

# ***Mountain Bothies Association***



## ***Annual Report***

**Year ending 31 March 2010**

**A Scottish Charity, No. SC008685**

**Registered Company SC191425**

# **MOUNTAIN BOTHIES ASSOCIATION**

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# **MOUNTAIN BOTHIES ASSOCIATION**

## **TRUSTEES REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2010**

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#### **CHARITY INFORMATION**

##### **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:

MBA

c/o Henderson Black & Co

Chartered Accountants

Edenbank House

22 Crossgate

Cupar

Fife

KY15 5HW

##### **Bank**

The charity's bank is:

Bank of Scotland

9 High Street

Inverness

IV1 1JB

##### **Auditor**

The charity's auditor is:

Stables Thompson & Briscoe

Lowther House

Lowther Street

Kendal

LA9 4DX

##### **Trustees**

The Trustees on the date on which this report was approved (9/5/10) were:

John Arnott

Liz Bibby

Jill Dhanjal

Roger Hammond

Andy Mayhew

Calum McRoberts (from 17.10.09)

Roger Muhl

Richard Spencer

Neil Stewart

Others who were Trustees of the charity during the financial year:

Brian Wain (until 17.10.09)

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

The governing document is 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 Registered Auditors in accordance with UK auditing standards.

##### **The Organisational Structure of the Association**

The nine Trustees of the Association are elected by the members. The management of the Association is vested in the Trustees, who are responsible for all financial activities, appointments of volunteer officers and

# **MOUNTAIN BOTHIES ASSOCIATION**

## **TRUSTEES REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2010**

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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.

#### **Relationships to other Bodies**

The MBA is independent of all other bodies.

#### **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 owner's permission to maintain these bothies and to make them available as open shelters for anyone to use, and does not itself own any of the buildings. 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 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 water tight 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

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 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, website and 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

# **MOUNTAIN BOTHIES ASSOCIATION**

## **TRUSTEES REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2010**

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#### **Recruitment and appointment of Trustees**

There are nine Trustees. 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 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. 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', which currently includes the following items:

- Memorandum of Association, Articles of Association & Standing Orders
- Latest contact list for officers of the Association
- Copy of last statutory accounts and annual report
- Last monthly statement from the Finance Office
- Information on Trustees' roles and responsibilities in the event of an accident at a volunteer work party including procedures for reporting to HSE
- Minutes of last Board of Trustees and Management Committee meetings
- Media relations papers
- CD containing project work party good practice guidelines
- Chapter 9 of Charities and Trustee Investment (Scotland) Act 2005
- Latest guidance paper(s) on duties of charity Trustees

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 updating and training on all aspects of their responsibilities throughout the year 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.

#### **Major office bearers serving during the financial year:**

Chairman	John Arnott
Company Secretary	Roger Muhl
Director of Projects	Roger Hammond
General Secretary	Brian Dawson
Treasurer	Jill Dhanjal

#### **Achievements and performance during the financial year**

The MBA continues to be an organisation of volunteers. At the time of writing we have 131 volunteer Maintenance Organisers for the 95 bothies we maintain, and 42 volunteer office bearers providing the administrative backup to support the maintenance - from arranging the elections to designing the calendar. We judge that it is best for the Association that the essential administrative work on membership and finance services is done by professionals and so it continues to be carried out for us by chartered accountants Henderson Black & Co. The key leaders for our maintenance work are our Area Organisers and we have a full complement of nine again, with three changes this year. In our Wales area John Tennent had retired after a 10 year stint where he had built up a strong team and ensured that the bothies were maintained to a high standard - the area voted for Tony Blackburn to take over. In our Eastern Highlands area Ross Farrell had retired after many years taking on this responsibility through difficult personal times when no one else wanted to do it - the area voted for John Bygate to take over. In our Central Highlands area Mike McLauchlan had stood down due to ill health having worked with the area to get its bothies and MOs into a strong position - the area voted for Tom Bell to take over. We have also been able to recruit Maintenance Organisers for each bothy when vacancies have arisen so that we ended the year with almost all such positions filled, and joint Maintenance Organisers for many bothies. We have approximately 4350 members, an increase of 3% on last year.

Our Annual General Meeting was held at Roy Bridge in October 2009 with 51 attending. John Arnott was re-elected as Chairman for another year, and Liz Bibby, Roger Hammond and Calum McRoberts were each elected to serve for a period of three years until the 2012 AGM. Richard Spencer was elected to serve for a

# **MOUNTAIN BOTHIES ASSOCIATION**

## **TRUSTEES REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2010**

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period of one year until the 2010 AGM to fill the vacancy arising when Peter King stood down last year. After many years of sterling work Brian Wain retired as a Trustee. Alan Sidaway was elected to the Management Committee for a period of three years to the 2012 AGM, and Trevor Cotton was co-opted by the Management Committee at its February meeting. The Management Committee met three times during the period of this report - in May, October and February with an average attendance of 26, and the Trustees met five times.

Throughout the year, we continued the process of reviewing and improving the ways in which we communicate with our members and stakeholders and with the public in general. We published a revised edition of our members Handbook, combining for the first time information about the Association and the use of bothies with advice about safe working practices at work parties. We published an updated version of Bothy Notes, containing a directory of office holders and information about each of the bothies in our care, intended to assist members in using bothies responsibly.

Our new website, which has been developed in partnership with Hotscot of Fort William, went live in summer 2009. As well as providing information for all those interested in our work, it contains for the first time a dedicated members section. Our constitution and the minutes of our meetings are published here and, over time, we aim to publish updated versions of key documents giving guidance on all aspects of planning and undertaking a work party.

While on-line activity continues to grow in importance, this is not at the expense of the traditional method of communication. We continue to publish a quarterly Newsletter, which remains the historical record of the activities of the Association. Increasing awareness of the Association and the work that we do continues to be a priority. We issued a number of News Releases to the media and responded to many more enquiries. We again promoted the work of the MBA through the sale of a calendar and a selection of Christmas cards, and we took a stand at the Dundee Mountain Film Festival.

#### **Maintenance work**

Our work party volunteers are the cornerstones of the Association and this year contributed 1130 working days to the renovation and maintenance of our bothies. We regard the safety of our volunteers as paramount and, whilst it is pleasing to note that no recordable accidents occurred during the year, we continue to seek improvements in working practices in order to maintain a good safety record. Last year we reported the work being done to implement changes in regulations relating to working at heights, construction, design and management, and fire safety. This year we have bought in professional training on the use of lightweight access towers and the erection of system scaffolding. We have developed an internal training course for our volunteers involved with the organisation and implementation of maintenance projects aimed at improving work party planning and health and safety management. A short course on the erection of system scaffolding has also been developed. In the last quarter of the year, these courses were delivered to 33 members over two weekends. The cost of training was £6141, which we regard as an essential investment in our maintenance programme. Further similar events are planned for 2010/11.

Although the use of scaffolding systems undoubtedly provides significant security when working at heights, this must be balanced against the high cost of transporting heavy equipment to remote places, particularly where the work to be done is of short duration. In 2010/11, we will be investigating the use of rope and harness systems to provide security in such cases. Next year we will also continue work on making bothies safer for users. Of particular concern are those bothies with upper floor sleeping areas where escape in the event of fire could be compromised. We will be considering options such as permanent closure of upper floors, reducing the hazards by introducing fire resistant materials and improving means of escape. We will also be trialling the use of heat detectors and fire extinguishers in a number of bothies where the risk of fire is higher than average.

Renovation and routine maintenance was carried out at 56 of our bothies at a cost of £34,490. Key elements of the cost were materials £20,963, hire of equipment £2,245, transport of materials £4,479 and work party expenses £1,888. Work party expenses includes provision of communal catering at large work parties, which has shown to be of great value in improving the effectiveness and moral of our volunteers. Expenditure on bothy maintenance also includes £3,077 being the cost of holding Area Meetings and a contribution to the travelling expenses of Area Committee members. Area Meetings are the key forums for the planning of future maintenance work and the arrangement for paying an allowance for travel to these meetings was introduced this year in order to encourage attendance.

We added one new bothy to the list during the year, Mark Cottage in the Ardgarten Forest in Argyll, which was offered to MBA by the Forestry Commission. Renovation was delayed until late in the year due to the suspected presence of bats. Major repairs were carried out to the slated roof and the upper floor sleeping area was permanently closed off to improve fire safety. On the ground floor, two rooms were formed with

# **MOUNTAIN BOTHIES ASSOCIATION**

## **TRUSTEES REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2010**

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bunk beds installed in one and a living/cooking area in the other. An unstable extension to rear of the building was removed and internal and external painting carried out. The total cost of this project was £3,681.

At the lookout on Skye, the second phase of restoration was undertaken to refurbish the exterior of the timber-built sleeping area. The original cladding of Western Red Cedar, was no longer weatherproof due to use of unsuitable coatings many years ago, and was replaced with new, untreated cedar, which should have a durable life in excess of 30 years. This, together with roof repairs, cost £5,790 but the building is now restored to the same specification as when last used by the Coastguard Service 40 years ago. Major expenditure (over £1,000) was also incurred at Kearvaig for replacement doors and windows, and roof repairs and at Craig where chimney liners were fitted and a new stove installed. A new stove was provided at White Laggan and major work on chimneys and flashings carried out at Peanmeanach. At Dulyon a new stone porch was added along with internal ceiling repairs. At Spithope the old roof was removed and replaced with new box-profile steel sheeting.

Mosedale Cottage was subjected to vandalism that cost just over £1,000 to repair. Fortunately a timely report to the Police and the preservation of evidence resulted in apprehension of the culprits and we may recoup the cost of the repairs. Last year we reported the efforts being made, in partnership with the Forestry Commission, to prevent antisocial behaviour in the four Galloway Forest bothies. We are content that, for the time being at least, the problems at Tunskeen and White Laggan have largely been overcome as a result of restricting vehicular access. Regrettably, there has been no such improvement at Shiel of Castlemaddy and Backhill o' Bush and so we have agreed with the Forestry Commission to relinquish our tenancy of these two bothies. In spite of the problems reported here, we do not suffer antisocial behaviour at the vast majority of our bothies.

We decided to relinquish two other bothies during the year. At Leysburnfoot (Will's Bothy) we had been concerned for some time that the activities of the local railway preservation society were having a significant effect on the 'remoteness' of the bothy. There was some enthusiasm on the part of 'The Friends of Will Ramsbotham', who had assisted with the original restoration, to take over the maintenance of the bothy and we worked hard to broker an arrangement with the Forestry Commission whereby this could happen. Regrettably, terms acceptable to both parties could not be agreed therefore the building was handed back. The Scottish Borders Council Ranger Service constructed the Minch Moor bothy with help from the Forestry Commission, and although nominally maintained by MBA was in fact looked after by the Ranger Service. It is easily accessed from the public road and close to centres of population. We have therefore agreed with both parties to relinquish our interest.

Our budget for bothy maintenance in 2010/11 has been set at a challenging £72,000, which includes £6,000 for training. We plan major work (over £1,000) at Kearvaig, Coire Fionaraich, Easan Dorcha, Suardalan, Glengarrisdale, Resourie, Culra, Clennoch, Spithope, Dulyon, Moel Prysgau and Nant Syddion. We have no confirmed new projects planned but are currently working on a partnership project with the Assynt Foundation to restore Tubeg House on the south side of Loch Assynt as part open bothy and part for use by the estate.

Once again we are pleased to record our appreciation for the support of the owners of the building we maintain and their managers and staff. They cooperate with our maintenance work, assist with the delivery of materials to remote locations, help us in many other ways and permit the buildings to be used as unlocked shelters.

#### **Financial review**

Interest on moneys in the bank is still low with the present rate of interest on the £150,000 held in a guaranteed fixed rate deposit account standing at 1.3%. This is a long way short of the levels of interest at this time in 2008, but the overall financial state of the MBA funds is still strong, with total funds of £249,719 at the end of this financial year. Membership subscriptions are down by £6,064 on 2008/9.

The Trustees have discussed ways to encourage members to renew their membership each year. Members are encouraged to pay by direct debit and to gift aid their subscriptions where appropriate. As well as written reminders to members that subscriptions are due, announcements on the website will also help to attract new members and encourage existing members to continue to support the work of the MBA.

£34,490 was spent on bothy work for the year ending 31 March 2010 as opposed to £45,283 for 2008/9. The difference is largely accounted for by the fact that the two big restoration projects in 2008/9 at Duag Bridge and Camban amounted to approximately £19,000 in total and there have been no such large projects for 2009/10. Volunteers have however once again demonstrated their support for the MBA with work at 56 bothies, with major projects of over £1000 being completed at 9 bothies.

# **MOUNTAIN BOTHIES ASSOCIATION**

## **TRUSTEES REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2010**

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The general administration of the MBA cost £67,670 for 2009/10 compared with £59,594 in 2008/9. The increase is accounted for by the publication and distribution of a new members' handbook and the cost of the election for officers of the MBA.

As part of the organisation of the MBA each area holds two meetings per year where the work of the Area is planned and costs estimated. In October 2009 the Trustees agreed to pay the out of pocket travelling expenses for Area Committee members attending these meetings. The cost of travelling expenses claimed for attending area meetings for 2009/10 was £2,878.

The safety of our volunteers is paramount and any money spent on training is invaluable. As well as the First Response first aid training, it was agreed to fund training courses on scaffolding. Training for Project Organisers in the implementation of the Construction (Design and Management) Regulations is also being rolled out across the areas. Two courses have been held in 2009/10 and more are planned for 2010/11.

#### **Plans for future years**

The Trustees of the MBA plan to continue to arrange the maintenance of the 95 bothies currently looked after, as well as to take on such projects as present themselves from time to time. We have started to consider how we might offer support to others who maintain bothies, without taking over what they do, and may be able to offer them some financial support in future years, as well as technical help. We have no plans to change the structure of the Association or to move away from our reliance on volunteers. We will continue with our on-going programme of review of our standing orders in order to ensure best governance for the association.

#### **Risks and reserves**

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 equivalent to 6 months expenditure, £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 health and safety at work parties and provide training for volunteers engaged in high-risk activities. All renovation and maintenance is carried out with due regard to current legislation in respect of building work, fire and health & safety in order to prevent accidents to volunteers and bothy users. In addition, the Association carries public liability insurance of £10 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 £72,000 for self insurance.

In the year under review we have maintained the level of reserve funds in accordance with targets and will be able to do so during the next financial year.

#### **Deficit**

The MBA does not have a deficit.

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

The MBA has had the use of a locked store in the Kielder Forest for the storage of equipment..

#### **Statement of Trustees' responsibilities**

Company Law requires the Trustees (being company directors) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of its financial activities for that year. In preparing those statements the Trustees are required to:

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



**MOUNTAIN BOTHIES ASSOCIATION**  
**TRUSTEES REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2010**

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The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Acts 2006 and the Charities Legislation. The Trustees are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

**Statement of disclosure to auditors**

(a) So far as the Trustees are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Signed by order of the Trustees, as agreed on 9 May 2010

John Arnott (Chairman)

# **MOUNTAIN BOTHIES ASSOCIATION**

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

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We have audited the financial statements of MOUNTAIN BOTHIES ASSOCIATION for the year ended 31 March 2010 which comprise the Statement of Financial Activities and Income and Expenditure Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made exclusively to the members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006 and to the charity'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. Our audit work has been undertaken so that we might state to the members and the charity's 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 charity, its 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 the trustees and auditors**

The trustees' (who are also the directors of Mountain Bothies Association for the purposes of company law) responsibilities 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) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and 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. We also report to you whether in our opinion the information given in the Trustees' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate and proper accounting records, if the charity's financial statements are not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

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

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

# **MOUNTAIN BOTHIES ASSOCIATION**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF MOUNTAIN BOTHIES ASSOCIATION**

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### **Opinion**

In our opinion:

- the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Practice applicable to Smaller Entities;
- the financial statements 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; and
- the information given in the Trustees' Report is consistent with the financial statements.

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David Briscoe  
Senior Statutory Auditor

For and on behalf of Stables Thompson & Briscoe  
Lowther House  
Kendal  
Cumbria  
LA9 4DX

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

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**MOUNTAIN BOTHIES ASSOCIATION**  
**STATEMENT OF FINANCIAL ACTIVITIES AND**  
**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2010**

	Notes	Unrestricted Funds 2010 £	Restricted Funds 2010 £	Total funds 2010 £	Total funds 2009 £
<b>INCOMING RESOURCES:</b>					
From generated funds					
Voluntary income					
Membership fees and donations		81,621		81,621	88,480
Donations and gifts		4,160	115	4,275	40,985
Investment income					
Bank interest received		2,433	520	2,953	8,168
From charitable activities		4,993		4,993	5,613
Other incoming resources					
Other interest received		-		-	125
Total incoming resources	13	93,207	635	93,842	143,371
<b>RESOURCES EXPENDED:</b>					
Costs of generating voluntary income		9,999		9,999	10,263
Charitable activities					
Direct charitable expenditure		46,292	11,434	57,726	63,373
Other charitable expenditure		29,411		29,411	24,751
Governance		11,921		11,921	7,804
Total resources expended	13	97,623	11,434	109,057	106,191
<b>NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS</b>					
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>		(4,416)	(10,799)	(15,215)	37,180
<b>FUND TRANSFERS</b>				-	-
<b>NET MOVEMENT IN FUNDS</b>		(4,416)	(10,799)	(15,215)	37,180
<b>TOTAL FUNDS BROUGHT FORWARD</b>					
<b>AT 1 APRIL 2009</b>		218,321	46,613	264,934	227,754
<b>TOTAL FUNDS CARRIED FORWARD</b>					
<b>AT 31 MARCH 2010</b>		213,905	35,814	249,719	264,934
<b>REPRESENTED BY:</b>					
Fixed assets		3,327		3,327	3,352
Current assets		219,756	35,814	255,570	269,048
Current liabilities		(9,178)		(9,178)	(7,466)
		213,905	35,814	249,719	264,934

# MOUNTAIN BOTHIES ASSOCIATION

## BALANCE SHEET AS AT 31 MARCH 2010

	Notes	2010 £	£	2009 £	£
<b>Fixed assets</b>					
Tangible assets	6		3,327		3,352
<b>Current assets</b>					
Debtors	7	14,297		15,401	
Cash at bank and in hand		241,273		253,647	
		<u>255,570</u>		<u>269,048</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	8	(9,178)		(7,466)	
<b>Net current assets</b>			<u>246,392</u>		<u>261,582</u>
<b>Total assets less current liabilities</b>			<u>249,719</u>		<u>264,934</u>
<b>Capital and reserves</b>					
Restricted funds	4	35,814		46,613	
Unrestricted funds		213,905		218,321	
<b>Members' funds - equity interests</b>			<u>249,719</u>		<u>264,934</u>

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

The financial statements were approved by the Board on 9 May 2010

.....  
J Arnott (Chairman)

.....  
J Dhanjal (Treasurer)

Company Registration No. 191425 (Scotland)

# MOUNTAIN BOTHIES ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities, applicable accounting standards and the Companies Act 2006.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

#### Restricted 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 Incoming resources and resources expended

(a) Subscriptions are treated as income of the Association in the accounting period during which the monies are received as it is not considered practical to apportion them over the subscription period (the calendar year) to which they relate.

(b) Gift Aid donations, together with the associated income tax and transitional relief are recognised as income when the donation is received.

(c) Legacies are included in income on receipt.

(d) Grants are credited to income upon entitlement.

(e) Resources expended are recognised in the period in which they are incurred. The company is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT. Governance costs consist of general running expenses including those related to statutory requirements. This includes trustee meetings, elections costs and statutory accounts preparation and audit.

#### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets 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

#### Maintenance and improvement of bothies

The company does not own any bothies. 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.

# MOUNTAIN BOTHIES ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2010

<b>2</b>	<b>Resources expended</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	Resources expended include:		
	Depreciation of tangible assets	1,244	1,071
	Loss on disposal of tangible assets	-	1
	Auditors' remuneration	1,861	1,842
	Trustees expenses - paid to 9 trustees (2009: 9) for travel, subsistence, post, stationery and telephone	2,862	2,397
	Trustees indemnity insurance	511	488
	(No remuneration was paid to trustees)		
	There were no employees during the year		
		<hr/>	<hr/>
 <b>3</b>	 <b>Trustees expenses</b>	 <b>2010</b>	 <b>2009</b>
		<b>£</b>	<b>£</b>
	Chairman	-	-
	Director of projects	742	366
	General secretary	-	143
	Treasurer	260	330
	Company secretary	690	539
	Other trustees	1,170	1,019
		<hr/>	<hr/>
		2,862	2,397
		<hr/>	<hr/>

# MOUNTAIN BOTHIES ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2010

### 4 Restricted funds

	Balance at 1 April 2009 £	Movement in reserves		Balance at 31 March 2010 £
		Incoming £	Outgoing £	
Andrew Jenson Memorial	413	80	-	493
Lillias Wehrle Legacy	12,635	141	5,604	7,172
Donald Wood	70	1	-	71
David Brown	8,196	91	5,790	2,497
Nicholas Randall	25,299	282	-	25,581
Camban		40	40	-
	<u>46,613</u>	<u>635</u>	<u>11,434</u>	<u>35,184</u>

**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.

Lillias Wehrle Legacy - For bothies in the North West Highlands of Scotland. (2009/10 allocation, £377 to Moal Bhuidhe, £2208 to Kearvaig, £805 to Strathan, £2214 to Craig).

Donald Wood - For Greys Hut Bothy in Northern England & Borders area.

David Brown - To be spent on the Lookout in North West Highlands & Islands area (2009/10 allocation, £5790 to The Lookout).

Nicholas Randall - To be spent on bothy maintenance subject to discussion and agreement with the donors.

Camban - Donated by Kay Frew to be spent on the Camban Bothy in North West Highlands & Islands area (2009/10 allocation, £40 to Camban).

### 5 Taxation

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



# MOUNTAIN BOTHIES ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2010

### 6 Tangible fixed assets

	Bothy maintenance plant and equipment £	Office equipment £	Total £
<b>Cost</b>			
At 1 April 2009	16,830	2,774	19,604
Additions	1,219	-	1,219
At 31 March 2010	18,049	2,774	20,823
<b>Depreciation</b>			
At 1 April 2009	13,483	2,769	16,252
Charge for the year	1,244	-	1,244
At 31 March 2010	14,727	2,769	17,496
<b>Net book value</b>			
At 31 March 2010	3,322	5	3,327
At 31 March 2009	3,347	5	3,352

### 7 Debtors

	2010 £	2009 £
Trade debtors	1,085	2,533
Other taxes - Gift aid and transitional relief	9,327	11,378
Prepayments	3,885	1,490
	14,297	15,401

### 8 Creditors: amounts falling due within one year

	2010 £	2009 £
Trade creditors	5,830	4,242
Accruals	3,348	3,224
	9,178	7,466

# MOUNTAIN BOTHIES ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2010

### 9 Financial commitments

The Association has an agreement to lease Over Phawhope Bothy, Selkirk, at a cost of £1 per annum, if asked. The lease runs to 31 July 2208.

Written agreements exist for other 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. £1 was paid for the lease of Over Phawhope Bothy in the year.

### 10 Members

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.

### 11 Allocation of costs

	Cost of generating voluntary income	Charitable activities	Governance costs	Total 2010	Total 2009
	£	£	£	£	£
Trustees post, stationery and telephone expenses	-	340	59	399	318
Trustees travel and subsistence expenses	-	1,449	1,014	2,463	2,079
Non trustee travel and subsistence expenses		3,572	553	4,125	2,698
Meeting expenses - hall hire etc	-	500	536	1,036	785
Finance and members administration	8,014	8,626	1,051	17,691	17,332
Website costs	573	2,290	-	2,863	3,930

Trustees post, stationery and telephone expenses have been allocated on the basis of usage.

Trustees travel, subsistence and meeting expenses have been allocated on the basis of the purpose of the meeting.

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.

# MOUNTAIN BOTHIES ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2010

### 12 Bothy maintenance costs

	2010 £	2009 £
<b>Bothies where expenditure is over £400</b>		
<b>North Highlands</b>		
Coiremor	-	1,812
Duag Bridge Schoolhouse	-	7,506
Kearvaig	2,208	1,046
Shenavall	-	500
Strathan	805	
<b>North West Highlands and Islands</b>		
Camasunary	-	479
Camban	-	11,577
Craig	2,214	
The Lookout	5,790	-
<b>Western Highlands and Islands</b>		
Dibidil	542	1,979
Invermallie	-	754
Suardalan	-	3,228
<b>South West Highlands and Islands</b>		
An Cladach	471	
Cadderlie	-	431
Essan	-	477
Glengarrisdale	-	581
Mark Ferry Cottage	3,681	-
Peanmeanach	1,129	
Tigh Seamus a'Ghlinne	-	893
<b>Central Highlands</b>		
Blackburn of Corrieyairack	787	
Culra	-	1,294
Glenbuck	-	405
Meanach	-	440
Staoineag	-	1,292
<b>Eastern Highlands</b>		
Allt Scheicheachan	-	561
Ryvoan	938	-
<b>Southern Scotland</b>		
Kettleton Byre	-	2,503
White Laggan	1,082	563
<b>Northern England and Borders</b>		
Mosedale	1,064	-
Spithope	1,074	-
<b>Wales</b>		
Dulyn	1,634	-
Nant Syddion	-	479
Penrhos Isaf	627	-
<b>Other bothies where expenditure is under £400 - total</b>	10,444	6,483
	<u>34,490</u>	<u>45,283</u>

# MOUNTAIN BOTHIES ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2010

### 13 Detailed statement of financial activities

	£	2010 £	£	2009 £
<b>INCOMING RESOURCES:</b>				
<b>Voluntary income</b>				
Members annual subscriptions	61,718		67,782	
Life member subscriptions	-		-	
Members donations	10,576		10,730	
Gift Aid and Income Tax reclaim	9,327		9,968	
		81,621		88,480
<b>Donations and gifts</b>				
Donations and gifts	4,275		39,575	
Gift Aid and Income Tax reclaim	-		1,410	
		4,275		40,985
<b>Investment income</b>				
Bank interest		2,953		8,168
<b>Income from charitable activities</b>				
Calendars	2,490		2,697	
Christmas cards	2,371		2,830	
Leisurewear and badges	132		86	
		4,993		5,613
<b>Other incoming resources</b>				
Other interest		-		125
<b>Total incoming resources</b>		93,842		143,371
<b>RESOURCES EXPENDED:</b>				
<b>Costs of generating voluntary income</b>				
Finance and members administration	8,014		7,845	
Bank and paypal charges	688		938	
Direct debit bureau	724		694	
Website costs	573		786	
		9,999		10,263

# MOUNTAIN BOTHIES ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2010

	£	2010 £	£	2009 £
<b>Charitable activities</b>				
<b>Direct charitable expenditure</b>				
Bothy maintenance, including area meetings	34,490		45,283	
Bothy rent and rates	1		34	
Trustees post, stationery and telephone expenses	340		286	
Area organisers administration	131		365	
Trustee travel and subsistence expenses	1,124		963	
Meeting expenses - non trustee travel	3,572		2,698	
Meeting expenses - hall hire etc	500		377	
Public liability insurance	1,206		1,128	
Training and Health and Safety	6,530		856	
Affiliation fees	130		130	
Finance and members administration	8,458		8,292	
Legal fees	-		1,839	
Donations to other charities	-		50	
Depreciation	1,244		1,071	
Loss on disposal of fixed assets	-		1	
		57,726		63,373
<b>Other charitable expenses</b>				
Website costs	2,290		3,144	
Bothy notes publication	2,082		1,899	
Newsletters	8,656		8,824	
Members handbook	3,118		-	
Distribution costs	9,581		7,490	
Calendars	1,824		1,769	
Christmas cards	1,586		1,450	
Leisurewear and badges	-		-	
Finance and members administration	168		165	
Exhibitions	106		10	
		29,411		24,751
<b>Governance</b>				
Annual report	2,730		2,443	
Trustees post, stationery and telephone expenses	59		32	
Trustee travel and subsistence expenses	1,014		1,116	
Non trustee travel and subsistence expenses	553		-	
Meeting expenses - hall hire etc	536		408	
Trustees indemnity insurance	511		488	
Election expenses	3,591		430	
Finance and members administration	1,051		1,030	
Auditors' fees	1,861		1,842	
General expenses	15		15	
		11,921		7,804
<b>Total resources expended</b>		109,057		106,191
<b>SURPLUS/(DEFICIT)</b>		(15,215)		37,180