

**The Scottish
Rights of Way and Access Society**
(A charitable company limited by guarantee)

Registered Company Number SC024243

Registered Charity Number SC015460

Report and unaudited financial statements
for the year ended 30 June 2020

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Charitable company information

Honorary President

Vacant

Honorary Vice President

R Aitken

Directors

R Aitken

P D Dixon

R J Elliot (Chair from December 2019)

E M Gotts (resigned 23 November 2019)

S Hennig (appointed 10 September 2020)

T H Holmes

D Langworth

E H Mauchlen (appointed 9 July 2020)

M Robertson (Chair until December 2019)

T P Simons (appointed 9 July 2020)

K Taylor

P Wood

D Wright

Company Secretary

A M Riddell

Registered Office

24 Annandale Street

Edinburgh

EH7 4AN

Principal Bankers

Clydesdale Bank plc

83 George Street

Edinburgh

EH2 3ES

Registered Company Number

SC024243

Independent examiner

James Davidson CA

MHA Henderson Loggie

11-15 Thistle Street

Edinburgh

EH2 1DF

Registered Charity Number

SC015460

Directors' report

Governing document

The Society is a company limited by guarantee and is a charity registered with the Office of the Scottish Charity Regulator. It is governed by its Articles of Association. Each member of the society has undertaken to contribute an amount not exceeding £1 towards any deficit arising in the event of the Society being wound up.

The Directors present their report and the accounts for the year ended 30 June 2020.

Preparation of financial statements

The financial statements have been prepared in accordance with the Society's governing document, current statutory requirements and the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP FRS 102) (*second edition – October 2019, effective 1 January 2019*).

Structure, governance and management

Board of Directors and Management

Directors of the Society are also charity trustees for the purposes of charity law and are listed on page one. The Articles of Association provide that any director who has held office for a period of three years since their last appointment shall retire from office and may seek re-appointment. Directors may not seek re-appointment if they have held office for a continuous period of nine years.

The Directors are appointed by the members at the annual general meeting and the Chair is appointed by the Directors from among their number. At their December 2019 meeting, the Directors appointed John Elliot as their Chair. The Directors all have an interest in the outdoors and in rights of access and bring a balanced mix of skills and knowledge about access matters.

Day to day running of the Society is the responsibility of the Chief Operating Officer, Richard Barron, and National Secretary, Alison Riddell, supported by other staff and volunteers.

Objects

The charitable objective of the Society is "the preservation, defence, restoration and acquisition, for the public benefit, of public rights of access in Scotland, including public rights of way, and related amenity."

The Society is the independent charity which upholds public access in Scotland. Founded in 1845, it combines three main roles: expert authority and adviser on the law of access; custodian and manager of the national resource of information about access routes and rights; and practical guardian and advocate of public access on the ground, in town and country, across Scotland.

Activities and achievements

The year was important for three events: the COVID-19 pandemic – which dominated all activity from March onwards - our 175th anniversary and the installation of a new computer system.

Members who were personally affected by the pandemic are in our thoughts as we hope for a resolution to this dreadful disease.

Directors' report *(continued)*

Activities and achievements *(continued)*

We celebrated our 175th anniversary on 3rd April 2020. Naturally, celebrations were muted and held on-line. In June, Richard Barron gave an excellent talk on Zoom for the National Library of Scotland on the history of the Society which attracted 380 viewers (several times the number who could have attended it in person). Unfortunately, our Anniversary Walks programme was cancelled, but in July, we launched our "virtual challenge" which asked participants to replicate, in their own way, the 126 miles of the historic walk installing the first signposts along rights of way in the Cairngorms in July 1885. Throughout the year historical facts about the Society, outdoor access in Scotland and the personalities involved have appeared on social and traditional media.

Other activities continued as usual but to a restricted extent after the office closure in March due to the pandemic. The Society is consulted by a wide range of individuals and organisations about public access. This includes legal searches checking the existence of rights of way but such enquiries dropped off sharply after lockdown. From March onwards, however, enquiries from members of the public almost doubled as the value of outdoor access came to be more widely appreciated.

One positive result of this activity is the increasing numbers of people joining as members. Increased membership is important to the Society's future, increasing our heft in upholding access as well as fortifying our finances. We shall invest in increasing membership in the year 2020/21.

COVID-19 issues

Upholding public access during lockdown

Working alongside other organisations, ScotWays brought COVID-19 related issues to the attention of the Scottish Government. We provided input for the Ministerial statement released just before the Easter weekend and the associated guidance issued by Scottish Natural Heritage. We also raised concerns about the agricultural-centric focus of the advice. Malcolm Combe, author of our Law Guide, blogged about such access restrictions and wrote a paper for our website. As lockdown gradually eases, we are updating our website to amplify the message about access rights and responsibilities. News articles about access to golf courses and how to camp responsibly were produced.

Access queries during lockdown

In common with reports from access officers, access queries from the general public increased during lockdown - some related specifically to COVID-19 restrictions, but by no means all. Our responses pointed to specific guidance, provided contact details for the access authorities and noted the usefulness of reporting issues in relation to our work.

IT systems and modernization

IT systems

The Society moved the Catalogue of Rights of Way onto a new software platform through the last months of 2019 and early 2020 at a cost of £55,000. This huge project, ably led by Richard Barron, has proved vital during the pandemic. It allows on-line access to both maps and text records, enabling staff to work from home. Substantial work is still being undertaken to create a fully accessible portal and to verify all the data transferred to the new system.

Digitisation

Scanning of all paper records was delayed by the office closure and is now planned for completion by 30 June 2021.

Directors' report *(continued)*

Sharing knowledge

Law Guide

The Law Guide continues to sell well and we intend to review its content in 2021/22. The Short Guide, published in October 2019, was widely distributed to members, Councils and other bodies and to members of the public through channels such as libraries.

Guides

The Society has commissioned a new edition of the popular "Scottish Hill Tracks" guide. The existing edition was published in 2011, may be reprinted to meet demand before a new version is produced. Routes will require surveys and the guide may be reformatted as well as published in electronic form. It is not expected to be ready (at the earliest) in 2022. During the year volunteers have been scoping the work. The task of verifying data for this publication feeds into a further initiative of the Society in checking path data more widely.

Mediation

ScotWays has continued to investigate the use of mediation to resolve access disputes. As part of the National Access Forum's working group, ScotWays has helped produce a Guidance Note to promote its use.

Training

ScotWays worked with Ramblers Scotland in hosting an access workshop for Local Access Forum representatives in September 2019. This successful event was attended by more than 50 people. A proposed signpost training day in April 2020, in conjunction with Paths for All, had to be postponed.

Other policy and awareness events

The Society is represented on the National Access Forum and is a keen participant in the Scottish Outdoor Recreation Alliance and the Scottish Outdoor Access Network. ScotWays believes in co-operation with other bodies with similar concerns in order to promote responsible public access.

Planning

The Society is consulted in relation to proposed on-shore wind farm and other planning applications. During the year, planning permission was refused for the proposed golf course development at Coul Links. John Mackay appeared at the enquiry on behalf of ScotWays, expressing our concerns about public access and enjoyment. This success was a last hurrah for John's work on our behalf in connection with planning enquiries and he is due all our thanks for his dedicated and expert work over many years. He remains however an Honorary Adviser and has indicated he is willing for us to continue to seek his advice: we fully intend to do so.

Outdoor projects

Small grants

This scheme, for which a designated amount of £10,000 was set aside in 2018, has made 4 grants to a total of £4,091. The Society welcomes applications for relevant projects.

Bridges

The Carnach bridge, Knoydart, was completed and opened in August 2019. If the pandemic and conditions permit, we hope to see works on the Eidart bridge on the Glen Feshie drove road and Bedford Memorial Bridge over the river Tarff, in Glen Tilt, start in 2021.

Verifying rights of way and other routes

The Society provides support to local groups to protect paths they believe to be rights of way. It does so in consultation with the relevant Council and it assists these groups in information gathering. For example, we assisted an investigation of potential right of way status by Dirlerton Village Association in relation to a popular circular walk from the village which also linked with the John Muir Way. In another case, we supported local and Council efforts to investigate the right of way along the 12km Acharacle Drove Road in Ardnamurchan, as part of efforts to uphold public access rights generally.

Directors' report *(continued)*

Financial review

The Society's deficit for the year is £128,883 (2019: £94,149 surplus). The deficit on unrestricted reserves is £118,653 (2019: £112,639 surplus) and the deficit on restricted reserves is £10,230 (2019: £18,490).

Reserves policy

The unrestricted funds represent the free reserves of the Society. Unrestricted funds not tied up in fixed assets amounted to £136,267. The Board considers it appropriate to hold the equivalent of 12 months' core expenditure, around £125,000, and £175,844 to finance its rolling 3 year plan. More detail on the designated funds are set out in Note 16.2 on page 18.

Risk management

Throughout the year risk remains under formal and informal review by the Board, sub-committees and staff. Business continuity planning for a disaster or major disruption has aided the excellent work undertaken by the staff in coping with the pandemic.

Investment policy

Investec Wealth and Investment Limited advises the Society on an investment portfolio. The agreed investment objective is to maintain the real value of the portfolio over time as well as provide an income. At 30 June 2020, the portfolio's value had increased by 3.2% since inception and the annual income was £9,000. In addition, the Society has an investment in M&G Charifund units. The investment powers of the Society are general ones conferred by its Articles of Association.

Plans for the future

The Society will continue to act in pursuit of its Objects in the coming year, as described above. In addition, a rolling 3-year plan is in four parts with significant costs earmarked through the designated funds:

- to challenge work practices, to enhance our information management and to re-configure its office;
- to make the Society's expertise and informed views available through the publication and review of law guides and other material;
- to maintain access to land either through the work of its volunteers, including training, or by making a financial contribution and
- to raise the Society's profile to put it in a stronger position to campaign and attract members.

Contribution of staff, volunteers and directors

This has been a very difficult year for all at ScotWays. With limited office access during the pandemic, staff have had to work entirely at home. They have been resilient and inventive in doing that and we owe them our thanks for working productively and cheerfully in unique circumstances. A return to the office will be kept under review.

Sadly, it has not been possible to have our valued volunteers in the office and we are considering how to enable their important work to continue. We do hope to restart outdoor volunteers checking routes soon.

I want to thank all directors for their contribution to the Society and in particular to salute the work of David Dixon and Douglas Wright, who retire this year by rotation. They have brought their own expertise and character to our work and deliberations. David has tirelessly promoted the cause of bridge repairs and renovations and Douglas has been our representative on the National Access Forum. We shall miss them both on the board but hope to continue to benefit from their knowledge and skills as volunteers.

Directors' report *(continued)*

Small company special provisions

The report of the Directors has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

This report was approved by the Board on 10 September 2020.

A handwritten signature in cursive script that reads "R. John Elliot".

R John Elliot
Chair

Independent examiner's report to the members of the Scottish Rights of Way and Access Society

I report on the financial statements of the charity for the year ended 30 June 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes.

This report is made to the directors, as a body, in accordance with the terms of my engagement. My work has been undertaken to enable me to report my opinion as set out below and for no other purpose. To the fullest extent permitted by law I do not accept or assume responsibility to anyone other than the charity and the directors, as a body, for my work or for this report.

Respective responsibilities of directors and examiner

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

Basis of independent examiner's report

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

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations;

have not been met, or

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



James Davidson CA

27 October 2020

Statement of financial activities (incorporating the income and expenditure account)

for the year ended 30 June 2020

	Note	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Income from:					
Donations and legacies	3	38,282	15,000	53,282	171,864
Charitable activities	4	92,369	-	92,369	117,537
Investments	5	9,205	-	9,205	6,898
Total		139,856	15,000	154,856	296,299
Expenditure on:					
Raising funds	6	(3,164)	-	(3,164)	(2,507)
Charitable activities	7	(240,421)	(25,230)	(265,651)	(210,103)
Total		(243,585)	(25,230)	(268,815)	(212,610)
Unrealised (loss)/gain on investments	12	(2,466)	-	(2,466)	10,460
Realised (loss)/gain on investments		(12,458)	-	(12,458)	-
Net (expenditure)/income		(118,653)	(10,230)	(128,883)	94,149
Transfers between funds		-	-	-	-
Net movement in funds		(118,653)	(10,230)	(128,883)	94,149
Funds brought forward at 1 July 2019		706,864	22,449	729,313	635,164
Funds carried forward at 30 June 2020		588,211	12,219	600,430	729,313

The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

Balance sheet
as at 30 June 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	11		104,081		104,441
Investments at valuation	12		347,863		362,941
			<hr/>		<hr/>
			451,944		467,382
Current assets					
Stock	13	1,003		1,325	
Debtors	14	19,470		17,976	
Cash in bank and at hand		151,248		272,885	
		<hr/>		<hr/>	
		171,721		292,186	
Creditors: amounts falling due within one year	15	(23,235)		(30,255)	
		<hr/>		<hr/>	
Net current assets			148,486		261,931
			<hr/>		<hr/>
Total assets less current liabilities			600,430		729,313
			<hr/>		<hr/>
Reserves					
Unrestricted funds:	16				
General reserve		326,314		386,518	
Revaluation reserve		11,844		26,768	
Designated funds		250,053		293,578	
		<hr/>		<hr/>	
Restricted funds	17		588,211		706,864
			12,219		22,449
			<hr/>		<hr/>
			600,430		729,313
			<hr/>		<hr/>

The directors are satisfied that the charitable company is entitled to exemption under section 477 of the Companies Act 2006 and that the members have not required the charitable company to obtain an audit of its financial statements in accordance with the provisions in section 476 of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the charitable company keeps accounting records which comply with Section 386 of the Companies Act 2006; and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the charitable company at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 396 of the Companies Act 2006, and which otherwise comply with the requirements of the Act relating to financial statements, so far as is applicable to the charitable company.

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

These financial statements were approved and authorised for issue by the Board on 10 September 2020.



R John Elliot
Director

Statement of cash flows
For the year ended 30 June 2020

	2020 £	2020 £	2019 £	2019 £
Net (expenditure)/income for year per the statement of financial activities		(128,883)		94,149
<i>Adjustments for:</i>				
Losses/(gains) on investments		14,924		(10,460)
Depreciation		360		519
Income from investments		(9,205)		(6,898)
Decrease/(increase) in stock		322		(424)
(Increase)/decrease in debtors		(1,494)		1,088
(Decrease)/increase in creditors		(7,020)		7,457
		<hr/>		<hr/>
Net cash (used in)/provided by operating activities		(130,996)		85,431
		<hr/> <hr/>		<hr/> <hr/>
Investing activities				
Purchase of office equipment		-		(613)
Investment additions	(100,033)			(23,206)
Disposal proceeds	42,348			-
Investment cash reduction	57,819			25,033
Income from investments	9,205			6,898
Other movements on investments	20			223
		<hr/>		<hr/>
Net cash provided by investing activities		9,359		8,335
		<hr/>		<hr/>
Change in cash and cash equivalents in the year		(121,637)		93,766
Cash and cash equivalents at the beginning of the year		272,885		179,119
		<hr/>		<hr/>
Total cash and cash equivalents at the end of the year		151,248		272,885
		<hr/> <hr/>		<hr/> <hr/>

Notes to the financial statements

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with the items which are considered material in relation to the charitable company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Companies Act 2006, The Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Statement of Recommended Practice (SORP FRS 102): 'Accounting and Reporting by Charities'. The charitable company is a Public Benefit Entity. They are compliant with the charitable company's constitution and have been prepared under the historical cost convention as modified by the revaluation of fixed asset investments.

The financial statements have been prepared under the assumption that the Society will continue as a going concern. The financial impact of the COVID-19 pandemic has been considered. The directors consider that there are no material uncertainties about the Society's ability to continue as a going concern as there are sufficient free reserves available to cover annual expenditure.

Incoming resources

Income is accounted for on an accruals basis including ordinary subscriptions which are recognised in the year to which they relate. Legacies, donations and grant income are recognised when there is entitlement, the amount can be estimated with sufficient accuracy and receipt is probable. Income is only deferred when the donor specifies that the grant or donation must be used in future accounting periods, or when the donor has imposed conditions which must be met before the charitable company has unconditional entitlement.

Life memberships

Life membership subscriptions are recognised as income in the year of receipt and allocated to the life membership fund. Each year a transfer is made to the general reserve on a straight line basis over 15 years.

Resources expended

Expenditure is accounted for on an accruals basis and is inclusive of any VAT which cannot be recovered:

- Charitable activities include expenditure associated with one of the charitable company's objects and principal activities in the provision of advice regarding rights of way and access; the cataloguing of known rights of way; and in signposting rights of way and other routes.
- Governance costs include those incurred in the governance of the charitable company and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions.

Restricted, designated and unrestricted funds

Restricted funds are those funds which are subject to specific conditions regarding their application. These conditions have been specified by the donors of funds.

Unrestricted funds are applied at the discretion of the Board of Directors in furtherance of the objectives of the Society.

Designated funds are applied at the discretion of the Board of Directors. They are designated from unrestricted reserves for particular projects and designated funds will be considered at each year end.

Transfers from unrestricted funds to restricted funds are made when required in order to finance deficits arising on restricted projects.

Notes (continued)

1 Accounting policies (continued)

Fixed Assets

Fixed assets are capitalised at cost. Depreciation has been provided at the following annual rates in order to write off fixed assets over their useful lives:

Office equipment	33.3% straight line
Heritable property	nil

In the opinion of the directors, which is based on an informal valuation from a qualified surveyor, the residual value of the heritable property is not less than the carrying amount in the financial statements, therefore no depreciation has been charged.

Investments

Fixed asset investments are accounted for at market value.

Operating leases

Rentals in respect of operating leases are charged to the statement of financial activities as incurred.

Stock

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

Financial Instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value other than listed investments which are held at fair value and any adjustment to fair value is recognised in the profit and loss account.

Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and monies held in short term deposits.

Creditors and provisions

Creditors and provisions are recognised where the charitable company has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the charitable company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the charitable company as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Tangible fixed assets are depreciated over a period to reflect their estimated useful lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.
- Fixed assets are also assessed as to whether there are indicators of impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

Notes (continued)

1 Accounting policies (continued)

Taxation

The Society is recognised as a charitable company by HMRC and therefore enjoys significant tax exemption.

2 Net incoming resources

This is stated after charging:	2020	2019
	£	£
Depreciation of fixed assets	360	519
Independent examination fee	2,100	1,630
	<u> </u>	<u> </u>

3 Income from donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Annual subscriptions	14,739	-	14,739	14,969
Life subscriptions	2,300	-	2,300	400
Corporate subscriptions	2,882	-	2,882	2,037
Local authorities' subscriptions	5,750	-	5,750	6,750
Donations	7,441	15,000	22,441	11,500
Bequests and legacies	500	-	500	131,504
Gift aid	4,670	-	4,670	4,704
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	38,282	15,000	53,282	171,864
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

In 2019 income from donations and legacies was split £169,679 unrestricted and £2,185 restricted.

4 Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Lawyers' searches	84,419	-	84,419	108,590
Sale of publications	6,060	-	6,060	7,278
Walks	340	-	340	460
Other income	1,550	-	1,550	1,209
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	92,369	-	92,369	117,537
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

In 2019 £nil of income from charitable activities was restricted.

5 Income from investments

	2020	2019
	£	£
Interest	1,008	1,140
Dividends	8,197	5,758
	<u> </u>	<u> </u>
	9,205	6,898
	<u> </u>	<u> </u>

Income from investments was unrestricted in both years.

Notes (continued)

6 Expenditure on raising funds

	2020 £	2019 £
Investment manager's fees	3,164	2,507

Investment manager's fees are unrestricted in both years.

7 Expenditure on charitable activities

	Unrestricted Funds	Restricted Funds	2020 £	2019 £
Staff costs (note 10)	153,491	-	153,491	140,352
Grants awarded	1,453	-	1,453	2,638
Travel costs	2,490	-	2,490	3,026
Publications	2,103	-	2,103	9,535
Project costs	2,483	25,230	27,713	19,129
Bad debts	215	-	215	74
Support costs (note 8)	73,370	-	73,370	30,777
Governance costs (note 9)	4,816	-	4,816	4,572
	<u>240,421</u>	<u>25,230</u>	<u>265,651</u>	<u>210,103</u>

In 2019 expenditure on charitable activities was split £140,655 unrestricted and £5,030 restricted.

8 Support costs

	2020 £	2019 £
Premises costs	6,350	6,332
Printing, postage and stationery	8,051	6,100
Computer costs	2,216	3,242
Subscriptions	740	685
Depreciation	360	519
Maps	1,495	1,452
Advertising	6,612	1,762
Sundry expenses & bank charges	902	457
Meeting expenses and other staff costs	253	1,553
Professional fees	1,954	8,675
Software costs	44,437	-
	<u>73,370</u>	<u>30,777</u>

9 Governance costs

	2020 £	2019 £
Independent examiner's fees	2,100	1,630
Meeting expenses	615	496
Preparation of annual report and AGM	2,101	2,446
	<u>4,816</u>	<u>4,572</u>

Notes (continued)

10 Employees

	2020 £	2019 £
Staff salaries	134,221	123,697
Employer's NIC	8,135	6,513
Pension	9,926	9,167
Death in service	1,209	975
	<u>153,491</u>	<u>140,352</u>

No employee earned more than £60,000 in either year.

The average number of employees was 6 (2019: 6) (full time equivalent 5 (2019: 5)).

The directors receive no remuneration for their services, but may be paid travelling, subsistence and other expenses properly incurred by them in connection with the discharge of their duties. In the current year no directors (2019: five) were paid such expenses (2019: £601).

The National Secretary and Chief Operating Officer are considered the key management of the organisation. The total remuneration of key management in the year was £64,165 (2019: £62,051).

11 Tangible fixed assets

	Heritable property £	Office equipment £	Total £
Cost			
At 1 July 2019	103,765	5,703	109,468
Additions	-	-	-
	<u>103,765</u>	<u>5,703</u>	<u>109,468</u>
At 30 June 2020	103,765	5,703	109,468
Depreciation			
At 1 July 2019	-	5,027	5,027
Charge for the year	-	360	360
	<u>-</u>	<u>5,387</u>	<u>5,387</u>
At 30 June 2020	-	5,387	5,387
Net book value			
At 30 June 2020	<u>103,765</u>	<u>316</u>	<u>104,081</u>
At 30 June 2019	<u>103,765</u>	<u>676</u>	<u>104,441</u>

12 Investments

	2020 £	2019 £
<i>Listed investments</i>		
Market value at 30 June 2019	267,373	233,930
Additions	100,033	23,206
Disposal proceeds	(42,348)	-
Other movements	(20)	(223)
(Losses)/gains during the year	(14,924)	10,460
	<u>310,114</u>	<u>267,373</u>
Cash held by investment broker	37,749	95,568
	<u>347,863</u>	<u>362,941</u>
Market value at 30 June 2020	347,863	362,941
Historical cost	317,305	325,019

Notes *(continued)*

12 Investments *(continued)*

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

- Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- Market risk: this comprises currency risk, interest rate risk and other price risk.
- Currency risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- Interest rate risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- Other price risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The charitable company has exposure to these risks because of the investments it makes to implement its investment strategy. The Directors manage investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the charitable company's strategic investment objectives. These investment objectives and risk limits are implemented through the investment manager agreements in place with the charitable company's investment managers and monitored by the Directors by regular reviews of the investment portfolios.

Further information on the Directors' approach to risk management and the charitable company's exposure to credit and market risks are set out below.

Credit Risk

The charitable company invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles and is indirectly exposed to credit risks arising on the financial instruments held by the pooled investment vehicles.

Analysis of direct credit risk

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled manager operates and diversification of investments amongst a number of pooled arrangements. The Directors carry out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitor any changes to the regulatory and operating environment of the pooled manager. Pooled investment arrangements used by the charitable company comprise authorised unit trusts.

Currency risk

The charitable company is subject to currency risk because some of the charitable company's investments are held in overseas markets.

Interest rate risk

The charitable company is subject to interest rate risk through investments comprising bonds.

Other price risk

Other price risk arises principally in relation to equities held in pooled vehicles. The charitable company manages this exposure to other price risk by constructing a diverse portfolio of investments across various markets.

Notes (continued)

13 Stock

Stock consists entirely of goods for distribution to members and other interested parties.

	2020 £	2019 £
Stock in hand	1,003	1,325

14 Debtors

	2020 £	2019 £
Gift aid recoverable	4,671	4,704
Prepayments	2,045	1,891
Other debtors	12,754	11,381
	19,470	17,976

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	120	328
Other creditors	19,063	19,111
Deferred income	4,052	3,851
VAT	-	6,965
	23,235	30,255

16.1 Unrestricted funds

	General Reserve £	Revaluation Reserve £	Designated Funds £	Total £
Unrestricted funds				
Balance at 1 July 2019	386,518	26,768	293,578	706,864
Incoming resources	137,556	-	2,300	139,856
Resources expended	(135,513)	-	(108,072)	(243,585)
Loss on investments	-	(14,924)	-	(14,924)
Transfer between funds	(62,247)	-	62,247	-
Balance at 30 June 2020	326,314	11,844	250,053	588,211
Unrestricted funds				
Balance at 1 July 2018	304,404	16,308	273,513	594,225
Incoming resources	293,714	-	400	294,114
Resources expended	(122,546)	-	(64,389)	(186,935)
Gains on investments	-	10,460	-	10,460
Transfer between funds	(89,054)	-	84,054	(5,000)
Balance at 30 June 2019	386,518	26,768	293,578	706,864

Notes (continued)

16.2 Designated funds

	Life Membership fund £	Property Fund £	Office systems £	Intellectual property £	Outdoor projects £	Profile raising £	Total £
Designated funds							
Balance at 1 July 2019	6,182	66,785	117,614	31,690	34,862	36,445	293,578
Incoming resources	2,300	-	-	-	-	-	2,300
Resources expended	-	-	(84,990)	(1,313)	(6,845)	(14,924)	(108,072)
Transfer between funds	(1,058)	-	60,748	-	-	2,557	62,247
Balance at 30 June 2020	7,424	66,785	93,372	30,377	28,017	24,078	250,053

	Life Membership fund £	Property Fund £	Office systems £	Intellectual property £	Outdoor projects £	Profile raising £	Total £
Designated funds							
Balance at 1 July 2018	6,728	66,785	85,000	25,000	35,000	55,000	273,513
Incoming resources	400	-	-	-	-	-	400
Resources expended	-	-	(34,886)	(810)	(2,638)	(26,055)	(64,389)
Transfer between funds	(946)	-	67,500	7,500	2,500	7,500	84,054
Balance at 30 June 2019	6,182	66,785	117,614	31,690	34,862	36,445	293,578

Each year a transfer from the life membership fund to general reserves is made on a straight line basis over 15 years.

17 Restricted funds

	Carnach Bridge £	Donald Bennet Fund £	Heritage Paths Fund £	Law Guide Fund £	Signage Fund £	Total £
Restricted funds						
Balance at 1 July 2019	10,000	8,263	686	2,500	1,000	22,449
Incoming resources	15,000	-	-	-	-	15,000
Resources expended	(25,000)	-	(230)	-	-	(25,230)
Transfer between funds	-	-	-	-	-	-
Balance at 30 June 2020	-	8,263	456	2,500	1,000	12,219

Notes (continued)

17 Restricted funds (continued)

	Carnach Bridge £	Donald Bennet Fund £	Heritage Paths Fund £	Law Guide Fund £	Signage Fund £	Total £
Restricted funds						
Balance at 1 July 2018	-	29,653	786	9,000	1,500	40,939
Incoming resources	2,185	-	-	-	-	2,185
Resources expended	-	(18,575)	(100)	(6,500)	(500)	(25,675)
Transfer between funds	7,815	(2,815)	-	-	-	5,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 June 2019	10,000	8,263	686	2,500	1,000	22,449
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

- *Donald Bennet Fund*: funding received to fund projects in memory of the Society's former Chairman, Donald Bennet.
- *Heritage Paths Fund*: funding received to fund a project relating to Heritage Paths.
- *Law Guide Fund*: ScotWays has received funds towards the production of a new guide to access law in Scotland.
- *Signage Fund*: £1,500 has been granted for signposting work in the Fife council area.
- *Carnach Bridge*: funding received towards the replacement of a bridge over the River Carnach.

18 Analysis of net assets among funds

	Unrestricted funds £	Restricted funds £	2020 £	2019 £
Fixed assets	451,944	-	451,944	467,382
Net current assets	136,267	12,219	148,486	261,931
	<hr/>	<hr/>	<hr/>	<hr/>
	588,211	12,219	600,430	729,313
	<hr/>	<hr/>	<hr/>	<hr/>
	Unrestricted funds £	Restricted funds £	2019 £	2018 £
Fixed assets	467,382	-	467,382	458,878
Net current assets	239,482	22,449	261,931	176,286
	<hr/>	<hr/>	<hr/>	<hr/>
	706,864	22,449	729,313	635,164
	<hr/>	<hr/>	<hr/>	<hr/>

19 Financial instruments

	2020 £	2019 £
Carrying amount of financial assets		
Fair value through profit and loss	347,683	362,941
	<hr/>	<hr/>

Financial assets measured at fair value through profit and loss comprise listed investments.

Notes (continued)

20 Operating lease commitments

The Society was committed to making the following non-cancellable lease payments as at 30 June 2020:

	2020	2019
	£	£
Within 1 year	1,912	942
2-5 years	4,779	7,535
Over 5 years	-	942
	<hr/>	<hr/>
	6,691	9,419
	<hr/> <hr/>	<hr/> <hr/>

21 Analysis of changes in net debt during the year

	2020	2019
	£	£
As at 1 July 2019	272,885	179,119
Net cash outflow	(121,637)	93,766
	<hr/>	<hr/>
As at 30 June 2020	151,248	272,885
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22 Related parties

There were no related party transactions requiring disclosure in the year.

23 Ultimate controlling party

The charitable company is controlled by the board, who are elected by its members.