

MOUNTAIN BOTHIES ASSOCIATION

(a company limited by guarantee and registered in Scotland)

ANNUAL REPORT & ACCOUNTS

1st APRIL 2001 to 31st MARCH 2002

Company Registration No. 191425

Charities Registration No. SC008685

Stables Thompson & Briscoe

Chartered Accountants



ASSOCIATION INFORMATION

Chairman : Colin G. Scales

Treasurer : Colin G. Scales (acting)

Company Secretary : Lynda J. Woods

Director of Projects : Roger W. Hammond (acting)

Trustees :

John Arnott	(co-opted January 2002)
Edwin C. Butcher	
Jill Dhanjal	(co-opted February 2002)
Bernard J. Heath	
Roger G. Muhl	(resigned December 2001)
Colin G. Scales	
F. Brian Wain	(resigned October 2001)
Lynda J. Woods	(retired January 2002)

Registered Office : c/o Lindsays WS (Solicitors)
11 Atholl Crescent, Edinburgh EH3 8HE

Solicitors : Lindsays WS (Solicitors) - address as above

Auditors : Stables Thompson & Briscoe
Lowther House, Lowther Street, Kendal LA9 4DX

Bankers : Bank of Scotland
9 High Street, Inverness IV1 1JB

Registered Charity No : SC008685

Registered Company No: 191425

TRUSTEES' REPORT

The Trustees acting as directors submit their Annual Report and Audited Accounts for the year ending 31 March 2002.

Principal Activity

The principal activity of the association is the maintenance of simple shelters in remote country for the use and benefit of all who love wild and lonely places.

Review of the Business and Results

The outbreak of Foot & Mouth Disease severely curtailed our activities and resulted in postponement of many of the maintenance projects scheduled for 2001. This is reflected in the reduced level of direct charitable expenditure (monies expended on Bothies) which was some 28% lower than in the previous year, despite our having budgeted for a substantial increase. Higher administration costs occasioned by the transfer of membership administration to our Finance Officer who is paid for this service, and an accrual for a donation to be made to another charitable Trust have offset this, such that expenditure fell by only 4.6% overall. The previous year's income was inflated by an exceptional legacy, and this together with reduced scope to secure grants and donations in a year when fewer projects being completed, accounts for total income being almost 26% lower than in the previous year. The underlying trend shows a 6.6% increase in membership fees reflecting a steady growth in membership and a high rate of renewals. The combined effect of the year's operations represents an excess of revenue over expenditure of £17,925. The prospect for the coming year is for an increased level of project activity, recovering ground lost during the epidemic, and a probability that more of the routine administrative work will be contracted.

Trustees

The Trustees at any time of the year are listed on page 1 of this report.

Auditors

The Trustees recommend that Stables, Thompson & Briscoe be re-appointed as the Company's Auditors in accordance with Section 385 of the Companies Act 1985.



CG Scales (Chairman)

18 May 2002

STATEMENT OF TRUSTEES RESPONSIBILITIES

Company Law requires the Trustees (being company 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 its financial activities for that year. In preparing those statements the Trustees are required to:

- a) Select suitable accounting policies and then apply them consistently.
- b) Make judgements and estimates that are reasonable and prudent.
- c) State whether the policies adopted are in accordance with the Statement of Recommended Practice (Accounting by Charities) and with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements.
- d) Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charitable company will continue in business.

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

On behalf of the Trustees



Chairman

Date: 18 May 2002

AUDITORS REPORT TO THE MEMBERS OF THE MOUNTAIN BOTHIES ASSOCIATION

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention as modified by the revaluation of certain assets and the accounting policies set out in page 7.

Respective Responsibilities of Trustees and Auditors

As described on page 3 the Trustees are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations we consider necessary in order to provide us with sufficient evidence to give reasonable assurances that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the charitable company's state of affairs as at 31st March 2002 and of its incoming resources and application of resources, including its income and expenditure in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Signed *Stables, Thompson*
& Briscoe
STABLES THOMPSON & BRISCOE
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

Date *27th June 2002*
Lowther House
Lowther Street
Kendal

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2002

INCOME AND EXPENDITURE

	Notes	Unrestricted Funds	Restricted Funds	Total Funds	
				2002	2001
Incoming Resources					
Membership Fees	2	52,445		52,445	49,212
Donations and Gifts	3	6,574	1,668	8,242	12,849
Grants	3	-		-	2,826
Legacies	3	-		-	21,981
Bank Interest Received	4	3,810	879	4,689	3,827
Fund Raising	6	4,463		4,463	3,329
Other Income	9	-		-	48
Total Incoming Resources		<u>67,292</u>	<u>2,547</u>	<u>69,839</u>	<u>94,072</u>
Resources Expended					
Direct Charitable Expenditure	5	10,930	6,732	17,662	24,512
Fund-raising	6	3,117		3,117	2,443
Publications	7	9,329		9,329	10,180
Publicity	7	232	41	273	27
Management and Administration	8	21,493		21,493	17,238
Sundries	9	1,000		1,000	48
Total Resources Expended		<u>46,101</u>	<u>6,773</u>	<u>52,874</u>	<u>54,448</u>
Net Incoming/Outgoing Resources for the year		<u>£21,191</u>	<u>-£4,226</u>	<u>£16,965</u>	<u>£39,624</u>

Fund Transfers	<u>2002</u>	<u>2002</u>	<u>2002</u>	<u>2001</u>
	-	-	-	-
Other Recognised Gains	<u>2002</u>	<u>2002</u>	<u>2002</u>	<u>2001</u>
Gains/(Losses) on Investments	-	-	-	-

NET MOVEMENT IN FUNDS

	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2001	2001	2001	2000
Fund Balances brought forward at 1 April 2001	<u>107,908</u>	<u>23,705</u>	<u>131,613</u>	<u>91,989</u>
	2002	2002	2002	2001
Fund Balances carried forward at 31 March 2002	<u>129,099</u>	<u>19,479</u>	<u>148,578</u>	<u>131,613</u>

BALANCE SHEET AS AT 31 MARCH 2002

	Notes	As at 31 March 2002		As at 31 March 2001	
		£	£	£	£
Fixed Assets					
Tangible Assets	10	3,183	<u>3,183</u>	3,753	<u>3,753</u>
Current Assets					
Stocks	11	500		1,080	
Debtors	12	7,567		6,859	
Cash at Bank & in Hand		<u>141,388</u>		<u>124,437</u>	
		<u>149,455</u>		<u>132,376</u>	
Current Liabilities					
Accruals and Creditors	13	<u>4,060</u>		<u>4,516</u>	
Net Current Assets			<u>145,395</u>		<u>127,860</u>
NET ASSETS			<u>148,578</u>		<u>131,613</u>
 FUNDS					
Restricted Funds	14, 15&16		19,479		23,705
Unrestricted Funds	15&16		<u>129,099</u>		<u>107,908</u>
			<u>148,578</u>		<u>131,613</u>

Approved by the Board of Trustees on 18 May 2002
and signed on their behalf by:-



C.G. Scales (Trustee)



E.C. Butcher (Trustee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2002

1 ACCOUNTING POLICIES

Basis of Accounting

The recommendations of the Statement of Recommended Practice (Accounting by Charities) have been followed in the preparation of these accounts which combine the accounts of all funds of the Association and have been prepared on an accruals basis. Income and expenditure are included as they are earned or incurred, rather than as cash is received or paid.

Cash Flow Summary

Under Company Law, exemptions are available for small companies from the requirement to prepare a cash flow statement. The Trustees have taken advantage of these exemptions so far as these accounts are concerned.

Fund Accounting

The Association's restricted funds are those where the donor has imposed a legally binding restriction on the use of the funds, or where the Trustees and the donor have together agreed that the funds be used for a specified purpose. Details of the funds and of the restrictions are given in the notes to the accounts. The Association's unrestricted funds consist of funds which the charity may use for its purposes at its discretion.

Voluntary Income

- a) All voluntary income is included in income on receipt, except where the donor requires the sum to be invested to provide income for the Association's purposes, in which case it is treated as an endowment and credited to the endowment fund balance on receipt. Endowments are not included as income as they must be invested and do not represent income which the Association may use directly for its purpose.
- b) Restricted income is included in the restricted income and expenditure account on receipt. Some of these funds may be used at the Trustees' discretion and so are not 'restricted' in a strict legal sense. However it is the policy of the Trustees to identify all large donations and legacies in this way in order to track their eventual disposal.
- c) Cash in transit is included as income where it was in the post or was being transferred to the Association's bank account at the year end.
- d) Donations under deed of covenant or Gift Aid, together with the associated income tax recovery are recognised as income when the donation is received.
- e) Subscriptions are treated as income of the Association in the accounting period during which the monies are received as it is not considered practical to apportion them over the subscription period (the calendar year) to which they relate.
- f) Grants are credited to income upon entitlement.
- g) Legacies are included in income on receipt.
- h) Donations of items other than cash are included in income/expenditure at their estimated market value and are acknowledged in the notes to these accounts.

Fixed Assets and Depreciation

Expenditure on equipment is capitalised in the Association's financial statements and depreciated over the anticipated useful life as follows :-

Plant and machinery	25% straight line over 4 years
Computers and office equipment	25% straight line over 4 years

Maintenance and Improvement of Bothies

Expenditure on small tools, maintenance and improvements to bothies is written off to the Income and Expenditure account as and when incurred. Items of equipment installed as permanent fixtures in bothies (e.g. stoves) are likewise written off at the time of installation. The work of maintaining the bothies is undertaken by the members of the Association on a voluntary basis and is therefore not assigned a monetary value in these accounts.

Stocks

Stocks on hand are valued in the Association's financial statements at cost price except for materials and loose tools required for bothy maintenance, and items valued at £100 or less, which are written off to the Income and Expenditure account in the accounting period in which the materials/tools were acquired.

Fixed Asset Investments

Unrealised gains or losses on fixed asset investments are recognised in the Income and Expenditure Account.

Statement of Financial Activities

Income and expenditure items are allocated between restricted and unrestricted funds on the basis of their origin and purpose.

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2002

2 MEMBERSHIP FEES	2002	2001
Members subscriptions	37,738	36,532
Members donations	8,297	6,876
Gift Aid	6,410	5,804
	<u>52,445</u>	<u>49,212</u>
3 DONATIONS, LEGACIES & GRANTS	2002	
Bank of Scotland	5,000	
Donations - General purpose	1,574	
Memorial - Jacob Shapiro	256	
Memorial - Dave Hunter	386	
Donations in kind (see note 5.3 & 7)	1,026	
	<u>8,242</u>	
4 INCOME FROM INVESTMENTS OTHER THAN LAND OR BUILDINGS	2002	2001
Bank interest received	4,689	3,827
Dividends	-	-
	<u>4,689</u>	<u>3,827</u>
5 BOTHY MAINTENANCE COSTS		
5.1 Allocated by Projects	2002	
Ben Alder Cottage	558	
Camasumary	486	
Culra	2,937	
Hutchinson Memorial Hut	483	
Kershopehead	514	
Leacraithnaich	420	
Manquhill	993	
Maol Bhuidhe	1,020	
Nant Rhys	1,204	
Peanmeanach	2,699	
Roughside	2,321	
Other Minor Projects (nominally under £400)	2,975	
	<u>16,610</u>	
5.2 Allocated by class of expenditure	2002	2001
Materials Purchased	13,686	17,537
Hire of Equipment	222	1,504
Transport Costs	1,629	2,786
Other work party expenses	1,073	570
	<u>16,610</u>	<u>22,397</u>
Sundry tools & safety equipment	1,022	1,837
Project Administration	30	278
	<u>17,662</u>	<u>24,512</u>
5.3 Donations made in kind		

The following donations of materials for bothy maintenance are acknowledged:

Forest Enterprise (Kielder Forest District)

Materials to a value of £923

used on maintenance of Kielder Bothies.

Other donations to the value of £62

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2002

6	FUND-RAISING ACTIVITIES	2002	2002	2001	2001
		Income	Expenditure	Income	Expenditure
	Calendars	1,416	698	1,174	839
	Christmas Cards	1,792	1,186	1,437	1,037
	Leisurewear & badges	1,255	1,233	718	567
		<u>4,463</u>	<u>3,117</u>	<u>3,329</u>	<u>2,443</u>

7	PUBLICATIONS AND PUBLICITY EXPENSES	2002	2001
	Annual report and Newsletters	4,684	3,819
	Volunteers Handbook	-	1,075
	Members Handbook	580	1,320
	Distribution costs	4,065	3,966
		<u>9,329</u>	<u>10,180</u>
	Fund raising, Publicity leaflets & General Publicity	273	27
		<u>9,602</u>	<u>10,207</u>

Donation in kind to the value of £41 received towards fund raising expenses

8 **MANAGEMENT AND ADMINISTRATION**

8.1	Administrative costs	2002	2001
	Public Liability Insurance	836	679
	Trustees Indemnity Insurance	273	273
	Bank Charges	29	88
	Legal Fees	15	16
	Affiliation Fees	75	83
	Trustee Administration	1,814	1,769
	Emoluments (Finance Officer)	10,820	4,480
	Membership & Gift Aid Administration	2,018	2,546
	General Meeting Expenses (net costs)	76	755
	Committee Expenses	842	105
	Area Organisers' Administration	461	751
	Health & Safety Training & Administration	1,004	1,020
	Depreciation	2,261	2,475
		<u>20,524</u>	<u>15,040</u>
	Audit of Financial Statements	969	2,198
		<u>21,493</u>	<u>17,238</u>

8.2 **Trustee Administration**

The Trustees incurred expenses as follows:

	2002	2001
Chairman	374	599
Director of Projects	192	-
General Secretary	40	147
Treasurer	-	45
Finance Officer	433	285
Calendars to owners	142	163
Recruitment of Executive Officer	206	-
Lottery Funding Conference	343	-
Sundry	84	67
Other 2001		463
	<u>1,814</u>	<u>1,769</u>

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2002

8.3 Emoluments

The Association has engaged one of its members, on a self-employed basis, to provide her services as the Finance & Membership Officer on a regular basis throughout the year.

	<u>Number</u>	<u>2002</u>	<u>2001</u>
Full time	None	-	-
Part time - over 16 hours per week	One	10,820	-
Part time - under 16 hours per week	One	-	4,480

8.4 AGM Expenses

	<u>2002</u>	<u>2001</u>
Gilsland 13 October 2001	76	-
2000 AGM & reconvened AGM	-	755
	<u>76</u>	<u>755</u>

9 SUNDRIES

No sundry income was received during the year.
£1,000 donation to The Bothy Trust.

10 TANGIBLE FIXED ASSETS

	Plant & Machinery	Office Equipment	Total
Cost			
At 1 April 2001	8,965	11,310	20,275
Disposals	3,355	5,389	8,744
Additions	1,373	318	1,691
At 31 March 2002	<u>6,983</u>	<u>6,239</u>	<u>13,222</u>
Depreciation			
At 1 April 2001	6,125	10,397	16,522
Eliminated	3,355	5,389	8,744
Charge for year	1,746	515	2,261
At 31 March 2002	<u>4,516</u>	<u>5,523</u>	<u>10,039</u>
Net book value			
B/F at 1 April 2001	2,840	913	3,753
C/F at 31 March 2002	<u>2,467</u>	<u>716</u>	<u>3,183</u>

Note: Disposals are equipment bought prior to 1997 that have been written off.

11 STOCKS

	<u>2002</u>	<u>2001</u>
Members Handbooks	500	1080
	<u>500</u>	<u>1080</u>

12 DEBTORS

	<u>2002</u>	<u>2001</u>
Income Tax recoverable	6,519	5,872
Prepaid 2002 AGM Hall	25	-
Prepaid insurance	1,023	986
	<u>7,567</u>	<u>6,859</u>

13 ACCRUALS AND CREDITORS

	<u>2002</u>	<u>2001</u>
Accountancy	1,500	2,000
Preparation of End of Year Accounts	600	-
Finance Officer fees	960	-
Donation to The Bothy Trust	1,000	-
Others at 31/03/2001	-	2,516
	<u>4,060</u>	<u>4,516</u>

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2002

14 RESTRICTED FUNDS

	Balance at 1-Apr-01	Movement in Resources		Balance at 31-Mar-02
		In-coming	Out-going	
Joe & Corri Brown Fund	1,242	12	1,254	-
ES Hodge Settlement	1,364	18	1,382	-
Ross Higgins Bequest	21,099	844	2,855	19,088
Jacob Shapiro Memorial donation	-	256	256	-
David Hunter Memorial donations	-	391	-	391
Donations in kind (see note 5.3&7)	-	1,026	1,026	-
	<u>23,705</u>	<u>2,547</u>	<u>6,773</u>	<u>19,479</u>

Note: 'In-coming' includes bank interest received and income tax recoverable under Gift Aid scheme.

The nature and purpose of these funds is as follows:

Joe & Corri Brown Fund	Renovation of Peanmeanach Bothy
ES Hodge Settlement	To be used at the Trustees' discretion (allocated to Maol Bhudie & Ben Alder)
Ross Higgins Bequest	To be used at the Trustees' discretion (an allocation made to Culra)
Jacob Shapiro Memorial donation	Allocated to Camasunary
David Hunter Memorial donations	For bothies in the South West Highlands and Islands Area

Note:

Some of these funds may be used at the Trustees' discretion and so are not 'restricted' in a strict legal sense. However it is the policy of the Trustees to identify all large donations and legacies in this way in order to track their eventual disposal.

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets	Net Current Assets	Total
Joe & Corri Brown Fund	-	-	-
ES Hodge Settlement	-	-	-
Ross Higgins Bequest	-	19,088	19,088
Jacob Shapiro Memorial donation	-	-	-
David Hunter Memorial donations	-	391	391
Total Restricted Funds		<u>19,479</u>	<u>19,479</u>
Unrestricted funds	<u>3,183</u>	<u>125,916</u>	<u>129,099</u>
Total Funds	<u>3,183</u>	<u>145,395</u>	<u>148,578</u>

16 ANALYSIS OF EXPENDITURE BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total Funds	
			2002	2001
Direct Charitable Expenditure				
Bothy maintenance	10,930	6,732	17,662	24,425
Work Party & Safety Awards	-	-	-	87
	<u>10,930</u>	<u>6,732</u>	<u>17,662</u>	<u>24,512</u>
Fund-raising, Publicity and Publications				
Calendars & Christmas Cards	1,884	-	1,884	1,876
Leisurewear	1,233	-	1,233	567
Annual Report & Newsletters	4,684	-	4,684	3,819
Other Publications	580	-	580	2,395
Distribution Costs	4,065	-	4,065	3,966
Fund-raising, leaflets & General Publicity	232	41	273	27
	<u>12,678</u>	<u>41</u>	<u>12,719</u>	<u>12,650</u>
Management & Administration				
Public Liability Insurance	836	-	836	679
Trustees Indemnity Insurance	273	-	273	273
Bank Charges	29	-	29	88
Legal Fees	15	-	15	16
Affiliation Fees	75	-	75	83
Trustee Administration	1,814	-	1,814	1,769
Staff Emoluments (Finance Officer)	10,820	-	10,820	4,480
Membership & Gift Aid	2,018	-	2,018	2546
General Meeting Expenses (net costs)	76	-	76	755
Committee expenses	842	-	842	105
Area Organisers Administration	461	-	461	751
Safety Training & Admin	1,004	-	1,004	1,020
Depreciation	2,261	-	2,261	2,475
Audit fees	969	-	969	2,198
	<u>21,493</u>	<u>-</u>	<u>21,493</u>	<u>17,238</u>
Sundry	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>48</u>

17 SHARE CAPITAL

The Mountain Bothies Association is a company limited by guarantee and consequently does not have a share capital. The liability of each member is limited to a maximum of £5.