

**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 2019*

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## Charitable company information

### Honorary President

Vacant

### Honorary Vice President

R Aitken

### Directors

R Aitken

P D Dixon

R J Elliot

E M Gotts

D Langworth

J D Pope (resigned 21 November 2018)

M Robertson (Chair)

K Taylor

P Wood

D Wright

T H Holmes (appointed 25 April 2019)

### 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 2019.

### 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).

### 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. 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 National Secretary, supported by other staff and volunteers. Richard Barron supports many aspects of the Society as Operations Director.

### 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

In practice, the three main roles described above result in around 1,800 enquiries each year including legal searches, enquiries from members of the public and other consultations including windfarm developments, planning applications, policy consultations and queries from access authorities.

As Honorary Adviser, John Mackay has continued to make invaluable contributions to consultations and developments. He notably contributed for the Society jointly with Ramblers (Scotland) by making written submissions and by appearing at the Coull Links public enquiry emphasising the important position of access rights in addition to conservation issues.

During the year, the Board formed various sub-committees in addition to that dealing with Finance and Risk. The new sub-committees focus on Operations and modernisation, Legal including intellectual property, Communications including internal and external matters and on Access generally. Working in smaller groups with staff members and with appropriate cross referral on particular projects has proved effective and will continue in 2020.

## **Directors' report** *(continued)*

### **IT systems and office modernization**

#### ***IT systems***

Maintaining the National Catalogue of Rights of Way ("CROW"), the record of both rights of way and other paths, is the backbone of the Society's work and its knowledge base in responding to enquiries. Richard Barron and the staff team have recommended and the Board accepted a proposal to replace the now 25-year-old database system as a further step in securing our information and allowing more modern work practices.

#### ***Digitisation***

After scanning 44,000 pages in 2018, digitisation of case files was concluded with another 32,000 pages scanned to evidential standards in the year to June 2019. We expect the scanning of other paper files to be completed during the year to 30 June 2020, securing the archive for future generations.

### **Intellectual property and sharing knowledge**

#### ***New Law Guide***

The new *ScotWays Guide to the Law of Access to Land in Scotland* was published in November 2018 and has proved successful. By the end of the year, over 500 copies had been sold or distributed, both to access takers and to the owners and occupiers of land. Reviews of the book have been enthusiastic and a reprint is taking place. The Guide has increased knowledge of the law and raised the profile of the Society amongst a wider audience.

#### ***Short Law Guide***

The short guide to the law, based on the book and in leaflet and poster format, has been delayed but will be available shortly.

#### ***Mediation***

During the year, the Society continued its active participation in investigating the use of mediation as a method of resolving access disputes. Mediation holds out the prospect of early resolution at less cost than resorting to the courts. The National Access Forum, building on work done by the Society in conjunction with others, has now formed a group to take this important initiative forward and we shall continue to be actively engaged.

#### ***Training***

The new law guide took centre stage at an access legislation update arranged by the Scottish Outdoor Access Network. Guide author Malcolm Combe led a session on developments within rights of way case law and Eleisha Fahy, Senior Access Officer, led a session on the mediation proposals.

Working with Ramblers (Scotland), ScotWays is hosting an Access Workshop for Local Access Forum representatives on 28 September 2019. During the year to 30 June 2020 we will review access training provision with a view to developing training based on the Law Guide.

#### ***Other policy and awareness events***

The Society continues to contribute to policy matters at the National Access Forum and is represented on a majority of Local Access Forums. The Society gives talks and attends events organised by like-minded bodies including Ramblers (Scotland), mountain festivals, the Duke of Edinburgh's Award Scheme, the British Horse Society Scotland, the Borders Walking Festival, the Scottish Outdoor Recreation Alliance and the Scottish Outdoor Access Network.

#### ***COSLA***

This year, we met COSLA to re-establish our links as we seek to engage with local access authorities.

## **Directors' report** *(continued)*

### **Intellectual property and sharing knowledge** *(continued)*

#### **Road consultations**

Consultations on road development proposals are long term projects and we continue to contribute to the work on the dualling of the A9 and A96 and also the planning of a grade-separated roundabout at Sheriffhall, on the A720 Edinburgh city bypass.

#### **Outdoor projects**

##### **Small grants**

We are pleased to report that three awards have been earmarked from the small grants scheme, two for path maintenance to Friends of the Pentlands and Dunblane Development Trust and the third towards the production of a map leaflet to Aboyne Paths and Tracks Group.

##### **Carnach Bridge, Knoydart**

ScotWays, in co-operation with the land owner, Camusrory Estate, galvanised support from the Mountain Bothies Association, Scottish Mountaineering Trust and Mountaineering Scotland as well as a number of individuals for the replacement of this remote but vital bridge. The bridge's location along with the Scottish weather made the project a challenging one, and it was formally opened in August 2019.

##### **Upper Quoich Bridge, Cairngorms**

In recognition of ScotWays' contribution to the bridge from the Donald Bennet Memorial Fund, NTS and ScotWays hosted a small, cheerful and memorable opening of the upper footbridge on the Quoich Water on the Mar Lodge Estate attended by Mrs Anne Bennet and several family and friends. Warm tributes were paid, and a suitable toast drunk, to the memory of Donald, one of ScotWays' most dynamic and influential Chairmen.

### **Financial review**

The Society's surplus for the year is £94,149 (2018: £14,796). The surplus on unrestricted reserves is £117,639 (2018: £4,326) and the deficit on restricted reserves is £23,490 (2018: £10,470 surplus) before transfers.

### **Reserves policy**

The unrestricted funds represent the free reserves of the Society. Unrestricted funds not tied up in fixed assets amounted to £239,482. The Board considers it appropriate to hold the equivalent of 12 months core expenditure, around £125,000, and approximately £175,611 to finance its rolling 3 year plan. More detail on the designated funds are set out in Note 16.2 on page 17.

### **Risk management**

Risk is under constant review, particularly but not exclusively, by the Finance and Risk Committee. The Board considered a formal report and recommendation in September and, as a result of initiatives taken, approved a reduction in the severity of four of the more significant risks identified on the Risk Register.

### **Investment policy**

The Society appointed Investec Wealth and Investment Limited in September 2017 to advise it on the investment of part of its cash balance. The agreed investment objective is to maintain the real value of the portfolio over time as well as provide an income. The investment powers of the Society are general ones conferred by its Articles of Association.

## **Directors' report** *(continued)*

### **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 address office systems which use old technology, to challenge our work practices and ensure staff have the tools they need to work effectively, to enhance our information management and to re-configure our office;
- to make the Society's expertise and informed views available through the publication and review of law guides and other material;
- to continue the Society's active role in maintaining 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 and volunteers**

Our staff have made an energetic contribution from handling record levels of legal searches to undertaking research and developing solutions to access problems. Volunteers support them and bring a diverse range of specialist skills. My fellow directors have all helped focus the Society and push it forward. My thanks go to you all for a vigorous and successful year.

### **175<sup>th</sup> Anniversary Year**

2020 will mark the Society's 175th anniversary, making it the oldest access organisation in the UK. We will celebrate the anniversary by increasing awareness about access rights and have planned the 2020 walks programme to include routes of historic significance in establishing and maintaining public access.

### **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 12 September 2019.

**M Robertson**

*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 2019 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**

12 September 2019



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

for the year ended 30 June 2019

	Note	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
<b>Income from:</b>					
Donations and legacies	3	169,679	2,185	171,864	60,670
Charitable activities	4	117,537	-	117,537	93,070
Investments	5	6,898	-	6,898	2,993
<b>Total</b>		<b>294,114</b>	<b>2,185</b>	<b>296,299</b>	156,733
<b>Expenditure on:</b>					
Raising funds	6	(2,507)	-	(2,507)	(368)
Charitable activities	7	(184,428)	(25,675)	(210,103)	(145,685)
<b>Total</b>		<b>(186,935)</b>	<b>(25,675)</b>	<b>(212,610)</b>	(146,053)
Unrealised gain on investments	12	10,460	-	10,460	4,116
<b>Net income/(expenditure)</b>		<b>117,639</b>	<b>(23,490)</b>	<b>94,149</b>	14,796
Transfers between funds		(5,000)	5,000	-	-
<b>Net movement in funds</b>		<b>112,639</b>	<b>(18,490)</b>	<b>94,149</b>	14,796
Funds brought forward at 1 July 2018		594,225	40,939	635,164	620,368
<b>Funds carried forward at 30 June 2019</b>		<b>706,864</b>	<b>22,449</b>	<b>729,313</b>	635,164

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 2019*

	Note	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Tangible assets	11		<b>104,441</b>		104,347
Investments at valuation	12		<b>362,941</b>		354,531
			<hr/>		<hr/>
			<b>467,382</b>		458,878
<b>Current assets</b>					
Stock	13	<b>1,325</b>		901	
Debtors	14	<b>17,976</b>		19,064	
Cash in bank and at hand		<b>272,885</b>		179,119	
		<hr/>		<hr/>	
		<b>292,186</b>		199,084	
<b>Creditors:</b> amounts falling due within one year	15	<b>(30,255)</b>		(22,798)	
		<hr/>		<hr/>	
<b>Net current assets</b>			<b>261,931</b>		176,286
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			<b>729,313</b>		635,164
			<hr/> <hr/>		<hr/> <hr/>
<b>Reserves</b>					
Unrestricted funds:	16				
General reserve		<b>386,518</b>		304,404	
Revaluation reserve		<b>26,768</b>		16,308	
Designated funds		<b>293,578</b>		273,513	
		<hr/>		<hr/>	
Restricted funds	17		<b>706,864</b>		594,225
			<b>22,449</b>		40,939
			<hr/>		<hr/>
			<b>729,313</b>		635,164
			<hr/> <hr/>		<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 12 September 2019.

**D Langworth**  
Director

**Statement of cash flows**  
*For the year ended 30 June 2019*

	2019 £	2019 £	2018 £	2018 £
<b>Net income for year per the statement of financial activities</b>		<b>94,149</b>		14,796
<i>Adjustments for:</i>				
Gains on investments		<b>(10,460)</b>		(4,116)
Depreciation		<b>519</b>		844
Income from investments		<b>(6,898)</b>		(2,993)
(Increase)/decrease in stock		<b>(424)</b>		779
Decrease/(increase) in debtors		<b>1,088</b>		(4,046)
Increase in creditors		<b>7,457</b>		5,940
		<hr/>		<hr/>
<b>Net cash provided by operating activities</b>		<b>85,431</b>		11,204
		<hr/> <hr/>		<hr/> <hr/>
<b>Investing activities</b>				
Purchase of office equipment	<b>(613)</b>		-	
Investment additions	<b>(23,206)</b>		(180,257)	
Investment cash reduction/(injection)	<b>25,033</b>		(120,601)	
Income from investments	<b>6,898</b>		2,993	
Other movements on investments	<b>223</b>		-	
		<hr/>		<hr/>
<b>Net cash provided by/(used) in investing activities</b>		<b>8,335</b>		(297,865)
		<hr/>		<hr/>
<b>Change in cash and cash equivalents in the year</b>		<b>93,766</b>		(286,661)
<b>Cash and cash equivalents at the beginning of the year</b>		<b>179,119</b>		465,780
		<hr/>		<hr/>
<b>Total cash and cash equivalents at the end of the year</b>		<b>272,885</b>		179,119
		<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 directors consider that the financial statements should be drawn up on a going concern basis as any shortfall from expected expenditure over anticipated income can be met from unrestricted reserves for at least 12 months from the date of approval of these financial statements.

#### ***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

	2019	2018
	£	£
This is stated after charging:		
Depreciation of fixed assets	519	844
Independent examination fee	1,630	1,750
	<u>          </u>	<u>          </u>

### 3 Income from donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Annual subscriptions	14,969	-	14,969	15,574
Life subscriptions	400	-	400	1,700
Corporate subscriptions	2,037	-	2,037	3,125
Local authorities' subscriptions	6,750	-	6,750	6,450
Donations	9,315	2,185	11,500	11,568
Grants	-	-	-	10,500
Bequests and legacies	131,504	-	131,504	7,000
Gift aid	4,704	-	4,704	4,753
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	169,679	2,185	171,864	60,670
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

In 2018 income from donations and legacies was split £45,170 unrestricted and £15,500 restricted.

### 4 Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Lawyers' searches	108,590	-	108,590	87,365
Sale of publications	7,278	-	7,278	4,491
Walks	460	-	460	365
Other income	1,209	-	1,209	849
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	117,537	-	117,537	93,070
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

In 2018 £nil of income from charitable activities was restricted.

### 5 Income from investments

	2019 £	2018 £
Interest	1,140	1,200
Dividends	5,758	1,793
	<u>          </u>	<u>          </u>
	6,898	2,993
	<u>          </u>	<u>          </u>

Income from investments was unrestricted in both years.

## Notes (continued)

### 6 Expenditure on raising funds

	2019 £	2018 £
Investment manager's fees	2,507	368

Investment manager's fees are unrestricted in both years.

### 7 Expenditure on charitable activities

	Unrestricted Funds	Restricted Funds	2019 £	2018 £
Staff costs (note 10)	139,852	500	140,352	104,281
Grants awarded	2,638	-	2,638	
Travel costs	3,026	-	3,026	2,383
Publications	3,035	6,500	9,535	3,183
Project costs	454	18,675	19,129	5,652
Bad debts	74	-	74	280
Support costs (note 8)	30,777	-	30,777	25,055
Governance costs (note 9)	4,572	-	4,572	4,851
	<u>184,428</u>	<u>25,675</u>	<u>210,103</u>	<u>145,685</u>

In 2018 expenditure on charitable activities was split £140,655 unrestricted and £5,030 restricted.

### 8 Support costs

	2019 £	2018 £
Premises costs	6,332	7,277
Printing, postage and stationery	6,100	6,767
Computer costs	3,242	3,974
Subscriptions	685	363
Depreciation	519	844
Maps	1,452	847
Advertising	1,762	545
Sundry expenses & bank charges	457	664
Irrecoverable VAT	-	(969)
Meeting expenses and other staff costs	1,553	813
Professional fees	3,320	3,930
Consultancy fees	5,355	-
	<u>30,777</u>	<u>25,055</u>

### 9 Governance costs

	2019 £	2018 £
Independent examiner's fees	1,630	1,750
Meeting expenses	496	577
Preparation of annual report and AGM	2,446	2,524
	<u>4,572</u>	<u>4,851</u>

## Notes (continued)

### 10 Employees

	2019 £	2018 £
Staff salaries	123,697	96,122
Employer's NIC	6,513	4,070
Pension	9,167	3,571
Death in service	975	518
	<u>140,352</u>	<u>104,281</u>

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

The average number of employees was 6 (2018: 5) (full time equivalent 5 (2018: 4)).

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 five directors (2018: one) were paid such expenses of £601 (2018: £124).

The National Secretary and Senior Access Officer are considered the key management of the organisation. The total remuneration of key management in the year was £62,051 (2018: £55,173).

### 11 Tangible fixed assets

	Heritable property £	Office equipment £	Total £
<b>Cost</b>			
At 1 July 2018	103,765	5,090	108,855
Additions	-	613	613
	<u>103,765</u>	<u>5,703</u>	<u>109,468</u>
At 30 June 2019	103,765	5,703	109,468
	<u>103,765</u>	<u>5,703</u>	<u>109,468</u>
<b>Depreciation</b>			
At 1 July 2018	-	4,508	4,508
Charge for the year	-	519	519
	<u>-</u>	<u>5,027</u>	<u>5,027</u>
At 30 June 2019	-	5,027	5,027
	<u>-</u>	<u>5,027</u>	<u>5,027</u>
<b>Net book value</b>			
<b>At 30 June 2019</b>	<u>103,765</u>	<u>676</u>	<u>104,441</u>
	<u>103,765</u>	<u>676</u>	<u>104,441</u>
At 30 June 2018	103,765	582	104,347
	<u>103,765</u>	<u>582</u>	<u>104,347</u>

### 12 Investments

	2019 £	2018 £
<i>Listed investments</i>		
Market value at 30 June 2018	233,930	49,557
Additions	23,206	180,257
Other movements	(223)	-
Unrealised gain during the year	10,460	4,116
Cash held by investment broker	95,568	120,601
	<u>362,941</u>	<u>354,531</u>
Market value at 30 June 2019	362,941	354,531
	<u>362,941</u>	<u>354,531</u>
Historical cost	325,019	338,223
	<u>325,019</u>	<u>338,223</u>



## 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.

	2019 £	2018 £
Stock in hand	1,325	901

**14 Debtors**

	2019 £	2018 £
Gift aid recoverable	4,704	4,752
Prepayments	1,891	2,822
Other debtors	11,381	11,490
	<u>17,976</u>	<u>19,064</u>

**15 Creditors: amounts falling due within one year**

	2019 £	2018 £
Trade creditors	328	530
Other creditors	17,892	11,274
Deferred income	3,851	2,630
VAT	6,965	7,558
Other tax and securities	1,219	806
	<u>30,255</u>	<u>22,798</u>

**16.1 Unrestricted funds**

	General Reserve £	Revaluation Reserve £	Designated Funds £	Total £
<b>Unrestricted funds</b>				
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)
	<u>386,518</u>	<u>26,768</u>	<u>293,578</u>	<u>706,864</u>
Balance at 30 June 2019	<u>386,518</u>	<u>26,768</u>	<u>293,578</u>	<u>706,864</u>
	General Reserve £	Revaluation Reserve £	Designated Funds £	Total £
<b>Unrestricted funds</b>				
Balance at 1 July 2017	486,985	12,192	90,722	589,899
Incoming resources	141,233	-	-	141,233
Resources expended	(141,023)	-	-	(141,023)
Gains on investments	-	4,116	-	4,116
Transfer between funds	(182,791)	-	182,791	-
	<u>304,404</u>	<u>16,308</u>	<u>273,513</u>	<u>594,225</u>
Balance at 30 June 2018	<u>304,404</u>	<u>16,308</u>	<u>273,513</u>	<u>594,225</u>

**Notes** (continued)

**16.2 Designated funds**

	Life Membership fund £	Property Fund £	Office systems £	Intellectual property £	Outdoor projects £	Profile raising £	Total £
<b>Designated funds</b>							
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	<u>6,182</u>	<u>66,785</u>	<u>117,614</u>	<u>31,690</u>	<u>34,862</u>	<u>36,445</u>	<u>293,578</u>

	Life Membership fund £	Property Fund £	Office systems £	Intellectual property £	Outdoor projects £	Profile raising £	Total £
<b>Designated funds</b>							
Balance at 1 July 2017	23,937	66,785	-	-	-	-	90,722
Transfer between funds	(17,209)	-	85,000	25,000	35,000	55,000	182,791
Balance at 30 June 2018	<u>6,728</u>	<u>66,785</u>	<u>85,000</u>	<u>25,000</u>	<u>35,000</u>	<u>55,000</u>	<u>273,513</u>

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

## Notes (continued)

### 17 Restricted funds

	<b>Carnach Bridge £</b>	<b>Donald Bennet Fund £</b>	<b>Heritage Paths Fund £</b>	<b>Law Guide Fund £</b>	<b>Signage Fund £</b>	<b>Total £</b>
<b>Restricted funds</b>						
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	<b>10,000</b>	<b>8,263</b>	<b>686</b>	<b>2,500</b>	<b>1,000</b>	<b>22,449</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	<b>Sawmill Bridge £</b>	<b>Donald Bennet Fund £</b>	<b>Heritage Paths Fund £</b>	<b>Law Guide Fund £</b>	<b>Signage Fund £</b>	<b>Total £</b>
<b>Restricted funds</b>						
Balance at 1 July 2017	-	29,653	816	-	-	30,469
Incoming resources	5,000	-	-	9,000	1,500	15,500
Resources expended	(5,000)	-	(30)	-	-	(5,030)
Transfer between funds	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 June 2018	-	29,653	786	9,000	1,500	40,939
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<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

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>2019 £</b>	<b>2018 £</b>
Fixed assets	467,382	-	467,382	458,878
Net current assets	239,482	22,449	261,931	176,286
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>706,864</b>	<b>22,449</b>	<b>729,313</b>	635,164
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>2018 £</b>	<b>2017 £</b>
Fixed assets	458,878	-	458,878	154,748
Net current assets	135,347	40,939	176,286	465,620
	<hr/>	<hr/>	<hr/>	<hr/>
	594,225	40,939	635,164	620,368
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Notes** (continued)

**19 Financial instruments**

	<b>2019</b>	2018
	£	£
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	<b>16,085</b>	16,242
Fair value through profit and loss	<b>362,941</b>	354,531
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	<b>(18,220)</b>	(11,804)
	<u>          </u>	<u>          </u>
	<b>360,806</b>	358,969
	<u>          </u>	<u>          </u>

Financial assets that are debt instruments measured at amortised cost comprise trade receivables and other debtors.

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

Financial liabilities measured at amortised cost comprise trade payables, accruals and other creditors.

**20 Operating lease commitments**

The Society was committed to making the following non-cancellable lease payments as at 30 June 2019:

	<b>2019</b>	2018
	£	£
Within 1 year	<b>942</b>	1,828
2-5 years	<b>7,535</b>	1,828
Over 5 years	<b>942</b>	-
	<u>          </u>	<u>          </u>
	<b>9,419</b>	3,656
	<u>          </u>	<u>          </u>

**21 Related parties**

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

**22 Ultimate controlling party**

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