

Mountain Bothies Association

(A company limited by guarantee)



Annual Report

Trustees's Report and Financial Statements
For the year ended 31st December 2012

A Scottish Charity, No. SC008685
Company Registration No. 191425 (Scotland)

Mountain Bothies Association

(A company limited by guarantee)

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MOUNTAIN BOTHIES ASSOCIATION

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

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:

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

Lowther House, Lowther Street

Kendal

Cumbria

LA9 4DX

Trustees

The following have held office since 1 January 2012:

John Arnott

Liz Bibby

Simon Birch (since 20 October 2012)

Jill Dhanjal

Roger Hammond

Andy Mayhew

Calum McRoberts (till 20 October 2012)

Roger Muhl

Richard Spencer

Neil Stewart

Major office bearers

The following have held office since 1 January 2012:

ChairmanJohn Arnott

Company Secretary.....Richard Spencer

Director of Projects.....Roger Hammond

General Secretary.....Simon Birch

Treasurer.....Jill Dhanjal

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.

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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 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 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 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

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, our website and the briefing of volunteers at work parties are the principal methods of delivery of expected social and environmental standards.

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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.

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 person 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
- 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
- Chapter 9 of Charities and Trustee Investment (Scotland) Act 2005
- Latest guidance paper(s) on duties of charity Trustees

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.

Achievements and performance during the reporting period

For the first time our report refers to the full calendar year – in this case from 1 January to 31 December 2012 - now that our financial year, our membership year and our maintenance year all coincide.

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 97 bothies, having taken on the maintenance of two new bothies, Dryfehead and Cruib, and relinquished the maintenance of two bothies, Kielderhead and Glenbeg, during the year. One of our bothies, Gleann Dubh-lighe, is currently closed, but a major work party to re-roof it is planned for the spring of 2013. The Management Committee has agreed plans to take on the maintenance of two more new bothies in 2013 - Lluest Cwm Bach and The Keb House. Our maintenance work continues to be all done by volunteers, as is all our decision-making and management. All our funds come from our members and donors. We continue to pay for the services of accountants Henderson Black & Co to manage our membership – 3,507 members at the end of this reporting period - and to handle all our financial transactions. In December 2012 we were able to report that the process of transferring the ownership of Over Phawhope bothy to the MBA had been completed. This is the first time that the MBA has taken on the ownership of a bothy, and Trustees are grateful to the late Harry Fairhurst for this generous legacy. He, and we, consider that MBA ownership in this instance will be the best guarantee that it will remain an open bothy in perpetuity.

Our Annual General Meeting was held at Langwathby in October 2012 with 49 voting members taking part. The meeting decided to hold the next AGM at Ballater in October 2013. John Arnott was elected as Chairman for the year until the AGM in 2013, whilst Liz Bibby, Simon Birch and Roger Hammond were each elected as Trustees to serve for a period of three years until the AGM in 2015. Alan Sidaway, Peter King and Steve Smyth were elected to the Management Committee for a period of three years until the AGM in 2015 (Steve for two years till AGM 2014). The Management Committee met three times during the period of this report - in March, October and December with an average attendance of 27, and the Trustees met four times with an average attendance of eight.

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Once again, we have been able to hold our printing, publication and website costs at around the level of the previous year and this will be our continuing aim in 2013. The investment that we made in our website – www.mountainbothies.org.uk - over the past five years is more than paying off. The site is now established as the main source of bothy visitor's reports on the condition of bothies; more and more people are using it to join the Association and to renew their membership; and we receive on-line enquiries almost every day about various aspects of MBA life. During 2012, we developed plans to make the quarterly Newsletter available in the members' section of the site for those who prefer to receive their information electronically rather than in the traditional paper format. The new arrangements will start with the spring 2013 edition of the Newsletter. We will continue to look at ways in which development of our web presence can provide a better service to members and other interested parties while continuing to take account of the needs of those who prefer communication by more traditional methods. We issued a number of News Releases during the year which attracted media attention. The visual as well as the written media continued to take an interest in our work. In particular, BBC Scotland News provided excellent coverage of the refurbishment of the Hutchison Memorial Hut. This, and other media exposure, provided welcome publicity for our maintenance activities.

Maintenance work

Our lowest recorded spend at a bothy this year was a mere £11 for paint at Taigh Sheumais a' Ghlinne, with Hutchison Hut being the highest spend at nearly £11,000 for a complete refurbishment. That however does not mean that the rest of our bothy estate has been idle; Maintenance Organisers have been visiting their bothies ensuring that they are kept clean and tidy, undertaking minor work such as painting the odd window, fixing a pane of glass, putting on new hinges or just replacing the bothy brush.

There have been large projects this year in each of our areas, some of which will be completed next year. Northern Highlands undertook two projects - the first was Strabeg where roof work and pointing was done, followed by Shenavall where Peter Aikman's team successfully completed internal work to minimise fire risk and to generally improve this well-known and well-used bothy. In the North West Highlands & Islands area a new stove was fitted and the roof repaired at Uisinis. In the Western Highlands & Islands area Glenpean was treated to a stove refurbishment and fitted with new barge boards and verges. In South West Highlands & Islands a new bothy at Cruib on the Isle of Jura was taken on by Jim Ross and his team resulting in a three roomed bothy repointed with lime mortar, a new experience for the association. In our Central Highlands area it was very encouraging to see new Project Organisers emerging and taking on major projects. Gus Fair made a good job of organising the work at Meanach - fitting new floors, relining the walls, fitting new doors and tidying up the fireplaces. In Eastern Highlands the team have worked wonders over the last few years but to top it all they revamped the Hutchison Memorial Hut and we think a special thank you is deserved for all involved. Rab McMurdo, the Area Organiser for Southern Scotland, has been working tirelessly through all weathers with his band of helpers in bringing to life a new bothy at Dryfehead, an excellent team effort. In Northern England & Borders the stove at Haughtongreen had to be removed because of vandalism. This was then repaired, the chimney relined, and the stove refitted, along with a new window that was constructed on site; the bothy was then repainted inside bringing it back to good condition once again. In Wales Richard Pring, MO for Penrhos Isaf, organised work to minimise fire risk by enclosing the stairwell thus making egress from the bothy safer. All in all an excellent year's work by everyone involved in the maintenance of the bothies.

Once again we are pleased to record our appreciation for the support of the owners of the buildings 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

In this current time of austerity in national budgets and many households it is pleasing to report that the Association's total income for the year actually increased - from £99k in 2011 to £102k in 2012. Annual subscriptions and donations from members decreased by £2,755 but this was offset by an increase in other donations giving a £3k net increase in overall income. It has been a very successful year of maintenance work on bothies - £50k has been spent on materials, equipment and other expenses for the work parties. This level of expenditure is affected by the ever increasing cost of building materials, but also demonstrates the commitment of members to spend their own time in preparation and planning for a project, and the enthusiasm of the volunteers who participate in the work in all weathers. A total of 1,224 days of volunteer work was recorded for 2012.

The Association is grateful for financial support for specific projects - a total of £110 for work at Gleann Dubhe-lighe in 2012, £3,250 for the renovation of the Hutchison Memorial Hut, and £1,412 for the renovation of Dryfehead in Southern Scotland. We are pleased to report that the cost of administration and services to members decreased by £4,758 compared with 2011. This was achieved by careful monitoring of costs across the Association rather than from any one item. Up until this year the Association has not owned any properties or land. However, the trustees accepted the legacy of Over Phawhope bothy in the will of the late owner, Harry Fairhurst. Hence a fixed asset of £3,040 is shown in the accounts representing this ownership. The funds and assets of the Association totalled £199k at the start of the year, dropping to £190k by the end of the year - we spent £8,772 more than we took in - this highlighted the need for

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wise planning for 2013. At the budgeting meeting in December 2012, the Trustees advised the Management Committee of the need for careful planning and efficient use of funds available, and were nevertheless able to agree to the full programme of maintenance requested for 2013. Postage cost for newsletters is more expensive than ever, and so we will be monitoring the number of members taking up the forthcoming electronic option, so as to judge cost savings achieved. Trustees decided to reduce the sum set aside for our self insurance against damage to bothies for 2013 - from £72k to £45k. It was agreed that £45,000 would be sufficient to cover the costs of repairing any exceptional damage that needed immediate funds as opposed to planned repairs.

Plans for future years

The Trustees of the MBA plan to continue to arrange the maintenance of the bothies currently looked after, as well as to take on such new projects as present themselves from time to time. The Fund-Raising Group will consider how we might raise additional funds for specific projects. 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 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 £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 £45,000 for self-insurance.

In the year under review we maintained the level of reserve funds in accordance with targets and will be able to so during the next financial year. At 31 December 2012 the Association had reserves of £170,166 in unrestricted funds. £19,812 of restricted funds is held as detailed in note 4 of the accounts.

Deficit

The MBA does not have a deficit.

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.

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;
- 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

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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.

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 March 2013

John Arnott
(Chairman)

MOUNTAIN BOTHIES ASSOCIATION

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TINDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MOUNTAIN BOTHIES ASSOCIATION

We have audited the financial statements of Mountain Bothies Association for the year ended 31 December 2012 which comprise the Statement of Financial Activities and the Income and Expenditure Account, the Balance Sheet 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. 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 31 December 2012, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; 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 (as amended).

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TO THE MEMBERS OF MOUNTAIN BOTHIES ASSOCIATION

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.

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.

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.

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MOUNTAIN BOTHIES ASSOCIATION
STATEMENT OF FINANCIAL ACTIVITIES AND
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

		Unrestricted Funds 12 months to 31/12/12 £	Restricted Funds 12 months to 31/12/12 £	Total funds 12 months to 31/12/12 £	Total funds 9 months to 31/12/11 £
Notes					
INCOMING RESOURCES:					
	From generated funds				
	Voluntary income				
	Membership fees and donations	76,514	-	76,514	13,665
	Donations and gifts	12,792	4,822	17,614	4,770
	Investment income				
	Bank interest received	1,819	241	2,060	1,869
	From charitable activities	5,794	-	5,794	7,903
	Other incoming resources				
	Other interest received	-	-	-	60
	Total incoming resources	13			
		96,919	5,063	101,982	28,267
RESOURCES EXPENDED:					
	Costs of generating voluntary income	9,576	-	9,576	6,658
	Charitable activities				
	Direct charitable expenditure	60,811	8,566	69,377	40,911
	Other charitable expenditure	23,635	-	23,635	20,470
	Governance	8,166	-	8,166	7,148
	Total resources expended	13			
		102,188	8,566	110,754	75,187
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS					
SURPLUS (DEFICIT) FOR THE YEAR		(5,269)	(3,503)	(8,772)	(46,920)
FUND TRANSFERS					
		-	-	-	-
NET MOVEMENT IN FUNDS					
		(5,269)	(3,503)	(8,772)	(46,920)
TOTAL FUNDS BROUGHT FORWARD					
AT 1 JANUARY 2012		175,435	23,315	198,750	245,670
TOTAL FUNDS CARRIED FORWARD					
AT 31 DECEMBER 2012		170,166	19,812	189,978	198,750
REPRESENTED BY:					
	Fixed assets	8,003	-	8,003	5,068
	Current assets	171,449	19,812	191,261	203,588
	Current liabilities	(9,286)	-	(9,286)	(9,906)
		170,166	19,812	189,978	198,750

MOUNTAIN BOTHIES ASSOCIATION
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BALANCE SHEET
AS AT 31 DECEMBER 2012

	Notes	As at 31/12/12 £	£	As at 31/12/11 £	£
Fixed assets					
Tangible assets	6		8,003		5,068
Current assets					
Debtors	7	15,212		8,473	
Cash at bank and in hand		176,049		195,115	
		<u>191,261</u>		<u>203,588</u>	
Liabilities					
Creditors: amounts falling due within one year	8	(9,286)		(9,906)	
Net current assets			<u>181,975</u>		<u>193,682</u>
Total assets less current liabilities			<u>189,978</u>		<u>198,750</u>
Capital and reserves					
Restricted funds	4	19,812		23,315	
Unrestricted funds		170,166		175,435	
Members' funds - equity interests			<u>189,978</u>		<u>198,750</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 17 March 2013

.....
J Arnott (Chairman)

.....
J Dhanjal (Treasurer)

Company Registration No. SC191425 (Scotland)

MOUNTAIN BOTHIES ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention, modified to include donated assets at market value, 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 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 and transitional relief 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) 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 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.

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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012

2 Resources expended	12 months to 31/12/12 £	9 months to 31/12/11 £
Resources expended include:		
Depreciation of tangible assets	2,951	2,053
Loss on disposal of tangible assets	5	4
Auditors' remuneration	2,110	2,110
Trustees expenses - paid to 5 trustees (9 months to 31 December 2011: 7) for travel, subsistence, post, stationery and telephone	2,123	1,465
Trustees indemnity insurance	558	400
(No remuneration was paid to trustees)		
There were no employees during the year		
	<u> </u>	<u> </u>

3 Trustees expenses	12 months to 31/12/12 £	9 months to 31/12/11 £
Chairman	-	-
Director of projects	688	422
General secretary	339	-
Treasurer	228	156
Company secretary	-	-
Other trustees	868	887
	<u> </u>	<u> </u>
	2,123	1,465
	<u> </u>	<u> </u>

MOUNTAIN BOTHIES ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012

4 Restricted funds

	Balance at 1 January 2012 £	Movement in reserves		Balance at 31 December 2012 £
		Incoming £	Outgoing £	
Andrew Jenson Memorial	601	56	114	543
Lillias Wehrle Legacy	2,783	29	2,812	-
Donald Wood	73	1	-	74
David Brown	2,441	25	791	1,675
Nicholas Randall	16,512	171	-	16,683
The James Thin Charitable Trust	905	9	187	727
Grampian Club	-	100	-	100
Mr & Mrs MacKay	-	10	-	10
Mr A Charter	-	1,250	1,250	-
Mr & Mrs Ritchie	-	500	500	-
Cairngorm Club	-	500	500	-
Scottish Mountaineering Trust	-	1,000	1,000	-
The Scottish Rights of Way	-	1,412	1,412	-
	23,315	5,063	8,566	19,812

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. (2012 allocation, £114 to Gameshope bothy).

Lillias Wehrle Legacy - For bothies in the North West Highlands of Scotland. (2012 allocation, £2,812 to Uisinis).

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, and thereafter available for any bothy (2012 allocation, £442 to Taigh Thormoid Dhuibh, £317 to Craig, £32 to Coire Fionnaraich).

Nicholas Randall - To be spent on bothy maintenance subject to consultation with the donors.

The James Thin Charitable Trust - Donated for use at Gleann Dubh-Lighe bothy. (2012 allocation, £187).

Grampian Club - Donated for use at Gleann Dubh-Lighe bothy.

Mr & Mrs MacKay - Donated for use at Gleann Dubh-Lighe bothy.

Mr A Charter - Donated for use on the refurbishment of the Hutchison Memorial Hut. (2012 allocation, £1,250).

Mr & Mrs Ritchie - Donated for use on the refurbishment of the Hutchison Memorial Hut. (2012 allocation, £500).

Cairngorm Club - Donated for use on the refurbishment of the Hutchison Hut. (2012 allocation, £500).

Scottish Mountaineering Trust - Donated for use on the refurbishment of the Hutchison Memorial Hut. (2012 allocation, £1,000).

The Scottish Rights of Way, representing the balance left in the Lockerby bequest fund - Donated for use at Dryfehead bothy. (2012 allocation, £1,412).

5 Taxation

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

MOUNTAIN BOTHIES ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012

6 Tangible fixed assets

	Land and buildings	Bothy maintenance plant and equipment	Office equipment	Total
	£	£	£	£
Cost				
At 1 January 2012	-	24,276	760	25,036
Additions	3,040	2,431	420	5,891
Disposals	-	(1,634)	(760)	(2,394)
	<u>3,040</u>	<u>25,073</u>	<u>420</u>	<u>28,533</u>
At 31 December 2012	3,040	25,073	420	28,533
Depreciation				
At 1 January 2012	-	19,209	759	19,968
On disposals	-	(1,630)	(759)	(2,389)
Charge for the year	-	2,867	84	2,951
	<u>-</u>	<u>20,446</u>	<u>84</u>	<u>20,530</u>
At 31 December 2012	-	20,446	84	20,530
Net book value				
At 31 December 2012	<u>3,040</u>	<u>4,627</u>	<u>336</u>	<u>8,003</u>
At 31 December 2011	<u>-</u>	<u>5,067</u>	<u>1</u>	<u>5,068</u>

7 Debtors

	As at 31/12/12 £	As at 31/12/11 £
Trade debtors	5,400	4,002
Other taxes - Gift aid	8,569	989
Prepayments	1,243	1,192
Other debtors	-	2,290
	<u>15,212</u>	<u>8,473</u>

MOUNTAIN BOTHIES ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012

8 Creditors: amounts falling due within one year	As at 31/12/12 £	As at 31/12/11 £
Trade creditors	2,518	476
Deferred income	3,050	5,880
Accruals	3,718	3,550
	<u>9,286</u>	<u>9,906</u>

9 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 period.

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 12 months to 31/12/12	Total 9 months to 31/12/11
	£	£	£	£	£
Trustees post, stationery and telephone expenses	-	280	70	350	413
Trustees travel and subsistence expenses	-	842	931	1,773	1,052
Non trustee post, stationery and telephone	-	27	-	27	115
Non trustee travel and subsistence expenses	-	2,374	213	2,587	2,197
Meeting expenses - hall hire etc	-	759	931	1,690	1,249
Finance and members administration	8,062	9,796	1,193	19,051	13,954
Website costs	37	338	-	375	1,094

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
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012

12 Bothy maintenance costs

	12 months to 31/12/12 £	9 months to 31/12/11 £
Bothies where expenditure is over £400		
North Highlands		
Kearvaig		523
Shenavall	1,434	-
Strabeg	1,067	-
Strathan	414	-
North West Highlands and Islands		
Coire Fionnaraich		3,254
Taigh Thormoid Dhuibh	442	-
Uisinis	3,277	-
Western Highlands and Islands		
Dibidil	-	693
Gleann Dubh Lighe	-	1,095
Glenpean	979	-
South West Highlands and Islands		
Cruib	7,068	-
Essan	-	415
Glengarrisdale	824	-
Peanmeanach	605	1,100
Tomsleibhe	-	612
Central Highlands		
Meanach	4,055	-
Eastern Highlands		
Corrour	-	429
Faindouran	-	1,046
Hutchison Memorial Hut	10,971	-
Ruigh Aiteachain	1,753	-
Fords of Avon	-	3,112
Southern Scotland		
White Laggan	-	1,702
Greensykes	-	2,863
Dryfehead	3,791	-
Northern England and Borders		
Haughtongreen	808	-
Wales		
Moel Prysgau	-	2,122
Nant Rhys	954	-
Penrhos Isaf	870	-
		-
Other bothies where expenditure is under £400 - total	10,674	6,831
	49,986	25,797

MOUNTAIN BOTHIES ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012

13 Detailed statement of financial activities

	12 months to 31/12/12		9 months to 31/12/11	
	£	£	£	£
INCOMING RESOURCES:				
Voluntary income				
Members annual subscriptions	57,880		10,221	
Life member subscriptions	-		-	
Members donations	10,315		2,455	
Tax recovered on Gift Aid donations	8,319		989	
		76,514		13,665
Donations and gifts				
Donations and gifts	17,364		4,770	
Tax recovered on Gift Aid donations	250		-	
		17,614		4,770
Investment income				
Bank interest		2,060		1,869
Income from charitable activities				
Calendars	2,899		2,606	
Christmas cards	2,861		2,957	
Leisurewear and badges	34		50	
Grant income	-		2,290	
		5,794		7,903
Other incoming resources				
Other interest		-		60
Total incoming resources		101,982		28,267
RESOURCES EXPENDED:				
Costs of generating voluntary income				
Finance and members administration	8,062		5,952	
Bank and paypal charges	919		417	
Direct debit bureau	558		180	
Website costs	37		109	
		9,576		6,658

MOUNTAIN BOTHIES ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012

	12 months to 31/12/12	9 months to 31/12/11
	£	£
Charitable activities		
Direct charitable expenditure		
Bothy maintenance, including area meetings	49,986	25,797
Bothy rent and rates	-	-
Trustees post, stationery and telephone expenses	280	272
Area organisers administration	-	-
Non Trustees post, stationery and telephone expenses	27	91
Trustee travel and subsistence expenses	692	380
Meeting expenses - non trustee travel	2,374	1,805
Meeting expenses - hall hire etc	759	558
Public liability insurance	1,328	960
Training and Health and Safety	1,267	1,917
Affiliation fees	103	80
Finance and members administration	9,605	6,994
Legal fees	-	-
Donations to other charities	-	-
Depreciation	2,951	2,053
Loss on disposal of fixed assets	5	4
	<u>69,377</u>	<u>40,911</u>
Other charitable expenses		
Website costs	338	985
Bothy notes publication	75	-
Newsletters	10,920	8,976
Members handbook	-	-
Distribution costs	8,335	6,045
Calendars	2,252	1,835
Christmas cards	1,504	2,050
Leisurewear and badges	-	-
Finance and members administration	191	139
Exhibitions	20	440
	<u>23,635</u>	<u>20,470</u>
Governance		
Annual report	2,160	2,060
Trustees post, stationery and telephone expenses	70	141
Trustee travel and subsistence expenses	931	436
Non trustee travel and subsistence expenses	213	392
Non trustees post, stationery and telephone expenses	-	24
Meeting expenses - hall hire etc	931	691
Trustees indemnity insurance	558	400
Election expenses	-	-
Finance and members administration	1,193	869
Auditors' fees	2,110	2,110
General expenses	-	25
	<u>8,166</u>	<u>7,148</u>
Total resources expended	<u>110,754</u>	<u>75,187</u>
SURPLUS/(DEFICIT)	<u>(8,772)</u>	<u>(46,920)</u>