand		19,344		6,911	
		<u>19,618</u>		<u>14,397</u>	
Creditors: amounts falling due within one year					
	8	(1,658)		(9,175)	
Net current assets			<u>17,960</u>		<u>5,222</u>
Net assets			<u>17,960</u>		<u>5,222</u>
Funds					
	9				
Restricted income funds			16,619		3,953
Unrestricted income funds			1,341		1,269
Total funds			<u>17,960</u>		<u>5,222</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 14 form an integral part of these financial statements.

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Balance sheet (continued)

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**Directors' statements required by the Companies Act 2006
for the year ended 31 December 2015**

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

(a) that for the year 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 year ended 31 December 2015.

(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 year and of its surplus or deficit for the year 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 January 2015).

The financial statements were approved by the board on and signed on its behalf by

Lorne Buchanan MacLeod
Director

The notes on pages 9 to 14 form an integral part of these financial statements.

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Notes to financial statements
for the year ended 31 December 2015

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 have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16/07/14, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

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 year ended 31 December 2015

2. Voluntary income

	Unrestricted funds £	Restricted funds £	2015 Total £	2014 Total £
Donations	475	436	911	575
Highlands & Islands Enterprise	23	17,701	17,724	21,702
HIE - Graduate placement	-	7,184	7,184	8,110
Carnegie UK Trust	-	10,886	10,886	10,000
The Esmee Fairbairn Foundation	-	24,131	24,131	38,720
CNES Award graduate placement	-	-	-	8,500
Big lottery Fund (Investing in ideas)	-	10,000	10,000	-
Scottish Government (Promotion of community land)	-	15,750	15,750	-
Membership Subscriptions	2,109	-	2,109	1,901
	<u>2,607</u>	<u>86,088</u>	<u>88,695</u>	<u>89,508</u>

Last year £2,935 of income was unrestricted while £86,573 was restricted.

3. Incoming resources from charitable activities

	Unrestricted funds £	2015 Total £	2014 Total £
Sale of services	-	-	12,000
Conference charges	7,060	7,060	5,596
	<u>7,060</u>	<u>7,060</u>	<u>17,596</u>

Last year £17,956 of income from charitable activities was unrestricted. There was no restricted income from charitable activities in the prior year.

4. Costs of charitable activities - by fund type

	Unrestricted funds £	Restricted funds £	2015 Total £	2014 Total £
Policy and development	2,715	80,321	83,036	103,912
	<u>2,715</u>	<u>80,321</u>	<u>83,036</u>	<u>103,912</u>

Last year £20,069 of charity costs were unrestricted while £83,843 were restricted.

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Notes to financial statements
for the year ended 31 December 2015

5. Employees

Employment costs	2015	2014
	£	£

Wages and salaries	9,633	21,863
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No employee received emoluments of more than £60,000 (2014 : None).

	2015	2014
	Number	Number
Graduate employees	1	1

Board members expenses

6 directors received reimbursement of travel, meeting and phone costs which amounted to £9,378 in the year.

6. 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.

7. Debtors

	2015	2014
	£	£
Trade debtors	274	7,486

8. Creditors: amounts falling due within one year

	2015	2014
	£	£
Trade creditors	218	8,177
Other taxes and social security	-	273
Other creditors	1,440	725
	1,658	9,175

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Notes to financial statements
for the year ended 31 December 2015

9. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2015 as represented by:			
Current assets	2,999	16,619	19,618
Current liabilities	(1,658)	-	(1,658)
	<u>1,341</u>	<u>16,619</u>	<u>17,960</u>

10. Unrestricted funds

	At 1 January 2015 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 December 2015 £
Unrestricted funds	<u>1,269</u>	<u>9,686</u>	<u>(2,715)</u>	<u>(6,899)</u>	<u>1,341</u>

Purposes of unrestricted funds

In the prior year £20,560 of income was received on unrestricted funds and there was £20,069 of expenditure.

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Notes to financial statements
for the year ended 31 December 2015

11. Restricted funds	At 1 January 2015 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 December 2015 £
Graduate Placement	4,907	7,184	(10,477)	-	1,614
Highlands and Islands Enterprise	(2,071)	-	-	1,000	(1,071)
Conference fund	239	6,866	(13,004)	5,899	-
Carnegie UK Trust & HIE	1,536	11,608	(10,642)	-	2,502
Support and promotion of community land ownership	-	15,750	(9,197)	-	6,553
The Esmee Fairbairn Foundation	(145)	24,131	(27,344)	-	(3,358)
HIE - supporters' network project	(513)	-	(840)	-	(1,353)
Big lottery (Investing in Ideas) - Protocol Project	-	10,000	(1,050)	-	8,950
HIE - Land Reform Act	-	10,549	(7,767)	-	2,782
	<u>3,953</u>	<u>86,088</u>	<u>(80,321)</u>	<u>6,899</u>	<u>16,619</u>

Purposes of restricted funds

Graduate Placement

During the year a grant of £7,184 was received from HIE towards the cost of a graduate salary. This amount, together with a brought forward balance of funds from CnES, was applied to the cost of employing a graduate marketing and promotions officer.

Highlands and Islands Enterprise

An award was made by HIE of £60,000 covering a period of 3 years towards the costs of obtaining policy advice and direction, directors' travel and the costs of attending meetings and consultations. An additional £6,000 was awarded over the three year period towards Board operational costs.

Conference fund

During the year, the charity received £6,430 from HIE towards the cost of an annual conference. Donations of £436 were also received.

Carnegie UK Trust & HIE

A grant of £10,000 from Carnegie UK Trust and £1,608 from HIE were received towards the cost of speaking at conferences in Senegal, Belgium and Italy, attendance at other events and seminars, together with the costs of developing brochures and information materials on community land ownership.

Support and promotion of community land ownership

£15,750 was received in the year from the Scottish Government towards the cost of promoting community land ownership throughout Scotland. This has allowed a development manager post to be recruited, with employment commencing in February 2016.

The Esmee Fairbairn Foundation

During the year £24,131 was received from the Esmee Fairbairn Foundation towards the cost of policy research and development work, professional fees and related outlays.

HIE - supporters' network project

During the prior year, £6,770 was received from HIE towards the cost of developing a network of supporters.

Big lottery (Investing in Ideas) - Protocol Project

During the year, a grant of £10,000 was received from the Big Lottery towards the cost of establishing a protocol with Scottish Land & Estates to provide a guide for communities to approach private landowners with requests to purchase land.

Land Reform Act costs

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for the year ended 31 December 2015

During the year, £7,913 was received from HIE towards the cost of research and professional fees relating to policy guidance and research work on the Land Reform Bill. £1,750 was received from HIE towards the cost of mentoring work in relation to members' development.

In total last year there was £86,573 of restricted income and £83,843 of restricted expenditure.

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.

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

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Detailed statement of financial activities

For the year ended 31 December 2015

	2015		2014	
	£	£	£	£
Incoming resources				
Incoming resources from generating funds:				
<i>Voluntary income</i>				
Donations		911		575
Highlands & Islands Enterprise		17,724		21,702
HIE - Graduate placement		7,184		8,110
Carnegie UK Trust		10,886		10,000
The Esmee Fairbairn Foundation		24,131		38,720
CNES Award graduate placement		-		8,500
Big lottery Fund (Investing in ideas)		10,000		-
Scottish Government (Promotion of community land)		15,750		-
Membership Subscriptions		2,109		1,901
		<u>88,695</u>		<u>89,508</u>
<i>Investment income</i>				
Bank interest receivable		19		29
		<u>19</u>		<u>29</u>
Total incoming resources from generating funds		<u>88,714</u>		<u>89,537</u>
Incoming resources from charitable activities				
Sale of services		-		12,000
Conference charges		7,060		5,596
		<u>7,060</u>		<u>17,596</u>
Total incoming resources		<u>95,774</u>		<u>107,133</u>
Resources expended				
Costs of generating funds:				
Fundraising trading:				
cost of goods sold and other costs				

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Detailed statement of financial activities

For the year ended 31 December 2015

	2015	2014
	£	£
Charitable activities		
Policy and development		
<i>Activities undertaken directly</i>		
Wages & Salaries incl graduate placement	9,633	21,863
Rent	1,744	970
Insurance	265	265
Annual conference	13,746	9,900
Motor, travel and meeting costs	14,192	12,313
Accountancy	1,595	775
Consultancy - Policy advisor	33,050	41,216
Office expenses	585	935
Research & development costs	5,483	10,300
Advertising & Marketing	2,743	5,375
	<u>83,036</u>	<u>103,912</u>
Policy and development total expenditure	<u>83,036</u>	<u>103,912</u>
Total charitable activity expenditure	<u><u>83,036</u></u>	<u><u>103,912</u></u>
Net incoming/(outgoing) resources for the year	<u><u>12,738</u></u>	<u><u>3,221</u></u>