### Mountain Bothies Association

(A company limited by guarantee)



### **Annual Report**

Trustees's Report and Financial Statements For the year ended 31st December 2015

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FOR THE YEAR ENDED 31 DECEMBER 2015

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 December 2015 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

#### **Chairman's Report**

2015 was a landmark year for the MBA with the 50<sup>th</sup> Anniversary of its foundation in 1965. During those 50 years the Association has gone from strength to strength and we are delighted to report that it is still in rude health! An undoubted highlight of the Anniversary year was the bestowing of the Queen's Award for Voluntary Service (QAVS) to the MBA in recognition of its wholly voluntary character. An invitation to a Royal Garden Party was included as well as a formal presentation by the Lord Lieutenant of an engraved crystal and of a certificate signed by the Queen! There was an excellent attendance at the AGM - held at Newtonmore – where a specially commissioned Anniversary cake was cut by MBA founders Bernard and Betty Heath.

During the year we delivered a substantial amount of bothy maintenance whilst maintaining strong working relationships with all landowners. The MBA is a volunteer-run organisation and large numbers have been involved in working parties and in running the Association. Finances continue to be healthy.

Simon Birch Chairman

#### Our Purpose and activities - the aim of the Association:

To maintain simple shelters in remote country for the use and benefit of all who love wild and lonely places.

#### What the Association does:

Scattered throughout the wilder parts of Scotland, England and Wales are old shepherds' cottages, huts and similar buildings many of which in the normal course of events might be allowed to fall derelict. Over the years, often with the tacit consent of the owners, these buildings have provided overnight shelter for walkers and other outdoor enthusiasts. The Mountain Bothies Association was founded in 1965 to organise the restoration and maintenance of these shelters.

The Association obtains the owners' permission to maintain these bothies and to make them available as open shelters for anyone to use. Its members have no priority of use and the buildings are left unlocked and may be used without charge by all who require shelter. Whilst the MBA pays for the materials and tools for the renovations, all the work is undertaken by its members and by other volunteers on a voluntary basis. Bothies renovated by the Association are normally existing structures. As a minimum standard, the building is rendered structurally safe to provide a windproof and watertight shelter. A bothy would not normally be connected to the public utilities, and any amenities provided would be of a very basic standard. In locations where there is an appreciable fire hazard, or limited fuel, existing fireplaces may be replaced by a stove. Factors which may be taken into account in selecting a building for renovation include:

- the likely demand for shelter in the area concerned
- the environmental impact
- the existence of other forms of shelter in the vicinity
- · the suitability of the site for use as an overnight base or emergency shelter
- accessibility from the highway and the likelihood of vandalism
- the nature of any restrictions imposed by the landowner on the use of the shelter
- the extent and cost of the renovations required and a value for money judgement

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Where the Association maintains a bothy, and its use is affected by, or likely to affect the land surrounding the bothy, the Association may maintain or otherwise improve the land in the immediate vicinity of the bothy. Such work may include:

- repairs and improvements to drainage
- repairs and improvements to access paths including to existing bridges and stiles
- prevention of land erosion where this might undermine the building's foundations
- tree planting (where possible using trees of local stock)
- the removal of litter and provision for hygienic disposal of human waste

The Association believes it has a duty to care for the quality of the experience enjoyed by those who visit bothies, and to ensure that all those who are involved in outdoor recreation understand the fragile nature of this resource, and the impact their behaviour can have on the bothy and its environment. The 'Bothy Code' is central to the Association's educational activities in promoting responsible behaviour among all who use bothies. Members' newsletters, our website and the briefing of volunteers at work parties are the principal methods of delivery of expected social and environmental standards.

In addition to the main activity of renovation and maintenance of bothies, the Association may provide funding to other properly constituted organisations, which share similar aims to the Association, for the maintenance of shelters available to the public.

#### Achievements and performance in 2015

The election results were announced at the Annual General Meeting which was held at Newtonmore in October 2015. Simon Birch was elected as Chairman for the year until the AGM in 2016, whilst Roger Hammond, Liz Bibby and Ian Furlong were elected as Trustees to serve for a period of three years until the AGM in 2018. In addition six members were elected to the Management Committee – Howard Ashton, Margaret Dickson, David Houldershaw, Danny Rafferty, Alan Sidaway and Steve Smyth.

#### The contribution of landowners

In general the work of the Association continues to be a success - we are achieving our objective in maintaining simple shelters in remote country for the use and benefit of all who love wild and lonely places. We currently look after over 100 open bothies. We continue to be supported by the owners of these bothies and are very grateful to them for their co-operation and generosity without which we would not exist.

#### The contribution of volunteers

In 2015 we ran 112 work parties. They were spread out over the year, but concentrated in the longer days of spring and summer. These work parties were at 60 different bothies. Most work parties lasted 2 or 3 days, but the main Camasunary work party lasted 11 days, and a total of 31 days were spent at Cae Amos spread over 8 separate work parties.

247 different people volunteered at our work parties in 2015, doing a total of 1333 days work - more than 5 days each on average. 156 of them attended one work party each; 91 attended more than one; two people were each at 11 different work parties in the year.

As well as all our maintenance work being delivered by volunteers, so is all our decision-making and management. Maintenance teams continue to be supported by the Standards Group, which provides the Director of Projects with advice in respect of changes in health and safety legislation and general good working practice. In addition, a Forms Review Group was commissioned to independently examine the paperwork required for the administration of work parties. This work was successfully completed with a revised and significantly reduced suite of forms approved for introduction on a one-year trial basis in 2016. Volunteers were also responsible for producing and distributing our publications and for keeping the website up-to-date. In total we had 3788 members by the end of 2015, an increase of 285 over the year. All our funds come from our members and donors. However the importance of organising finance and member services to a high standard means that the Association continues to pay accountants Henderson Black & Co for these activities.

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Communicating with our volunteers and with the general public

In our report for 2014, we said that we were looking forward to increased media and communication activity during our 50<sup>th</sup> anniversary year. We were not disappointed! The highlight of the year perhaps was the making of a documentary about the work of the Association by Hopscotch Films for BBC Scotland. "Bothy Life" was shown in November and received much favourable comment. During the course of the year, our Chairman, Simon Birch, supported by a number of other volunteers, was interviewed for both television and radio and articles about the work of the Association appeared in both newspapers and specialised press. This activity resulted in a considerable number of enquiries from people interested in supporting our work and a substantial boost to the number of members. It also resulted in further sales of our anniversary book, "Mountain Bothies-Celebrating 50 Years of the MBA". At the time of writing, copies still remain but are going fast!

By the end of the year, attention was turning to our website. This is the Association's key tool in attracting new members, in encouraging members to volunteer and to take part in the maintenance programme, and in providing information about the Association, its bothies and bothying. We have had our current site for over 7 years and the disadvantages of attempting to marry 2008 and 2015 technology were becoming apparent. We therefore prepared a specification for a new site and this was expected to go to tender early in 2016.

Interest in the Association and in the bothies that we maintain continues to grow. We receive a greater number of enquiries from both individuals and the media than ever before. Most of these come through our website which also serves as an important communication tool with our members as well as providing them with the facility to renew their membership on - line. The number of members who opted to receive our Newsletter and Annual Report on - line also increased during the year, resulting in further savings in postage and stationery costs.

We believe that the Association has an important role to play in ensuring that the public are correctly informed about bothies and their use and about their contribution to outdoor pursuits. We have therefore continued to develop positive relations with the media, issuing a number of News Releases throughout the year and responding to enquiries.

#### Overview of maintenance achievements

Once again our volunteers have done an amazing amount of work to maintain the MBA bothy network, often in challenging weather conditions. We recorded 1,333 volunteer days and spent almost £44,000 on materials, transport and work party expenses on 60 of the 100 bothies we look after. Most other bothies have had inspection and tidy up visits and we gratefully acknowledge the efforts of our nine Area Organisers, the individual bothy Maintenance Organisers, MBA volunteer members and non-members, together with estate staff who support our front line activities. Some examples of the larger projects are briefly described below.

Glencoul in our Northern Highlands Area was the subject of a significant make over with remedial work carried out on fireplaces, a sleeping platform constructed, roof repairs and new paintwork all round.

At Camasunary, on Skye, in 2014 the bothy owner wished to use the existing bothy for his own purposes but, not wishing to leave the location without open shelter, arranged for a new bothy to be built by The Royal Engineers. MBA's part of the arrangement was to carry out any snagging work and to build fixed tables, benches and bunks. This was largely completed in the year under report and it is expected that the new building will be open early in 2016. Also in our North West Highlands Area, at Craig, storm damage to the roof was repaired and the first of a series of work parties held to deal with serious woodwork problems caused by damp and woodworm.

Our Eastern Highlands team had a busy year. At Faindouran a major reconstruction was carried out to replace a collapsed gable wall and a new floor was built in the adjacent stable to increase bothy capacity. Gelder Shiel Stable, on the Balmoral Estate, was transformed from a stable to a 5-star bothy in a partnership project with local group "The Ballater Chiels" who financed the work and provided much of the volunteer labour. The opening ceremony was performed by HRH Prince Charles. Major works were also undertaken at Callater Stable and The Tarf Hotel.

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Our only new project in 2015 was at Cae Amos in Wales where work commenced to re-slate part of the roof and to stabilise some of the stonework. This new bothy will possibly be open in late 2016.

Buildings renovation and maintenance are not the only work carried out by our Area teams. Removal of rubbish left by bothy users and repair of occasional vandalism are some of the less rewarding jobs faced by our volunteers. Such problems have been prevalent over the years at some of our more accessible bothies in Southern Scotland and Northern England so it is pleasing to report that the tireless efforts of our Area Organisers in these locations, working with the bothy owners, have resulted in a notable reduction in these antisocial activities.

#### **Financial review**

**Overview:** Having planned for a deficit of £62,290 in our budget this year, we are pleased to report that the Association ended the year with a surplus of £24,289. This turnaround was due in part to an underspend of £32,768, but also to a surge in income, which was £53,812 above the budgeted figure.

**Income:** Total income in 2015 was £143,052 compared to £112,119 the previous year. The decision was taken during the year to raise membership fees for 2016, the first change for nine years, and some of the increase of £7,414 in income from subscriptions was due to this, as some members had paid their 2016 subscriptions before 31 December. The main cause however was the increase of 285 or 8% in our number of members over the year, presumably thanks largely to the MBA's greater presence in the media this year. The increase in subscription rates means that members' subscriptions can once again be described as making a net contribution to the maintenance of bothies, after covering the costs of communicating with members and running the organisation; arguably this is what most members would wish see to happening.

Members' donations over and above their subscriptions increased once again (£13,981 compared to £13,032) as did unrestricted donations from sources other than members (£19,542 compared to £18,565). We also received £4,135 (£633 in 2014) in donations which were restricted to being used for specified projects. Income from sales of the 50<sup>th</sup> Anniversary Book grew strongly (£8,419 compared to £4,060), as had been hoped. This excellent publication has provided a significant boost in revenue for the last two years, as well as being a great way to 'spread the message'. However the largest single increase in income was from legacies, which totalled £15,467 compared to £2,863 in 2014.

**Expenditure:** The total spending in 2015 was £118,763 (£111,386 in 2014). During this year we have changed the layout of our expenditure reports to reflect our activities more accurately, so this now appears under three sections: Bothy Maintenance; Member Services; and Governance, Meeting and Other Costs. Like-for-like spending on Bothy Maintenance rose to £63,781 (£60,598 in 2014); spending on Member Services also rose to £39,816 (£34,958 in 2014); while that on Governance and related costs fell slightly to £15,167 (£15,830 in 2014).

We are keen to keep the cost of Member Services under control, and any rise in this category is of concern, but in this case the majority of the increase was the one-off cost of reprinting the Members Handbook, and we now have enough of these in stock to supply several years' worth of new members. An encouraging note for 2016 is that in December PayPal agreed to cut our charges by over 50%; this should give us a significant saving in future.

What should also be borne in mind is all the work done by volunteers, without whom nothing would be achieved. If the time given by volunteers on work parties were to be valued (taking the UK average earning of £100 per day as an approximation) this adds around £133,300 to the amount "spent" on maintaining bothies – the reason why the MBA exists.

**Reserves policy:** The total funds and net assets at 31 December 2015 were £252,480 (£228,191 in 2014). Of this sum, £2,531 is in funds whose use is restricted in some way, £60,000 is allocated as 'self-insurance' against major fire or storm damage, and £50,000 is set aside by Trustees as a prudent allocation against a potential major fall in income.

Thus about £140,000 is available to be spent on general maintenance and other costs; this would cover for two years the operating deficits which would exist if the Association ceased to receive income from gifts and legacies. It is also significant that the 2016 budget includes plans for a 25% increase in spending on Bothy Maintenance, underlining the desire by Trustees to maintain the focus on the MBA's core purpose.

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#### **Investment Policy:**

Trustees' policy is to hold the Association's financial assets in a range of accounts in order to gain the best return possible whilst retaining sufficient funds with instant or short-notice access in order to meet likely expenditure.

#### Risks

The Trustees have identified three key risks to which the Association may be exposed:

*Income shortfall* – we depend on members' subscriptions, donations and legacies to pay for materials for bothy maintenance and renovation and for the administration of the Association. In order to mitigate the effect of unexpected income shortfall, we aim to carry a reserve of £50,000.

Risks to MBA volunteers and to the users of our bothies – we have developed robust systems to ensure the highest possible levels of safety at work parties, and we provide training for volunteers engaged in MBA activities. All renovation and maintenance is carried out with due regard to current legislation in respect of building work, fire risk, and health & safety in order to prevent accidents to volunteers and bothy users. In addition, the Association carries public liability insurance of £5 million.

Storm or fire damage to bothies – most of the owners of the bothies the Association maintains require the buildings to be insured, or at least require that we reinstate the building to their original condition in the event of storm or fire damage. We have reviewed the potential cost of insurance compared with the likely cost of reinstatement, taking into account the types of building, the use of volunteer labour and past history of fire and storm damage events and have concluded that self-insurance is the most cost effective option. At current costs and risks, we aim to hold a reserve of £60,000 for self-insurance.

#### **Donated facilities and services**

By permission of the Forestry Commission the MBA has the use of a locked store in the Kielder Forest for the storage of equipment.

#### Plans for future years

The in-year responsibility for the Trustees is to ensure the ongoing maintenance of our current bothies. Proposals for new bothies are also evaluated and taken into maintenance if considered appropriate. We have no plans to move away from our reliance on volunteers. However, a key function of a board is also to determine the direction and scope of the organisation over the longer term. This is usually conducted on a periodic basis through strategic planning. This involves looking at the Association as an entity and is concerned with its long term development. We will look at what the Association was set up to do and where it is now. We can then propose where we want to go before mapping out how to get there. We would hope to summarise the plan in a written document with clear aims and objectives which would take full account of our charity's core purpose of 'maintaining mountain shelters' and the public benefit requirement. The trustees are soon to have the first discussions in respect of this necessary periodic review which will undoubtedly develop into broader conversations in due course.

#### Statement of Trustees' responsibilities

The Trustees (who are also directors of the Mountain Bothies Association for the purposes of company law) are responsible for preparing the Trustees' 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 Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing those statements the Trustees 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;

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• prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records that 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 Acts 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. 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 or other irregularities.

#### Structure, Governance and Management

#### The Governing Document and how the Association is constituted

The governing documents are the Articles and Memorandum of Association. The Association is a private company limited by guarantee, registered in Scotland, and is recognised by the Office of the Scottish Charity Regulator as a charity. We prepare fully accrued accounts, which are audited by a Registered Auditor in accordance with UK auditing standards.

#### The Organisational Structure of the Association

The nine Trustees of the Association are elected by the members. The Chairman is co-opted as a Trustee in accordance with the Articles. The management of the Association is vested in the Trustees, who are responsible for all financial activities, appointments of volunteer officers and matters of policy. The Trustees may approve any expenditure on behalf of the Association, provided that the annual expenditure committed on any one bothy or project may not exceed £20,000 without first being approved in principle at a General Meeting of the Association.

The approval of new projects and appointment of Maintenance Organisers is delegated to the Management Committee, which consists of volunteer officers of the Association together with elected members and delegates from the Maintenance Areas. Responsibility for the planning and implementation of work on bothies is devolved to nine Area Committees each led by its Area Organiser and consisting of the Maintenance Organisers and other active members in that geographical area. Each Area is allocated an annual budget managed by its Area Organiser for the maintenance of its bothies.

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#### Reference and administrative details

#### Name

The charity is called the Mountain Bothies Association, and is also known as the MBA.

#### **Numbers**

The charity's Scottish Charity Number is SC008685.

Company Registration Number SC191425.

#### Address

The address of the principal office of the charity is:

Mountain Bothies Association

C/o Henderson Black & Co

**Chartered Accountants** 

Edenbank House

22 Crossgate

Cupar

Fife

**KY15 5HW** 

#### **Bank**

The charity's bank is:

Bank of Scotland plc

2-6 Eastgate

Inverness

IV2 3NA

#### **Auditor**

The charity's auditor is:

Stables Thompson & Briscoe Ltd

Crickhollow, 1 Stainbank Green

Kendal

Cumbria

LA9 5RP

#### **Trustees**

The following have held office since 1 January 2015:

John Arnott

Liz Bibby

Simon Birch

**Trevor Cotton** 

Ian Furlong ....from 17th October 2015

Roger Hammond

Andy Mayhew

Roger Muhl

Richard Spencer

**Neil Stewart** 

#### Major office bearers

The following have held office since 1 January 2015:

Chairman ....... Simon Birch
Company Secretary ...... Richard Spencer
Director of Projects ...... Roger Hammond
General Secretary ...... John Arnott
Treasurer ...... Piers Coutts

FOR THE YEAR ENDED 31 DECEMBER 2015

#### Relationships to other Bodies

The MBA is independent of all other bodies

#### **Appointment of trustees**

There are nine Trustees. In addition, the Chairman is co-opted as a trustee. Members of the Association can be nominated for election as Trustee by other members of the Association. Trustees are elected for three year terms of office, so each year prior to the Annual General Meeting a postal ballot of all members is held (if the number of candidates exceeds the number of vacancies) in order to replace the three Trustees whose terms of office are due to expire. No external bodies are entitled to appoint Trustees of the MBA. The Trustees may at any time co-opt any persons duly qualified to be appointed as Trustees to fill a vacancy in their number or as additional Trustees, particularly to ensure coverage of the necessary skills and experience for governance of the Association. A co-opted Trustee holds office only until the next AGM.

#### Trustee Induction and training

The Association recognises the importance of training both for new Trustees and those holding office. All newly appointed Trustees are issued with a 'Trustees Pack'.

Trustees are also directed to our website as an important source of information. In addition, newly appointed Trustees are provided with such personal guidance as may be appropriate, taking into account the individual's service and experience within the Association, by Chairman, Company Secretary and General Secretary. All Trustees are given updates and training on all aspects of their responsibilities as required including charity legislation and regulation, health and safety, media relations and legislation pertinent to the function and governance of the charity. Delivery of training is through specific training events, meetings of Trustees, post and email.

#### Statement of disclosure to auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware;
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any
  relevant audit information and to establish that the auditor is aware of that information.

Signed by order of the Trustees, as agreed on 20th March 2016

Simon Birch (Chairman)

### MOUNTAIN BOTHIES ASSOCIATION (A COMPANY LIMITED BY GUARANTEE)

### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF MOUNTAIN BOTHIES ASSOCIATION

We have audited the financial statements of Mountain Bothies Association for the year ended 31<sup>st</sup> December 2015 which comprise the Statement of Financial Activities and the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out in the Annual Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### Scope of audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

 give a true and fair view of the state of the charitable company's affairs as at 31st December 2015, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and

### MOUNTAIN BOTHIES ASSOCIATION (A COMPANY LIMITED BY GUARANTEE)

### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF MOUNTAIN BOTHIES ASSOCIATION

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Helen Holmes BSc FCA Senior Statutory Auditor For and on behalf of Stables Thompson & Briscoe, Statutory Auditor

Lowther House Lowther Street Kendal Cumbria LA9 4DX

Stables Thompson & Briscoe is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

#### MOUNTAIN BOTHIES ASSOCIATION STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2015

	Unrestricted Funds 2015	Restricted Funds 2015	Total funds 2015	Total funds 2014
Notes	£	£	£	£
	89,080	-	89,080	78,773
	34,354	4,135		22,091
	13,899	-	13,899	9,506
		8		1,695
	25	-	25	54
14	138,909	4,143	143,052	112,119
		-		9,396
	105,124	3,961	109,085	101,990
14	114,802	3,961	118,763	111,386
	24,107	182	24,289	733
	25	(25)	-	-
	24,132	157	24,289	733
	225 817	2 374	228 101	227,458
		2,574		
	249,949	2,531	252,480	228,191
	14	Funds 2015  Notes £  89,080 34,354 13,899  1,551 25  14  138,909  9,678 105,124  114,802  24,107  25  24,132  225,817 249,949	Funds 2015  Notes  £  £  89,080 34,354 4,135 13,899 -  1,551 8 25 -  14  138,909 4,143 -  9,678 105,124 3,961 -  14  114,802 3,961 -  24,107 182 25 (25) 24,132 157 -  225,817 249,949 2,531	Funds 2015         Funds 2015         Total funds 2015           Notes         £         £         £           89,080 34,354 4,135 38,489 13,899 - 13,899         - 13,899         - 13,899           1,551 8 1,559 25 - 25         - 25         - 25           25 - 25         - 9,678 143 143,052         - 9,678 109,085           105,124 3,961 109,085         - 118,763           24,107 182 24,289         - 24,132 157 24,289           25 (25) - 24,289         - 24,132 157 24,289           225,817 249,949 2,531 252,480         - 252,480

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derived from continuing activities.

### MOUNTAIN BOTHIES ASSOCIATION (A COMPANY LIMITED BY GUARANTEE) BALANCE SHEET

#### AS AT 31 DECEMBER 2015

	Uı	nrestricted funds	Restricted funds	Total	Total
	Notes	£	£	2015 £	2014 £
	notes	L	£	Ł	L
Fixed assets					
Tangible assets	6	9,235	-	9,235	8,589
Current assets					
Stocks		2,179	-	2,179	3,167
Debtors	7	19,499	-	19,499	15,431
Investments – fixed term bank deposit	8	100,000	-	100,000	130,000
Cash at bank and in hand		133,347	2,531	135,878	79,090
		255,025	2,531	257,556	227,688
Liabilities					
Creditors: amounts falling due within one year	9	(14,311)	-	(14,311)	(8,086)
Net current assets		240,714	2,531	243,245	219,602
Total assets less current liabilities		249,949	2,531	252,480	228,191
Capital and reserves					
Restricted funds	4	-	2,531	2,531	2,374
Unrestricted funds		249,949		249,949	225,817
Members' funds - equity interests		249,949	2,531	252,480	228,191

These financial statements have been prepared in accordance with the special provisions relating to small companies of Part 15 of the Companies Act 2006

These financial statements were approved by the Board on 20 March 2016

S Birch (Chairman) P Coutts (Treasurer)

Company Registration No. SC191425 (Scotland)

## MOUNTAIN BOTHIES ASSOCIATION (A COMPANY LIMITED BY GUARANTEE) CASH FLOW STATEMENT

#### FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	£	2015 £	£	2014 £
Net cash provided by (used in) operating					
activities	12		28,562		(1,191)
Cash flows from Investing activities					
Interest received		1,584		1,749	
Purchase of fixed assets		(3,358)		(4,211)	
Current asset Investments		30,000		-	
Net cash provided by investing activities			28,226		(2,462)
. , ,			<u>,                                     </u>		
Change in cash and cash equivalents in the			50.700		(0.050)
year			56,788		(3,653)
Cash and cash equivalents b/f			79,090		82,743
Cash and cash equivalents c/f			135,878		79,090
·					
Analysis of Cash and cash equivalents					
Cash at bank and in hand			35,878		79,090
Notice deposits (less than 3 months)			100,000		- 
			135,878		79,090

#### 1 Accounting policies

#### 1.1 Basis of Accounting

a) The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

#### b) Reconciliation with previous Generally Accepted Accounting

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. No such restatements were required.

#### Funds

Funds treated as 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.

Unrestricted funds consist of funds which the charity may use for its purpose at its discretion.

#### 1.2 Income and expenditure

- (a) Subscriptions from new members and life members are recognised when received and the renewal of subscriptions of existing members are recognised in the accounting period to which they relate.
- (b) Gift Aid donations, together with the associated income tax are recognised as income when the donation is received.
- (c) Legacies are included in income when receivable.
- (d) Grants are credited to income upon entitlement.
- (e) Expenditure is recognised in the period in which it is incurred. The company is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

#### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets include land and buildings valued at market value. Tangible fixed assets, other than land and buildings, are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Bothy maintenance plant and equipment 25% per annum on a straight line basis
Office equipment 25% per annum on a straight line basis

No depreciation is provided in respect of buildings, which are expected to be maintained in such a condition and the useful life is expected to be so great as to make any charges immaterial.

#### 1.4 Maintenance and improvement of bothies

The company does not own the majority of bothies it maintains. Expenditure on small tools costing less than £100, maintenance and improvements to bothies is written off to the Income and Expenditure account as and when incurred. Items 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.

#### 1.5 Investments

Current asset investments are stated at the lower of cost and net realisable value.

#### 1.6 Stock

Stock is valued at the lower of cost and net realisable value.

2	Expenditure	2015	2014
		£	£
	Expenditure includes:		
	Depreciation of tangible assets	2,712	2,264
	Loss on disposal of tangible assets	-	199
	Bothy rent - operating lease rentals	100	100
	Trustees expenses - paid to 6 trustees (2014: 6) for travel,		
	subsistence, post, stationery and telephone	2,451	2,540

No remuneration was paid to trustees in the year.

Indemnity insurance was provided for trustees as part of the charity's insurance package. No separate cost can be identified.

There were no employees during the year.

#### 3 Trustee and office bearer expenses

	2015	2014
	£	£
Chairman	609	199
Director of projects	750	455
General secretary	95	613
Treasurer	436	149
Company secretary	-	-
Other trustees	997	1,124
	2,887	2,540

During the year a total of £243 was donated to the charity by the trustees.

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.

#### 4 Restricted funds

	Balance at 1 January 2015	Income	Expenditure	Transfer to unrestricted funds	Balance at 31 December 2015
	£	£	£	£	£
Andrew Jenson Memorial	467	27	-	_	494
David Brown	682	2	630	-	54
Nicholas Randall	1,150	4	221	-	933
Tony Camerford	25	-	-	25	-
Simon J Harris	50	-	-	-	50
Earl of Mexborough	-	100	100	-	-
Edward Atherton	-	10	10	-	-
Angus MacKenzie	-	3,000	3,000	-	-
Pennine Way Association	-	1,000	-	-	1,000
	2,374	4,143	3,961	25	2,531

#### The nature and purpose of these funds is as follows:

Andrew Jenson Memorial Fund - For the upkeep of Gameshope Bothy, failing which the upkeep of other bothies.

David Brown - To be spent on the Lookout in North West Highlands & Islands area, and thereafter available for any bothy (2015 allocation, £630 to Lookout).

Nicholas Randall - To be spent on bothy maintenance subject to consultation with the donors. (2015 allocation, £221 to Gleann Dubh-Lighe).

Tony Camerford - Payment/donation for the window repair at Ruigh Aiteachain Bothy (Repaired at no cost and balance transferred to unrestricted funds.)

Simon J Harris - Donated for use at Nant Rhys Bothy

Earl of Mexborough - Donated for use on the roof repairs at A'chuil Bothy (2015 allocation, £100 to A'chuil) Edward Atherton - Donated for use at Greg's Hut (2015 allocation, £10 to Greg's Hut)

Angus MacKenzie - Donated for use at Camasunary Bothy (2015 allocation, £3,000 to Camasunary)

Pennine Way Association - Donated for use at Greg's Hut - New floor in Blacksmith's Shop

#### 5 Taxation

The company is a registered charity and, as such, is exempt from taxation on any surplus.

6	Tangible fixed assets				
		Land and buildings	Bothy maintenance plant and equipment	Office equipment	Total
		£	£	£	£
	Cost				
	At 1 January 2015	3,040	26,154	421	29,615
	Additions		3,358		3,358
	At 31 December 2015	3,040	29,512	421	32,973
	Depreciation				
	At 1 January 2015	-	20,726	300	21,026
	Charge for the year		2,607	105	2,712
	At 31 December 2015		23,333	405	23,738
	Net book value				
	At 31 December 2015	3,040	6,179	16	9,235
	At 31 December 2014	3,040	5,428	121	8,589
7	Debtors			2015	2014
				£	£
	Trade debtors			8,003	5,867
	Other taxes - Gift aid			10,403	8,436
	Prepayments			1,093	1,128
				19,499	15,431
8	Current asset investments			2015	2014
				£	£
	Fixed term bank deposit			100,000	130,000

9	Creditors: amounts falling due within one year	2015	2014
		£	£
	Trade creditors Income in advance - subscription renewals	7,604 2,660	1,217 2,960
	Accruals	4,047	3,909
		14,311	8,086

#### 10 Financial commitments

Written agreements exist for some bothies, whereby the rent shall not exceed £1, payable only if required. Historically landlords have not collected the £1 rents and no landlords requested payment during the year.

The Association has an agreement for the use of Lluest Cwmbach Bothy. The rent is £100 per annum and the agreement may be brought to an end in less than twelve months by either party.

#### 11 Allocation of costs

	Raising funds	Charitable activities	Other costs	Total 2015	Total 2014
	£	£	£	£	£
Finance and members administration	7,784	12,937	_	20,721	20,147
Website costs	36	328	-	364	343

Finance and members administration has been allocated on the basis of time spent in the administration of each activity.

Website costs have been allocated on the basis of page contents.

12	Reconciliation of net income/(expenditure) to net cash flow from operating activities	2015	2014
	operating activities	£	£
	Net movement in funds	24,289	733
	Add back depreciation charge	2,712	2,264
	Deduct interest income	(1,584)	(1,749)
	Loss/(profit) on sale of fixed assets	-	199
	Decrease/(increase) in stocks	988	(3,167)
	(Increase)/decrease in debtors	(4,068)	2,580
	Increase/(decrease) in creditors within one year	6,225	(2,051)
	Net cash used in operating activities	28,562	(1,191)

E	Bothy maintenance costs		
		2015	2014
		£	£
Е	Sothies where expenditure is over £400		
	North Highlands Glencoul	1 506	
	Schoolhouse	1,506	420
	Shenavall	-	566
	Strabeg	873	300
	•	673	·
	North West Highlands and Islands Bearnais		471
		5,443	3,000
	Crain	2,715	3,000
	Craig Lookout	630	786
		630	
	Uisinis	-	4,193
	Western Highlands and Islands		F 066
	Gleann Dubh-lighe	-	5,066
	Glenpean	592	794
	Invermallie	431	-
	Kinbreak	1,662	·
	Sourlies	-	742
	South West Highlands and Islands		0.00
	An Cladach	-	3,224
	Mark Cottage	-	711
	Peanmeanach	-	807
	Central Highlands		
	Culra	<del>-</del>	1,109
	Luib Chonnal	604	-
	Eastern Highlands		
	Allt Scheicheachan		517
	Callater Stable	1,164	-
	Corrour	-	668
	Faindouran	5,899	-
	Tarf Hotel	1,814	-
	Southern Scotland		
	Brattleburn	628	-
	Burleywhag	412	-
	Dryfehead	-	1,137
	Kettleton Byre	-	530
	Over Phawhope	-	2,305
	Northern England and Borders		
	Cross Fell	1,104	-
	Kershopehead	-	605
	Wales		
	Cae Amos	5,541	1,258
C	Other bothies		
٧	vhere expenditure is under £400 - total	12,977	11,155
		43,995	40,064
		,	,

Detailed statement of financial activities				
		2015		2014
	£	£	£	£
Income from:				
Donations and legacies				
Members annual subscriptions	64,719		57,305	
Members donations	13,981		13,032	
Tax recovered on Gift Aid donations	10,380		8,436	
Donations and gifts	38,489		22,091	
		127,569		100,864
Charitable activities				
Calendars	2,865		2,931	
Christmas cards	2,589		2,475	
Leisurewear and badges	26		40	
Anniversary book	8,419		4,060	
		13,899		9,506
Investments				
Bank interest	1,559		1,695	
Other interest	25		54	
		1,584		1,749
Total Income		143,052		112,119

D	etailed statement of financial activities	(Cor			
		£	2015 £	£	2014 £
E	kpenditure on:	~	~	~	•
R	aising funds				
Fi	nance and members administration	7,784		7,569	
Ва	ank and paypal charges	1,302		1,202	
	rect debit bureau	556		591	
Website costs	36		34		
			9,678		9,396
CI	haritable activities				
В	othy maintenance, including area meetings	43,995		40,064	
В	othy rent	100		100	
Ne	ewsletters	10,541		9,736	
Μ	embers handbook	2,167		-	
Di	stribution costs	9,382		9,943	
E	khibitions	20		20	
W	ebsite costs	328		309	
Tr	ustees post, stationery and telephone expenses	600		434	
	on Trustees post, stationery and telephone expenses	174		48	
	ustee travel and subsistence expenses	1,099		1,927	
	on trustee travel and subsistence expenses	2,704		3,096	
	eeting expenses - hall hire etc	2,009		2,488	
	alendars	1,980		1,822	
	nristmas cards	1,904		1,888	
	nniversary car stickers	705		1,000	
	nniversary book	1,798		1,369	
	nniversary book P&P	1,313		475	
	atellite phone	1,317		1,286	
	ealth and Safety	1,307		2,636	
	andards group	1,132		2,030	
	orm review group			-	
		380		4 224	
	surance	1,194		1,321	
	onations to other charities	600		-	
	nnual report	1,615		1,544	
	filiation fees	55		130	
	ection expenses	4,050		4,053	
	nance and members administration	12,937		12,578	
	uditors' fees	2,262		2,260	
	epreciation	2,712		2,264	
Lc	oss on disposal of fixed assets			199	
			109,085		101,99
To	otal expenditure		118,763		111,38
SI	URPLUS/(DEFICIT)		24,289		73: