

TULLIS RUSSELL ENVIRONMENTAL EDUCATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

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Tullis Russell Environmental Education Limited

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Tullis Russell Environmental Education Limited

Legal and Administrative Information For the year ended 31 August 2015

Company Number:	SC364189 (Scotland)
Scottish Charity Number:	SC044222
Directors:	Michael Deeprose Geoffrey Miller Keith Norrie (resigned 23 March 2015) Ronald Page Christopher Parr (resigned 31 July 2015) Alastair McCabe (appointed 1 May 2015)
Secretary:	Geoffrey Miller
Registered Office:	Rothsfield Markinch KY7 6PB
Principal Address:	Address Withheld
Bankers:	Royal Bank of Scotland Cupar Fife Branch 18 Crossgate Cupar Fife KY15 5HH
Independent Examiner:	Michael Crerar CA Geoghegans Chartered Accountants 6 St Colme Street Edinburgh EH3 6AD

Tullis Russell Environmental Education Limited

Directors' Report

For the year ended 31 August 2015

The Directors (who are also Trustees of the charitable company for the purposes of charity law) present their report for the year ended 31 August 2015.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Memorandum of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in August 2005.

Structure, Governance and Management

Tullis Russell Environmental Education Limited (TREE) is a registered Scottish charity and is a company limited by guarantee which was incorporated on 18 August 2009. The company obtained Scottish charitable status on 23 August 2013 and commenced its charitable operations with effect from 1 September 2013.

The company is established under a Memorandum of Association which established the objects and powers of the 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.

The Directors who served during the year to date were:

Michael Deeprose	For Markinch Community Council
Geoffrey Miller	For Tullis Russell Papermakers Limited
Keith Norrie	For Pitteuchar, Stenton and Finglassie Community Council
Ronald Page	For North Glenrothes Community Council
Christopher Parr	For Tullis Russell Papermakers Limited
Alastair McCabe	For Pitteuchar, Stenton and Finglassie Community Council

Under the Memorandum of Association the maximum number of directors (excluding alternate directors) is eight, of which no more than five shall be Partner Directors and no more than three shall be Co-opted Directors. The minimum number of directors shall be four.

Membership of the charitable company is only open to Markinch Community Council; North Glenrothes Community Council; Pitteuchar, Stenton and Finglassie Community Council; and Tullis Russell Papermakers Limited.

Each of these members is entitled to appoint one Partner Director with the exception of Tullis Russell Papermakers Limited who is entitled to appoint a maximum of two.

No director may serve as an employee of the charitable company nor receive any remuneration in respect of carrying out their duties as a director. The directors may however be paid all travelling and other expenses reasonably incurred by them in connection with their attendance at meetings or otherwise in connection with the carrying out of their duties.

Tullis Russell Environmental Education Limited

Directors' Report (continued) For the year ended 31 August 2015

Objectives and Activities

The objectives of the charitable company as set out in its governing document are as follows:

- The advancement of education
- The advancement of citizenship or community
- The advancement of the arts, heritage, culture or science
- The provision of recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities are primarily intended
- The advancement of environmental protection or improvement

Achievements and Performance

Up until 27 April 2015 the company continued to further its objectives primarily through an education programme involving visits to the Centre by a number of local primary and secondary schools. In addition, the Centre engaged in community projects by making the Centre available for open days and through other forums and activities that promoted the Centre's environmental credentials. These activities were heavily subsidised by Tullis Russell Papermakers Ltd both financially and through the provision of resource.

Following the administration of Tullis Russell Papermakers Ltd on 27 April 2015, the company suspended operations until the full impact of the administration could be assessed and the activities remained suspended for the remainder of the year.

Financial Review

There was net expenditure for the year of £57,126 (2014: net expenditure of £855,916) which comprised of net expenditure of £46,072 and £11,054 in unrestricted and restricted funds respectively. Following the release of any restriction over the charitable company's heritable property, a transfer from restricted to unrestricted funds has been reflected and, when this movement is added/deducted to the brought forward unrestricted and restricted funds of £98,443 surplus and £449,376 surplus respectively, this gives carried forward unrestricted and restricted funds of £490,693 and £Nil respectively.

Reserves Policy

The Directors aim to maintain free reserves in unrestricted funds at a level of approximately 9 months of unrestricted resources expended which currently equates to approximately £42,500. These reserves are needed to meet working capital requirements and to provide sufficient funds to cover any short term fall in funding or any unexpected expenditure.

The balance held as unrestricted funds at 31 August 2015 was £490,693, of which £71,282 are regarded as 'free reserves', after allowing for funds tied up in tangible fixed assets. The current level of reserves is therefore higher than the policy level.

Tullis Russell Environmental Education Limited

Directors' Report (continued) For the year ended 31 August 2015

Directors' Responsibilities Statement

The Directors (who are also Trustees of the charitable company for the purposes of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (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 the 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 assume that the charitable company will continue in operation.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in August 2005), the Financial Reporting Standard for Smaller Entities (effective April 2008) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

On behalf of the Board



Geoffrey Miller
Director

29 April 2016

Tullis Russell Environmental Education Limited

Independent Examiner's report to the Directors of Tullis Russell Environmental Education Limited

I report on the financial statements of the Tullis Russell Environmental Education Limited for the year ended 31 August 2015 which are set out on pages 6 to 13.

Respective Responsibilities of Directors and Examiner

The Directors (who are also the Trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The Directors 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 financial statements 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 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charitable company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the Directors concerning any such matters. The procedures undertaken do not provide all that would be required in an audit, and consequently I do not express an audit opinion on the view given by the financial statements.

Independent Examiner's statement

In the course of my examination, no matter has come to my attention other than disclosed below:

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 financial statements which accord with the accounting records and comply with Regulation 8 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 financial statements to be reached.

I draw your attention to note 1 to the financial statements in relation to the adoption of the going concern basis of preparation.


Michael Crerar, CA
Independent Examiner

29 April 2016

Geoghegans
Chartered Accountants
6 St Colme Street
Edinburgh
EH3 6AD

Tullis Russell Environmental Education Limited

Statement of Financial Activities (incorporating Income and Expenditure Account) For the year ended 31 August 2015

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Voluntary income	2	-	-	-	10,142
Room hires		9,924	-	9,924	5,749
Investment income		-	-	-	12,021
<i>Incoming resources from charitable activities</i>	3	<u>725</u>	<u>-</u>	<u>725</u>	<u>1,386</u>
Total incoming resources		<u>10,649</u>	<u>-</u>	<u>10,649</u>	<u>29,298</u>
Resources expended					
<i>Charitable activities</i>	4	53,424	11,054	64,478	883,296
<i>Governance costs</i>	4	<u>3,297</u>	<u>-</u>	<u>3,297</u>	<u>1,918</u>
Total resources expended		<u>56,721</u>	<u>11,054</u>	<u>67,775</u>	<u>885,214</u>
Net (expenditure) for the year		(46,072)	(11,054)	(57,126)	(855,916)
Gross transfers between funds	10	<u>438,322</u>	<u>(438,322)</u>	<u>-</u>	<u>-</u>
Net movement in funds		392,250	(449,376)	(57,126)	(855,916)
Fund balance at 1 September 2014		<u>98,443</u>	<u>449,376</u>	<u>547,819</u>	<u>1,403,735</u>
Fund balance at 31 August 2015	10	<u>490,693</u>	<u>-</u>	<u>490,693</u>	<u>547,819</u>

Tullis Russell Environmental Education Limited

Balance Sheet As at 31 August 2015

	Notes	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	7		419,411		454,021
Current assets					
Debtors	8	4,132		10,642	
Cash at bank and in hand		<u>72,937</u>		<u>130,283</u>	
		77,069		140,925	
Creditors due within one year	9	<u>(5,787)</u>		<u>(47,127)</u>	
Net current assets			<u>71,282</u>		<u>93,798</u>
Total assets less current liabilities			<u>460,693</u>		<u>547,819</u>
Reserves					
Restricted funds	10		-		449,376
Unrestricted funds			<u>490,693</u>		<u>98,443</u>
			<u>490,693</u>		<u>547,819</u>

For the year ended 31 August 2015 the charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 August 2015 in accordance with section 476. The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved and authorised for issue by the Board on 29 April 2016.



Geoffrey Miller
Director

Company Registration No: SC364189

Tullis Russell Environmental Education Limited

Notes to the Financial Statements For the year ended 31 August 2015

1. Accounting Policies

1.1 Basis of Preparation

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Going Concern

Tullis Russell Papermakers Limited went into administration on 27 April 2015. This company provided both financial and service support to the charitable company. The charitable company has now minimised its operational costs so as to ensure it is able to meet its liabilities as they fall due, and the Directors are monitoring the position with a view to ensuring, where possible, the ongoing viability of the charitable company. For these reasons, the Directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

1.2 Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charitable company is entitled to the income and the amount can be qualified with reasonable accuracy. The following specific policies are applied to particular categories of income.

Donations and similar incoming resources are included in the year in which they were receivable, which is when the charity becomes entitled to the resource.

Grants receivable are credited to the SOFA in the year for which they are received.

1.3 Resources expended

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay expenditure. All costs have been directly attributed to one of the functional categories or resources expenses in the SOFA.

Resources expended are included in the SOFA on an accruals basis, inclusive of any VAT which cannot be recovered.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Tullis Russell Environmental Education Limited

Notes to the Financial Statements (continued)

For the year ended 31 August 2015

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. The costs of minor additions or those costing below £1,000 are not capitalised. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over time its expected useful life, as follows:

Assets in the course of construction	No charge until the asset is brought into use
Heritable property	2% straight line
Permanent exhibits	10% straight line
Fixtures, fittings & equipment	20% straight line

Assets in the course of construction previously comprised the Eco-Education Centre and other facilities. Following the completion in September 2013, these assets were transferred to Heritable Property and are now depreciated over their useful economical lives.

1.5 Fund Accounting

Funds held by the charitable company comprise both unrestricted and restricted funds. Restricted funds are to be used for particular restricted purposes within the charitable company's objectives. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Unrestricted funds include designated funds where the directors have earmarked funds for a particular purpose.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

1.6 Taxation

As a charity, Tullis Russell Environmental Education Limited is exempt from tax on income and gains to the extent that these are applied to its charitable objects. No tax charges have arisen in the charitable company.

1.7 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

2. Voluntary income

	Unrestricted £	Restricted £	2015 £	2014 £
Grants	-	-	-	10,142
	-	-	-	10,142

3. Incoming resources from charitable activities

	Unrestricted £	Restricted £	2015 £	2014 £
Education Centre	725	-	725	1,386

Tullis Russell Environmental Education Limited

Notes to the Financial Statements (continued)

For the year ended 31 August 2015

4. Charitable activities expenditure

	Unrestricted	Restricted	2015	2014
	£	£	£	£
Direct charitable expenditure				
Wages and salaries recharge	24,485	-	24,485	37,692
Insurance	1,299	-	1,299	865
Rates	5,401	-	5,401	18,708
Heat and light	-	-	-	357
Cleaning	1,496	-	1,496	1,340
Repairs and maintenance	1,948	-	1,948	5,118
Motor running expenses	1,211	-	1,211	1,730
IT and online costs	1,425	-	1,425	4,991
Telephone	835	-	835	1,825
Printing, postage and stationery	183	-	183	2,032
Ecology education consultation	446	-	446	11,083
Legal and professional fees	2,140	-	2,140	3,073
Advertising	7,108	-	7,108	14,382
Catering	2,356	-	2,356	2,303
Bank charges	82	-	82	74
Impairment charge	-	(23,461)	(23,461)	739,798
Depreciation	95	34,515	34,610	34,610
Sundry expenses	422	-	422	3,315
Bad debts	1,789	-	1,789	-
Service for clients	703	-	703	-
	<u>53,424</u>	<u>11,054</u>	<u>64,478</u>	<u>883,296</u>
Governance costs				
Accounting fees – Current year	1,750	-	1,750	1,435
Accountancy fees – Prior year	490	-	490	(335)
Independent Examiner fee	750	-	750	515
Directors' liability insurance	307	-	307	303
	<u>3,297</u>	<u>-</u>	<u>3,297</u>	<u>1,918</u>

Costs have been allocated directly in the current year with the exception of staff costs which have been allocated on the basis of time spent.

5. Net (outgoing)/incoming resources

	2015	2014
	£	£
The net (outgoing)/incoming resources for the year are stated after (crediting)/charging:		
Property impairment charge	(23,461)	739,798
Depreciation charge	34,610	34,610
Independent Examiner fee	750	515
Independent Examiner – Other services	<u>1,750</u>	<u>1,435</u>

Tullis Russell Environmental Education Limited

Notes to the Financial Statements (continued) For the year ended 31 August 2015

6. Directors

No Directors (nor any person connected with them) received any remuneration nor reimbursement of expenses during the current or prior year.

7. Tangible fixed assets

	Heritable property £	Permanent exhibits £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2014	<u>1,112,039</u>	<u>109,091</u>	<u>7,299</u>	<u>1,228,429</u>
At 31 August 2015	<u>1,112,039</u>	<u>109,091</u>	<u>7,299</u>	<u>1,228,429</u>
Depreciation				
At 1 September 2014	<u>762,039</u>	<u>10,909</u>	<u>1,460</u>	<u>774,408</u>
Charge for year	<u>22,241</u>	<u>10,909</u>	<u>1,460</u>	<u>34,610</u>
At 31 August 2015	<u>784,280</u>	<u>21,818</u>	<u>2,920</u>	<u>809,018</u>
Net Book Value				
At 31 August 2015	<u>327,759</u>	<u>87,273</u>	<u>4,379</u>	<u>419,411</u>
At 31 August 2014	<u>350,000</u>	<u>98,182</u>	<u>5,839</u>	<u>454,021</u>

Following confirmation of the release of the underlying funder restriction, all assets at 31 August 2015 are now unrestricted in nature.

Tullis Russell Environmental Education Limited

Notes to the Financial Statements (continued) For the year ended 31 August 2015

8. Debtors	2015 £	2014 £
Trade debtors	-	5,440
Other debtors	-	1,146
Prepayments	4,132	4,056
	<u>4,132</u>	<u>10,642</u>

9. Creditors: amounts falling due within one year	2015 £	2014 £
Trade creditors	3,282	5,019
Other creditors	5	36,503
Accruals	2,500	5,605
	<u>5,787</u>	<u>47,127</u>

10. Restricted funds	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 August 2015 £
Capital fund	<u>449,376</u>	<u>-</u>	<u>(11,054)</u>	<u>(438,322)</u>	<u>-</u>

Capital fund

The Capital fund comprises grants and donations received towards the construction costs of the Eco-House. Following the release of any restriction over the underlying assets a transfer of the balance on the fund to unrestricted funds has now been reflected.

11. Analysis of net assets between funds	Unrestricted Funds £	Restricted Funds £	Total £
Fund balances at 31 August 2015 are represented by:			
Tangible fixed assets	419,411	-	419,411
Net current assets	<u>71,282</u>	<u>-</u>	<u>71,282</u>
	<u>490,693</u>	<u>-</u>	<u>490,693</u>

Tullis Russell Environmental Education Limited

Notes to the Financial Statements (continued) For the year ended 31 August 2015

12. Related party relationships and transactions

During the year, income was received from Tullis Russell Papermakers Limited, a member of the charitable company, for the hire of meeting rooms amounting to £1,839 (2014: £1,580). Amounts receivable and included within trade debtors as at 31 August 2015 totalled £Nil (2014: £1,896).

13. Control

In the opinion of the Board of Directors, there is no ultimate controlling party.