

**SCOTTISH CROFTING FEDERATION
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

30 NOVEMBER 2016



Charity Number SC031919

RITSONS
Chartered Accountants
Forbes House
36 Huntly Street
Inverness
IV3 5PR

**SCOTTISH CROFTING FEDERATION
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2016

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SCOTTISH CROFTING FEDERATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 NOVEMBER 2016

The trustees, who are also directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 30 November 2016.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Scottish Crofting Federation
Charity registration number	SC031919
Company registration number	SC218658
Registered office	Unit 26 Kyle Industrial Estate Kyle Ross-shire IV40 8AX

The trustees

The trustees who served the charity during the period were as follows:

Mrs F Mandeville
Mr W R N Smith
Mr F J Matheson
Ms S Maclean
Mrs Y White

Mr I Keith	(Appointed 10 June 2016)
Mr B O'Hanrahan	(Appointed 10 June 2016)

Ms J M Wilkinson	(Resigned 3 August 2016)
Ms C McIntyre	(Resigned 31 July 2016)

Secretary	Mr John Bannister
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Bankers	Bank of Scotland Main Street Kyle of Lochalsh IV40 8AB
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Solicitors	Inksters Solicitors The Exchange 142 St Vincent Street Glasgow G2 5LA
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SCOTTISH CROFTING FEDERATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 30 NOVEMBER 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Scottish Crofting Federation (SCF) is a charitable company limited by guarantee, incorporated on 30th April 2001 and registered as a charity on 20th July 2001. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Board of Directors

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the board of directors. Under the requirements of the Memorandum and Articles of Association the members of the board are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting.

The board seeks to ensure that the needs of the Federation are appropriately reflected through the diversity of the board. The more traditional business skills are well represented on the board. In an effort to maintain this broad skill mix, members of the board are requested to provide a list of their skills and in the event of particular skills being lost due to retirements; individuals are approached to offer themselves for election to the board. Board members may also be nominated by the membership.

Board Induction and Training

New trustees are provided with a copy of the strategy framework for the charity, the Memorandum and Articles of Association and up to date forecast of the company's income and expenditure and a copy of the latest published accounts.

Explanations and any queries regarding the company business are answered by the existing board members, the company secretary or the chief executive.

Risk Management

The board of directors has conducted a review of the major risks to which the charity is exposed. A risk register has been established and is updated at each quarterly board meeting. Where appropriate, systems or procedures have been established to mitigate the risks that the charity faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions. Procedures are in place to ensure compliance with health and safety of staff and volunteers, employment law, data protection and confidentiality; these procedures are periodically reviewed to ensure that they continue to meet the requirements of law and the needs of the charity.

Organisational Structure

The Scottish Crofting Federation has a board of up to 12 Directors (limited by the Articles) who meet at least quarterly and are responsible for the governance of the charity.

Currently the board has seven members from a variety of backgrounds relevant to the work of the charity. The company secretary also sits on the board but has no voting rights. In addition the board is advised by a council of area representatives who assist in developing organisational strategy and policy position.

SCOTTISH CROFTING FEDERATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 30 NOVEMBER 2016

A scheme of delegation is in place and day to day responsibility for the provision of the services rest with the Chief Executive. The Chief Executive is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. The Chief Executive has responsibility for the day to day operational management of the SCF, individual supervision of the staff team and also ensuring that the team continue to develop their skills and working practices in line with good practice.

OBJECTIVES AND ACTIVITIES

The company's objects and principal activities are:-

- advance the education of the general public in relation to crofting, its unique cultural heritage and its public benefit.
- to promote the relief of persons who are excluded by way of their residence in remote and rural communities and who are in necessitous circumstances.
- to advance the education of the general public in remote and rural communities.
- to preserve, promote and protect for the public benefit the environment and biodiversity of rural areas of Scotland.

SCF is the only organisation solely dedicated to campaigning for crofters and fighting for the future of crofting. SCF is the largest association of small-scale food producers in the UK. Our mission is to safeguard and promote the rights, livelihoods and culture of crofters and their communities.

The main areas of charitable activity are laid out in the Strategy Framework, which is updated at every quarterly board meeting. The Strategy Framework details our three strategic objectives - increase our membership through retention and recruitment; effective representation of our members and crofting; implement crofting development projects and enterprise; - our targets, activities and indicators of success. During this year a strategic review was carried out, resulting in a redefined Strategy Framework. The activity planning of the charity is based on this document.

SCOTTISH CROFTING FEDERATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 30 NOVEMBER 2016

ACHIEVEMENTS AND PERFORMANCE

Advice and Information

The Federation provides advice and information to crofters, crofting communities and others wanting to know more about the crofting way of life. We also advise organisations on the effects of policy changes on crofting communities. Funding for this activity is primarily provided by our members' subscriptions through which our core staff members are paid. However a major contribution to our service is provided by our volunteers on the board and council who offer their time to the wider membership. In the year under review over 2,000 volunteer hours were donated. The support given to the organisation by its volunteers is very much appreciated.

Skills Development Scheme

This project which commenced in February 2013 and ended in March 2016 built on earlier work and addressed the recognised need for appropriate, affordable, local skills development for crofters and small landholders. This is consistent with developing a lifetime learning approach to crofting skills. This 2.5 year programme, which employs three part-time posts plus numerous associated temporary local course director and tutor posts. Annual and final reports are available.

Skills Boost Programme

The successor to the Crofting Skills Training Programme, the Crofters and Smallholders Skills Boost project commenced on 1 July 2016 and will end on 30 June 2019 and has developed a more strategic approach to the recognised need for appropriate, affordable, local skills development for crofters and small landholders. It includes knowledge-based courses on access to crofting, township practical training and training in specific skills appropriate to crofting. This 3 year project, which employs three part-time posts and a full time post, plus numerous associated local course director posts, ends in 2019. The first year report is available.

The SCF training programme has also benefitted from funding from Scottish Council for Voluntary organisations IT project which supplied tablets for IT training, and the Prince's Countryside Fund which has funded training in secondary production - i.e. adding value to croft produce. Reports are available.

Hungry for Rights. Global Learning from Local Solutions in Alternative Food Systems (DCI NSA-ED/2012/281-937)

The SCF has been working in conjunction with a network of organisations, ACRA (Italy) CIC (Italy) BEDE (France) CET (Romania) PtF (Hungary) ADD (Tunisia) and KDES (Senegal), to raise awareness of food issues and defend our members' right to have control over their own food, and to encourage the development of alternative food systems. This three year project which started in January 2013 ended in December 2015, was funded by the European Commission. The project employed one post.

SCOTTISH CROFTING FEDERATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 30 NOVEMBER 2016

FINANCIAL REVIEW

During the year the charity incurred a surplus of £46,946 on unrestricted funds (2015 - £37,225) and a deficit of £6,875 on restricted funds (2015 - £16,964). As at 30 November 2016 unrestricted funds reserves were surplus by £88,015 (2015 - £50,440) and restricted funds were in surplus by £16,229 (2015 - £14,183).

Against the backdrop of limited resources and funding, the charity has managed to maintain its services and complete programmed activities. With support of both its staff and volunteers our financial position has maintained stability and solvency and we are happy to report considerable investment in staff and increased operations.

Principal Funding Sources

Membership subscription income forms the basis of SCF income and is utilised for the operational management of the organisation in achieving its objectives. Aside from the membership subscriptions, the principal funding sources for the charity are currently by way of grant and contract income from the Scottish Government, European Commission, NFU Mutual insurance company, Highlands & Islands Enterprise, Scottish Council for Voluntary Organisations, Woodland Trust, The Prince's Countryside Fund, Caplich Windfarm and The MacRobert Trust, for which we are grateful.

Investment Policy

Most of the charity's funds are to be spent in the short term on operations so there are few funds for long term investment. However funds received in advance are placed in an interest bearing account.

Reserves Policy

The board has examined the charity's requirements for reserves in light of the main risks to the organisation. It has established a policy whereby unrestricted funds not committed or invested in tangible fixed assets held by the charity should be three months of the expenditure. Budgeted expenditure for 2016/17 is £139,000 and therefore the target is £34,750 in general funds. The charity currently has £88,015 unrestricted reserves and therefore meets this target (£7,056 of the unrestricted funds is 'ringfenced' for funding the Skills Boost project but remains unrestricted and £320 of the unrestricted funds is 'ringfenced' for The Prince's Countryside Trust but remains unrestricted).

SCOTTISH CROFTING FEDERATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 30 NOVEMBER 2016

REVIEW OF ACTIVITIES AND PLANS FOR FUTURE PERIODS

In the course of working towards a fulfilment of the strategic objectives, we have achieved the following:

A great many policy meetings have been attended over the year by SCF staff and office bearers on behalf of crofters, including parliamentary groups and committees, policy stake-holder groups, workshops and network meetings, both in the UK and continental Europe. Engagement at this level is essential to represent the interests of crofting. Information has been passed to the membership via branch meetings, production of the journal 'The Crofter', a monthly e-newsletter and use of the SCF website, Facebook page and Twitter account. Our media coverage has increased significantly with items in the press, on the radio and TV informing politicians and the wider public about issues affecting crofting and presenting crofting benefits to Scottish rural development.

We will continue to help many crofters, both communities and individuals, through our casework and our wider information and advisory function.

The activities of the charity are supported by a network of volunteers at area and branch levels. The Board of Trustees recognises and values the efforts of local members and will continue to support their work.

The financial statements present the results of the activities and financial position of the head office of SCF. They do not reflect the activities of branches.

RISK MANAGEMENT

The directors actively review the major risks that the SCF faces on a regular basis and have internal control policies and procedures in place which provide reasonable, but not absolute, assurance against material misstatement or loss.

INDEPENDENT EXAMINER

Daniel Palombo, M.A. (Hons), C.A. has been re-appointed as independent examiner for the ensuing year.

**SCOTTISH CROFTING FEDERATION
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*

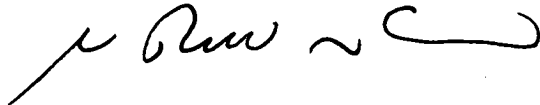
YEAR ENDED 30 NOVEMBER 2016

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Registered office:
Unit 26
Kyle Industrial Estate
Kyle
Ross-shire
IV40 8AX

Signed on behalf of the trustees



W R N SMITH
Chair

13/6/17

**SCOTTISH CROFTING FEDERATION
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES AND
MEMBERS OF SCOTTISH CROFTING FEDERATION**

YEAR ENDED 30 NOVEMBER 2016

I report on the accounts of the charity for the year ended 30 November 2016 which are set out on pages 9 to 20.

To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our work, for this report, or for the opinions I have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

The trustees (who are also the directors of Scottish Crofting Federation for the 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 2005 Act) and the Charities Accounts (Scotland) Regulations 2006 (as amended) (the 2006 Accounts Regulations). The charity's trustees consider that the audit requirements of Regulation 10(1)(a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1)(c) of the 2005 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 the Regulation 11 of the 2006 Accounts Regulations. 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

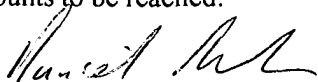
In the course of my examination, no matter has come to my attention:

(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 Accounts Regulations; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 44(1)(b) of the 2005 Act and Regulation 8 of the 2006 Accounts Regulations and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

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.



Daniel Palombo, M.A. (Hons), C.A.
Independent examiner

Forbes House
36 Huntly Street
Inverness
IV3 5PR

.....14 June 2017.

**SCOTTISH CROFTING FEDERATION
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE
INCOME AND EXPENDITURE ACCOUNT)**

YEAR ENDED 30 NOVEMBER 2016

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
INCOME AND ENDOWMENTS					
Donations and legacies	2	34,890	80,855	115,745	145,840
Income from charitable activities	3	5,596	—	5,596	6,348
Other trading activities	4	135,800	—	135,800	155,892
TOTAL INCOME		<u>176,286</u>	<u>80,855</u>	<u>257,141</u>	<u>308,080</u>
EXPENDITURE					
Expenditure on charitable activities	5/6	(129,790)	(87,730)	(217,520)	(287,329)
Other expenditure	7	—	—	—	(490)
TOTAL EXPENDITURE		<u>(129,790)</u>	<u>(87,730)</u>	<u>(217,520)</u>	<u>(287,819)</u>
NET INCOME BEFORE TRANSFER	8	46,496	(6,875)	39,621	20,261
Transfer between funds	9	(8,921)	8,921	—	—
NET INCOME FOR THE YEAR		37,575	2,046	39,621	20,261
RECONCILIATION OF FUNDS					
Total funds brought forward		50,440	14,183	64,623	44,362
TOTAL FUNDS CARRIED FORWARD		<u>88,015</u>	<u>16,229</u>	<u>104,244</u>	<u>64,623</u>

The Statement of financial activities includes all gains and losses in the year.

All of the above amounts relate to continuing activities.

The notes on pages 11 to 20 form part of these financial statements.

SCOTTISH CROFTING FEDERATION COMPANY LIMITED BY GUARANTEE

BALANCE SHEET

30 NOVEMBER 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Tangible assets	11	7,650	2,898
CURRENT ASSETS			
Debtors	12	33,949	33,687
Cash at bank and in hand		79,306	42,053
		<u>113,255</u>	<u>75,740</u>
CREDITORS: Amounts falling due within one year	13	<u>(16,661)</u>	<u>(14,015)</u>
NET CURRENT ASSETS		96,594	61,725
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>104,244</u>	<u>64,623</u>
NET ASSETS		<u>104,244</u>	<u>64,623</u>
FUNDS OF THE CHARITY			
Restricted income funds	15	16,229	14,183
Unrestricted income funds	16	88,015	50,440
TOTAL CHARITY FUNDS		<u>104,244</u>	<u>64,623</u>

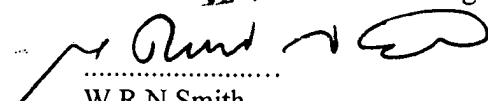
For the year ended 30 November 2016 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Trustees' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

These financial statements were approved by the members of the committee and authorised for issue on the 13/6/17 and are signed on their behalf by:


W R N Smith
Chair

Company Registration Number: SC218658

The notes on pages 11 to 20 form part of these financial statements.

SCOTTISH CROFTING FEDERATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2016

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and investments measured at market value. The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015), and the requirements of 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 (effective January 2015) (SORP 2015).

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources is included in the statement of financial activities when the charity is entitled to the income, any performance related conditions attached have been met or are fully within the control of the charity, the income is considered probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Donations and legacy income is received by way of donations, legacies, grants and gifts and is included in full in the statement of financial activities when receivable. Where legacies have been notified to the charity but the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed if material. 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, being the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market.
- Investment income is included when receivable.
- Income from charitable trading activity is accounted for when earned.
- Income from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

**SCOTTISH CROFTING FEDERATION
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2016

1. ACCOUNTING POLICIES *(continued)*

Expenditure

Expenditure is recognised on an accruals 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 raising funds comprise the costs associated with attracting donations, grants and legacies 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.
- Other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated between the expenditure categories of the sofa on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, as set out in the notes to the accounts.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Motor Vehicles	- 25% reducing balance
Fixtures and Fittings	- 15% reducing balance
Office Equipment	- 15% reducing balance
Computer Equipment	- 25% reducing balance

**SCOTTISH CROFTING FEDERATION
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2016

2. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Donations			
Donations	18,400	–	18,400
NFU Mutual sponsorship	16,490	–	16,490
Gifts			
Gifts in Kind	–	–	–
Grants receivable			
Highlands & Islands Enterprise	–	17,156	17,156
Scottish Executive	–	35,538	35,538
Scottish Government	–	–	–
Crofters Commission	–	–	–
ACCRA-CCS	–	5,106	5,106
Community Food Fund	–	–	–
Lairg Windfarm Ltd Community Fund	–	–	–
The Prince's Countryside Fund	–	3,455	3,455
SCVO	–	12,600	12,600
The MacRobert Trust	–	6,000	6,000
Caplich Windfarm	–	1,000	1,000
	<u>34,890</u>	<u>80,855</u>	<u>115,745</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £
Donations			
Donations	56	–	56
NFU Mutual sponsorship	15,266	–	15,266
Gifts			
Gifts in Kind	6,095	–	6,095
Grants receivable			
Highlands & Islands Enterprise	–	21,828	21,828
Scottish Executive	–	78,161	78,161
Scottish Government	–	7,978	7,978
Crofters Commission	–	5,545	5,545
ACCRA-CCS	–	10,197	10,197
Community Food Fund	–	130	130
Lairg Windfarm Ltd Community Fund	–	584	584
The Prince's Countryside Fund	–	–	–
SCVO	–	–	–
The MacRobert Trust	–	–	–
Caplich Windfarm	–	–	–
	<u>21,417</u>	<u>124,423</u>	<u>145,840</u>

**SCOTTISH CROFTING FEDERATION
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2016

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Other income	5,596	–	5,596
Crofting Connections	–	–	–
	<u>5,596</u>	<u>–</u>	<u>5,596</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £
Other income	5,248	–	5,248
Crofting Connections	–	1,100	1,100
	<u>5,248</u>	<u>1,100</u>	<u>6,348</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Training/other income - SDS	50	–	50
Course income - Crofting Skills Training Programme	8,220	–	8,220
Course income - The Prince's Countryside Trust	320	–	320
Members subscriptions	109,084	–	109,084
Gift aid recoverable on subscriptions	15,488	–	15,488
Advertising income - The crofter magazine	2,638	–	2,638
	<u>135,800</u>	<u>–</u>	<u>135,800</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £
Training/other income - SDS	–	27,191	27,191
Course income - Crofting Skills Training Programme	–	–	–
Course income - The Prince's Countryside Trust	–	–	–
Members subscriptions	104,526	–	104,526
Gift aid recoverable on subscriptions	14,805	–	14,805
Advertising income - The crofter magazine	9,370	–	9,370
	<u>128,701</u>	<u>27,191</u>	<u>155,892</u>

**SCOTTISH CROFTING FEDERATION
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2016

5. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
General operations	129,790	–	129,790
Annual Gathering	–	–	–
Skills Development Scheme	–	25,212	25,212
Hungry for Rights	–	1,800	1,800
Promoting Crofting Produce	–	–	–
Skills Boost Programme	–	47,384	47,384
The Prince's Countryside Fund	–	1,546	1,546
Croft-IT/SCVO Digital Challenge	–	7,856	7,856
Future of Crofting Conference	–	3,932	3,932
	<u>129,790</u>	<u>87,730</u>	<u>217,520</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £
General operations	111,115	–	111,115
Annual Gathering	–	16,569	16,569
Skills Development Scheme	–	141,031	141,031
Hungry for Rights	–	17,370	17,370
Promoting Crofting Produce	–	1,244	1,244
Skills Boost Training	–	–	–
The Prince's Countryside Fund	–	–	–
Croft-IT/SCVO Digital Challenge	–	–	–
Future of Crofting Conference	–	–	–
	<u>111,115</u>	<u>176,214</u>	<u>287,329</u>

SCOTTISH CROFTING FEDERATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2016

6. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly	Total Funds 2016	Total Funds 2015
	£	£	£
General operations	129,793	129,793	111,115
Annual Gathering	—	—	16,569
Skills Development Scheme	25,212	25,212	141,031
Hungry for Rights	1,800	1,800	17,370
Promoting Crofting Produce	—	—	1,244
Skills Boost Programme	47,385	47,385	—
The Prince's Countryside Fund	1,546	1,546	—
Croft-IT/SCVO Digital Challenge	7,856	7,856	—
Future of Crofting Conference	3,928	3,928	—
	<u>217,520</u>	<u>217,520</u>	<u>287,329</u>

7. OTHER EXPENDITURE

	Unrestricted Funds	Total Funds 2016	Unrestricted Funds	Total Funds 2015
	£	£	£	£
Losses on disposal of tangible fixed assets for charity's own use	—	—	490	490
	<u>—</u>	<u>—</u>	<u>490</u>	<u>490</u>

8. NET INCOME FOR YEAR

This is stated after charging:

	2016	2015
	£	£
Staff pension contributions	474	—
Depreciation	<u>2,404</u>	<u>1,034</u>

9. FUND TRANSFERS

An amount of £7,246 was transferred from unrestricted funds to SDS-Skills Development Project to cover the fund deficit at the year end.

An amount of £511 was transferred from unrestricted funds to the HIE - Future of Crofting Conference Project to cover the fund deficit at the year end.

An amount of £582 was transferred from the unrestricted funds to HIE - Skills Boost Training to cover the fund deficit at the year end.

An amount of £582 was transferred from unrestricted funds to SG - Skills Boost Training to cover the fund deficit at the year end.

**SCOTTISH CROFTING FEDERATION
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2016

10. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	79,793	66,248
Social security costs	7,093	5,590
Other pension costs	474	—
	<u>87,360</u>	<u>71,838</u>

Particulars of employees:

The average number of employees during the year, was as follows:

	2016	2015
	No.	No.
Number of staff	<u>4</u>	<u>3</u>

No employee received remuneration of more than £60,000 during the year (2015 - Nil).

11. TANGIBLE FIXED ASSETS

	Computer equipment £	Office equipment £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST					
At 1 December 2015	2,977	2,924	1,386	7,545	14,832
Additions	7,066	90	—	—	7,156
At 30 November 2016	<u>10,043</u>	<u>3,014</u>	<u>1,386</u>	<u>7,545</u>	<u>21,988</u>
DEPRECIATION					
At 1 December 2015	2,693	2,284	1,041	5,916	11,934
Charge for the year	1,837	109	51	407	2,404
At 30 November 2016	<u>4,530</u>	<u>2,393</u>	<u>1,092</u>	<u>6,323</u>	<u>14,338</u>
NET BOOK VALUE					
At 30 November 2016	<u>5,513</u>	<u>621</u>	<u>294</u>	<u>1,222</u>	<u>7,650</u>
At 30 November 2015	<u>284</u>	<u>640</u>	<u>345</u>	<u>1,629</u>	<u>2,898</u>

**SCOTTISH CROFTING FEDERATION
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2016

12. DEBTORS

	2016	2015
	£	£
Trade debtors	33,080	31,637
Other debtors	–	1,658
Prepayments	869	392
	<u>33,949</u>	<u>33,687</u>

13. CREDITORS: Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	11,062	9,410
PAYE and social security	2,183	1,511
Other creditors	229	–
Accruals and deferred income	3,187	3,094
	<u>16,661</u>	<u>14,015</u>

14. TAXATION

The company is registered with the Inland Revenue as a Scottish Charity under reference SC0131919 and its activities are therefore not normally subject to taxation. No liability to UK Corporation Tax arose on ordinary activities for the year ended 30 November 2016 nor the preceding year.

**SCOTTISH CROFTING FEDERATION
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2016

15. RESTRICTED INCOME FUNDS

	Balance at 1 Dec 2015 £	Income £	Expenditure £	Transfers £	Balance at 30 Nov 2016 £
Skills Development Scheme	14,183	3,783	(25,212)	7,246	–
Hungry for Rights	–	5,106	(1,800)	–	3,306
The Prince's Countryside Fund	–	3,455	(1,546)	–	1,909
Croft-IT/SCVO Digital Challenge	–	12,600	(7,856)	–	4,744
HIE - Future of Crofting Conference	–	3,421	(3,932)	511	–
HIE – Skills Boost Programme	–	9,952	(10,534)	582	–
Scottish Government – Skills Boost Programme	–	35,538	(36,120)	582	–
The MacRobert Trust - Skills Boost Programme	–	6,000	(210)	–	5,790
Caplich Windfarm - Skills Boost Programme	–	1,000	(520)	–	480
	<u>14,183</u>	<u>80,855</u>	<u>(87,730)</u>	<u>8,921</u>	<u>16,229</u>

16. UNRESTRICTED INCOME FUNDS

	Balance at 1 Dec 2015 £	Income £	Expenditure £	Transfers £	Balance at 30 Nov 2016 £
General Funds	<u>50,440</u>	<u>176,286</u>	<u>(129,790)</u>	<u>(8,921)</u>	<u>88,015</u>

SCOTTISH CROFTING FEDERATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2016

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Net current assets £	Total £
Restricted Income Funds:			
Hungry for Rights	–	3,306	3,306
The Prince's Countryside Fund	337	1,572	1,909
Croft-IT/SCVO Digital Challenge	4,216	528	4,744
The MacRobert Trust	–	5,790	5,790
Caplich Windfarm	–	480	480
	<u>4,553</u>	<u>11,676</u>	<u>16,229</u>
Unrestricted Income Funds	<u>3,097</u>	<u>84,918</u>	<u>88,015</u>
Total Funds	<u><u>7,650</u></u>	<u><u>96,594</u></u>	<u><u>104,244</u></u>

18. RELATED PARTY TRANSACTIONS

The trustee's were in control of the charity during the period.

No trustees received any remuneration during the year. Three trustees were reimbursed a total of £2,178 (2015 - £934) for travel expenses incurred while carrying out their duties during the financial year.

Mrs F Mandeville, a trustee of the charity received £2,945 for editing and design fees for The Crofter (2015 - £2,990) and tutor fees (2015 - £210).

Mrs Y White, a trustee of the charity received £120 for advertising fees (2015 - £nil).

Mr W R N Smith, a trustee of the charity received £126 for tutor fees (2015 - £nil).

An amount of £1,200 was paid to Croftware Development for IT support, a business owned by Mr G Mandeville, the husband of trustee Mrs F Mandeville (2015 - £1,200).

19. COMPANY LIMITED BY GUARANTEE

Scottish Crofting Federation is a company limited by guarantee and does not have any share capital. The liability of the members is limited and is not to exceed £1 per member.