

CHARITY REGISTRATION NUMBER: SCO53188

**Heartwood Logs and Kindling (SCIO)**  
**Unaudited Financial Statements**  
**31 March 2025**

**RITSONS**

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# **Heartwood Logs and Kindling (SCIO)**

## **Financial Statements**

**Period from 14 March 2024 to 31 March 2025**

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# Heartwood Logs and Kindling (SCIO)

## Trustees' Annual Report

Period from 14 March 2024 to 31 March 2025

The trustees present their report and the unaudited financial statements of the charity for the period ended 31 March 2025.

### Reference and administrative details

Registered charity name Heartwood Logs and Kindling (SCIO)

Charity registration number SCO53188

Principal office

The trustees

Independent examiner

### Structure, governance and management

The organisation is a Scottish Charitable Incorporated Organisation (SCIO) which operates under the rules of its Governing document, dated 14 March 2024.

Trustees are recruited or removed at the annual AGM held by the charity. Any new trustees will be provided with the relevant information and training to allow them to fulfil their duties to the charity as a trustee.

### Objectives and activities

In 2024 it was decided to establish a SCIO to work in partnership with the leaseholders of the Loch Park Centre in Drummair. Heartwood's task would be to oversee and manage the financial aspects of the wood product and firewood operation at Loch Park. It is the aim of Heartwood that any profit from the firewood operation is used solely to the benefit of people with learning difficulties in Moray, especially those who are being supported at Loch Park.

Heartwood provides financial oversight of an operation which provides meaningful activity to people with learning difficulties through the creation of wood products and firewood. Heartwood ensures that any profit is reinvested to the benefit of members of the Learning Disability community in Moray and the surrounding areas.

# Heartwood Logs and Kindling (SCIO)

## Trustees' Annual Report *(continued)*

Period from 14 March 2024 to 31 March 2025

### Achievements and performance

Heartwood oversaw the finances of the wood business, ensuring financial transparency and acting as a repository for income generated by the sale of wood products and firewood, and releasing funds for the purchase of new equipment, raw materials and other expenses necessary to run the operation. Funding was also released when trustees agreed it was to the benefit of those with learning difficulties.

Financial security and transparency was ensured for the wood operation, which provides meaningful activity for around six adults with learning disabilities every working day. Firewood deliveries are prioritised to customers who are in greater need, such as the elderly and those undergoing cancer treatment. The charity is operating in profit. Profits are reinvested in equipment and other operating costs.

Heartwood ensures the financial security of the wood operation for adults with learning difficulties, in a county where few other options exist for this community. The delivery of low-cost firewood helps the wider community, especially customers who are vulnerable due to age or illness. Heartwood helps local estate owners through the removal of fallen trees and surplus timber at no cost.

### Financial review

As at 31 March 2025, the charity held £23,674 of unrestricted funds.

The charity does not have a set policy for a value of reserves to be maintained, as the expenditure faced by the charity is felt to be discretionary. The charity aim to retain a value of reserves that would allow any additional equipment required or replacements to be purchased if needed.

The trustees' annual report was approved on 22/12/25 and signed on behalf of the board of trustees by:



Trustee

# **Heartwood Logs and Kindling (SCIO)**

## **Independent Examiner's Report to the Trustees of Heartwood Logs and Kindling (SCIO)**

**Period from 14 March 2024 to 31 March 2025**

I report on the financial statements for the period ended 31 March 2025, which comprise the statement of financial activities, statement of financial position and the related notes.

### **Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

### **Basis of independent examiner's report**

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the accounts.

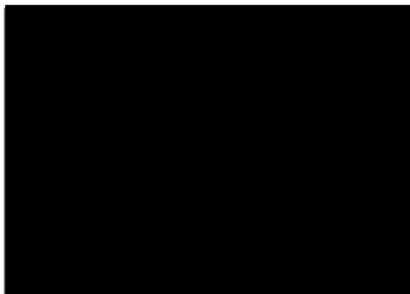
### **Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
  - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations
- have not been met, or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



23/12/25

# Heartwood Logs and Kindling (SCIO)

## Statement of Financial Activities

Period from 14 March 2024 to 31 March 2025

		Period from 14 Mar 24 to 31 Mar 25	
	Note	Unrestricted funds £	Total funds £
<b>Income and endowments</b>			
Donations and legacies	4	5,000	5,000
Other trading activities	5	22,582	22,582
<b>Total income</b>		<u>27,582</u>	<u>27,582</u>
<b>Expenditure</b>			
Expenditure on charitable activities	6,7	3,908	3,908
<b>Total expenditure</b>		<u>3,908</u>	<u>3,908</u>
<b>Net income and net movement in funds</b>		<u>23,674</u>	<u>23,674</u>
<b>Reconciliation of funds</b>			
Total funds brought forward		—	—
<b>Total funds carried forward</b>		<u>23,674</u>	<u>23,674</u>

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

The notes on pages 6 to 10 form part of these financial statements.



# Heartwood Logs and Kindling (SCIO)

## Statement of Financial Position

31 March 2025

	Note	31 Mar 25 £
<b>Fixed assets</b>		
Tangible fixed assets	12	425
<b>Current assets</b>		
Cash at bank and in hand		23,849
<b>Creditors: amounts falling due within one year</b>	13	600
<b>Net current assets</b>		<u>23,249</u>
<b>Total assets less current liabilities</b>		<u>23,674</u>
<b>Net assets</b>		<u>23,674</u>
<b>Funds of the charity</b>		
Unrestricted funds		23,674
<b>Total charity funds</b>	14	<u>23,674</u>

These financial statements were approved by the board of trustees and authorised for issue on 22/12/25, and are signed on behalf of the board by:



Trustee

The notes on pages 6 to 10 form part of these financial statements.

# Heartwood Logs and Kindling (SCIO)

## Notes to the Financial Statements

Period from 14 March 2024 to 31 March 2025

### 1. General information

The charity is a public benefit entity and registered as a Scottish Charitable Incorporated Organisation (SCIO). The address of the registered office is [REDACTED]

### 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended).

### 3. Accounting policies

#### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### Going concern

There are no material uncertainties about the charity's ability to continue.

#### Fund accounting

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

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

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



# Heartwood Logs and Kindling (SCIO)

## Notes to the Financial Statements *(continued)*

Period from 14 March 2024 to 31 March 2025

### 3. Accounting policies *(continued)*

#### Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

#### Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

#### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

# Heartwood Logs and Kindling (SCIO)

## Notes to the Financial Statements *(continued)*

Period from 14 March 2024 to 31 March 2025

### 3. Accounting policies *(continued)*

#### Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

#### Depreciation

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

Plant and machinery - 15% reducing balance

#### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

#### Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

### 4. Donations and legacies

	Unrestricted Funds £	Total Funds 2025 £
Donations		
Donations	5,000	5,000

# Heartwood Logs and Kindling (SCIO)

## Notes to the Financial Statements (continued)

Period from 14 March 2024 to 31 March 2025

### 5. Other trading activities

	Unrestricted Funds	Total Funds 2025
	£	£
Fundraising	800	800
Sales	21,782	21,782
	<u>22,582</u>	<u>22,582</u>

### 6. Expenditure on charitable activities by fund type

	Unrestricted Funds	Total Funds 2025
	£	£
Core activities	3,308	3,308
Support costs	600	600
	<u>3,908</u>	<u>3,908</u>

### 7. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2025
	£	£	£
Core activities	3,308	–	3,308
Governance costs	–	600	600
	<u>3,308</u>	<u>600</u>	<u>3,908</u>

### 8. Net income

Net income is stated after charging/(crediting):

	31 Mar 25
	£
Depreciation of tangible fixed assets	<u>75</u>

### 9. Independent examination fees

	Period from 14 Mar 24 to 31 Mar 25
	£
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>600</u>

### 10. Staff costs

The average head count of employees during the period was Nil.

No employee received employee benefits of more than £60,000 during the year (2024: Nil).



# Heartwood Logs and Kindling (SCIO)

## Notes to the Financial Statements *(continued)*

Period from 14 March 2024 to 31 March 2025

### 11. Trustee remuneration and expenses

The trustees did not receive any remuneration and were not reimbursed for any expenses.

### 12. Tangible fixed assets

	Plant and machinery £
<b>Cost</b>	
At 14 March 2024	—
Additions	500
<b>At 31 March 2025</b>	<b>500</b>
<b>Depreciation</b>	
At 14 March 2024	—
Charge for the period	75
<b>At 31 March 2025</b>	<b>75</b>
<b>Carrying amount</b>	
At 31 March 2025	<b>425</b>

### 13. Creditors: amounts falling due within one year

	31 Mar 25 £
Accruals and deferred income	600

### 14. Analysis of charitable funds

#### Unrestricted funds

	At 14 March 20 24 £	Income £	Expenditure £	At 31 March 20 25 £
General funds	—	27,582	(3,908)	23,674

### 15. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2025 £
Tangible fixed assets	425	425
Current assets	23,849	23,849
Creditors less than 1 year	(600)	(600)
<b>Net assets</b>	<b>23,674</b>	<b>23,674</b>

### 16. Related parties

There were no related party transactions in the year.