

**KINLOCH WOODLANDS CHARITABLE TRUST**

Annual Report and Financial Statements  
For The Year Ended 5th April, 2016

SCO 31020

Blair Houser  
Accountancy  
Tulach Gorm  
Loch Carron  
Ross-shire

KINLOCH WOODLANDS CHARITABLE TRUST

Financial Statements for the Year Ended 5th April, 2016

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**KINLOCH WOODLANDS CHARITABLE TRUST  
REPORT AND ACCOUNTS 2015– 2016  
SCOTTISH CHARITY NUMBER SC031020**

**GENERAL**

This is the last set of report and accounts for the Kinloch Woodlands Charitable Trust. Its assets and responsibilities have now been transferred to the new Kinloch Woodlands SCIO (Scottish Charitable Incorporated Organisation). The aim of this restructuring, as mentioned in the 2014/15 report, is to increase the local community's representation on the charity and ensure that its new constitution represents best current practice for a small charity with our objectives and methods of working.

We hope that this management partnership between family, community and professional trustees set within clear charitable purposes which emphasise the importance of conserving and enhancing the natural environment and taking account of the views of the local community, will provide the long term focus and continuity which is essential to the restoration and sustainable use of native woodlands in Scotland.

On the ground, the new woodland has continued to thicken up, deer management has continued to be rigorous (and effective) and plans are in hand at the year-end to establish a base-line habitat survey of the woodland to enable an objective assessment of browsing pressures by deer in future years when the fences are removed.

Perhaps the single most exciting event during the year was the reintroduction of 34 red squirrels into the mature areas of woodland on Ben Shieldaig and the coastal strip immediately to the north of the Trust's estate. This is part of a wider programme to boost red squirrel numbers in the Highlands which is being promoted by Trees for Life and the Highland Foundation for Wildlife. If the squirrels survive and breed successfully there is every prospect that they will move out into the Trust's emerging woodland over the next 5 years.

**1. Deer Management**

In 2015 there were 16 sightings of 89 deer outwith the fenced areas, slightly up on the 2014 figures (14 sightings of 81 deer). However more weight should probably be attached to the census figures which remain acceptably low for the 2<sup>nd</sup> year running – 2016 – 15 red deer 2015 - 8 red deer. These compare with the figure of 24 red deer for 2014.

The red deer cull in 2015 was slightly down on the figure for 2014 reflecting the lower numbers of deer on the open hill (2015 - 17 deer, 2014 - 21 deer). The current culling levels seem compatible with our long term target of 2-3 deer per sq. km. The broad aim for 2016 will therefore be to shoot about the same number of deer as in 2015 unless numbers on the ground increase significantly.

As in previous years most deer management effort was concentrated on the lower fenced woodland area. Incursions during the year seemed lower than in the previous year (2015 - 6 sightings of 10 red



deer; 2014 - 14 sightings of 25 red deer. This is supported by fewer photographs on the trail camera. 6 deer were shot in the area in 2015 compared with 5 in 2014. The impression is that frequent and regular inspections coupled with prompt action to deal with incursions means that those deer that do get into the block aren't allowed to settle and are either shot or exit the block promptly. There certainly appear to be no resident hinds in the block with most of the deer coming in being stags. Browsing damage remains minimal.

There was no evidence of further red deer incursions into either of the upper blocks during the year beyond the 2 that were shot in May 2015 and mentioned in the last report.

A small number of roe deer now appear to be established in the easterly upper fenced area. Although none were seen during the year in the westerly upper block, it seems likely that they will move into this area over time as there are at least 3 roe deer in the neighbouring woodland area on the Doireanar Common Grazings..

Professor Rory Putman completed his updated deer management plan for the whole of the SW Ross Deer Management Area covering the period 2015-2020. No significant issues were raised which call for changes to our deer management programme. However a key recommendation for all estates is that they should establish arrangements for formal monitoring of the natural habitat to enable better assessment of grazing impacts. The Trust accepted these recommendations and agreed to carry out a baseline survey in summer 2016.

## 2. Wildlife

The usual return of wildlife sightings on the estate for 2015 was submitted under the FSC accreditation arrangements. Key features included :

- a. 6 sightings of 15 red grouse in 2015; slightly down on the 7 sightings of 18 birds in 2014 but a continuing increase in numbers after several years of decline.
- b. 2 adders were seen on Trust ground during the year and several more nearby.,
- c. Again no golden eagles were seen on the hill in 2015. Although only 1 sea-eagle was seen on the estate, they are well established locally and 2 chicks were raised in 2015.
- d. Buzzards are now very common in the lower wooded areas.
- e. 4 mallard sightings in 2015 (9 in 2014) – again all on Loch Dughail.
- f. 2 red throated divers in 2015 (6 in 2014), and 1 black throat (same as in 2014).
- g. foxes – again no sightings and still a rarity on the open hill.

As in previous years there was a sharp contrast between the acute shortage of wildlife on the open hill and the comparative abundance of small birds and insect life in the expanding wooded areas on lower ground.

### 3. Fire Planning

The Estate fire plan was reviewed, updated and approved at the 2015 AGM. Insurance cover for helicopter fire-fighting remains in place. The ground was very dry in spring 2016 but fortunately there were no local wild-fires. A high source of risk is visitors wild camping and lighting open fires.

### 4. Fisheries Research and Restoration

Sea-trout numbers, captured by Marine Scotland (MS) in the downstream trap, rose again in spring 2016 due to the increased contribution of clipped Coulin fish. In spring 2016 MS tagged 710 fish (697 smolts, 11 parr and 2 overwintered adults) and also captured 24 previously tagged smolts. Of the smolts 534 (74%) were clipped Coulin stock and 187 (26%) were unclipped, deriving from egg box stocking and natural spawning. In spring 2016, 33 overwintered adults were also recaptured. Returns of fish to the adult trap in summer 2016 have been very encouraging with fish in very good condition with only a small numbers of parasites. At the time of writing, 64 fish have been captured.

For comparison, in 2015 a total of 52 sea trout were caught in the upstream trap, including 33 recaptures. There were lots of untagged fish due to trap over wash. This represented a return of 5%. We are hoping that returns in 2016 will be significantly higher. At the time of writing approximately 6% of this year's spring smolts had returned safely, with late August, September and October fish still to return.

In early 2016 11700 ova were stocked into the side burns and emergent survivals again have been 99% plus. In addition MS will stock c25,000 clipped fry into the upper catchment in autumn 2016.

### 5. Hydro Electric Scheme on the Inverbain River

The Inverbain Hydro-Electric scheme continued to operate successfully during the year. Generated output to July 2015 was 4584 MWh compared with 4296 MWh in the year to July 2014 and 4070 MWh in the year to July 2013. The long term trend certainly appears to be steadily increasing levels of rainfall and higher levels of electrical generation. The Inverbain rental remains the foundation of the Trust's financial operations.

### 6. Restructuring of the Trust

OSCR approved the constitution of the new Kinloch Woodlands SCIO on 30 September 2015 and the assets of the former Kinloch Woodlands Charitable Trust were progressively transferred to the SCIO, the last being the land and associated lease for the Inverbain hydro- electric scheme which were transferred on 21 November 2015. By December 2015, the Shieldaig Community Council had proposed the names of the 3 community trustees on the new SCIO – Jim Alexander, Beverly Hill and Ruairidh MacIennan and they took their places on the SCIO alongside the 4 family members Richard and Claire Munday, Helen Munday (now Collins) and David Munday and the 2 professional trustees, Mike Robertson and Bob Wilson.



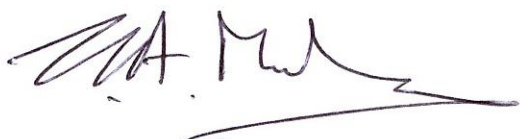
## 7. Finance and Accounts

In 2015/16 the Trust's receipts of £11985 compared with its expenditure of £16727, giving a deficit of £4742 on the year. This was more than covered by the funds in the Trust's deposit account, with an overall surplus of £87524 being carried forward to 2016/17.

However expenditure in 2015/16 included the final legal fees of £6142 relating to the restructuring of the Trust as a SCIO. With this work now complete, we expect the new SCIO to show a small surplus on its current account in 2016/17 unless it experiences major and unexpected items of expenditure or a sharp reduction in income from the hydro-electric scheme.

These accounts, covering the period 6 April 2015 – 5 April 2016, are the last accounts for the Kinloch Woodlands Charitable Trust. They deliberately extend beyond the date the new Kinloch Woodlands SCIO was established (30 September 2015) so that trustees and others can compare the Trust's performance with that in previous years which were assessed on the basis of similar 12 month periods.

The opening accounts for the Kinloch Woodlands SCIO will cover the 18 month period from 30 September 2015 to 30 March 2017 and subsequent reporting periods will run from 1 April to 30 March each year .



RICHARD MUNDAY Trustee

15. 10. 2016

Date of Approval by Trustees

**Kinloch Woodlands Charitable Trust  
SCO 31020**

**Independent Examiner's Report to the Trustees of Kinloch Woodlands Charitable Trust**

I report on the accounts of the charity for the year ended 5<sup>th</sup> April 2016 which are set out on Pages 5 to 7.

**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 Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulation 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 of the 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 Accounting Regulations, and
  - to prepare accounts which accord with the accounting records and comply with Regulation 9 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.



Blair Houser  
C.A., C.P.A. (Canada) ACPA (UK)

Tulach Gorm  
Lochcarron  
Ross-shire

16, 10, 2016

KINLOCH WOODLANDS CHARITABLE TRUST

RECEIPTS AND PAYMENTS ACCOUNT

For The Year Ended 5th April 2016

	<u>2016</u>	<u>2015</u>
<b>RECEIPTS</b>		
Sale of property		£0
Rent	11,424	9,086
Sporting fees and crofting rental	100	88
Utilities	14	14
Interest	447	408
	<u>11,985</u>	<u>9,596</u>
<b>PAYMENTS</b>		
Charitable activities	10,125	10,847
Purchases of equipment	0	0
Donations	0	160
Governance costs:		
Preparation of annual accounts	260	260
Legal fees	6,142	1,575
Trustee's expenses	200	288
Total resources expended	<u>16,727</u>	<u>13,130</u>
Excess of receipts over payments	-4,742	-3,534
<b>Reconciliation of funds</b>		
Total funds brought forward	92,266	95,800
	<u>                    </u>	<u>                    </u>
Total funds carried forward	<u>£87,524</u>	<u>£92,266</u>



KINLOCH WOODLANDS CHARITABLE TRUST

STATEMENT OF BALANCES

As At 5th April 2016

<b>Funds Reconciliation</b>	<u>2016</u>	<u>2015</u>
Cash at Bank and in hand (unrestricted)	£ 92,266	£ 95,800
Surplus (Deficit) for the year	<u>-4,742</u>	<u>-3,534</u>
Cash at Bank and in hand - 05/04/2015	<u>87,020</u>	<u>92,266</u>
 <b>Bank and cash balances</b>		
Bank current account	4,435	10,128
Bank savings account	<u>82,585</u>	<u>82,138</u>
	<u>£ 87,020</u>	<u>£ 92,266</u>
 <b>Other Assets (Unrestricted Funds)</b>		
Recoverable V.A.T.	504	0
Hut	1,848	1,848
Equipment	337	337
Fencing	29,508	29,508
Pick-up	9,969	9,969
Plinth	<u>1,315</u>	<u>1,315</u>
	<u>£43,481</u>	<u>£42,977</u>
 <b>Liabilities</b>		
Trade creditor	0	0
	<u>0</u>	<u>0</u>

The Notes on page 7 form an integral part of these accounts.

Approved by the trustees on 15, 10, 2016 and signed on their behalf by:

Richard Munday  
Trustee



# KINLOCH WOODLANDS CHARITABLE TRUST

## NOTES TO THE ACCOUNTS For The Year Ended 5th April 2016

### **1 Basis of Accounting**

These accounts have been prepared on the Receipts and Payments basis in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **2 Nature and purpose of funds**

Unrestricted funds are those that may be used at the discretion of the trustees in furtherance of the objects of the charity. The trustees maintain a single unrestricted fund for the running of the charity.

### **3 Related Party Transactions**

Trustees	Fees	Expenses
Legal		200
Management	815	
Deer management	2,122	
	<u>2937</u>	<u>200</u>

### **4 Summary of Expenditure**

Tree planting and maintenance	0	387
Deer management	4,305	4,050
Management fees	1,135	940
Fence and hut maintenance	251	138
Vehicles and maintenance	550	1,105
Insurance	3,728	3,492
Interpretative panel	66	55
Fees and levies	90	410
Trustees' fees and expenses	0	270
	<u>10,125</u>	<u>10,847</u>

### **5 Grants and Donations made**

0                      0

### **6 Governance Costs**

Independent Examiners fee	260	260
Legal advice	6142	1575
Trustee's expenses	200	288

The Trustee's expenses were travel expenses incurred by one trustee during the year to attend the AGM.

### **7 Transfer of Assets**

During the year a SCIO (Scottish Charitable Incorporated Organization) was established to replace this trust. Assets were transferred during the year as follows: Pick-up 21/11/2015

Land 21/11/15

Bank balances 20/10/2015