

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 2018*

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## Company information

### Honorary President

Vacant

### Honorary Vice President

R Aitken

### Directors

R Aitken

R S Barron (retired 18 November 2017)

P D Dixon

R J Elliot

E M Gotts

P S Hunter (resigned 18 November 2017)

D Langworth

J D Pope

M Robertson (Chair)

K Taylor (appointed 18 November 2017)

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

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 governed by its Articles of Association, adopted on 19 November 2016. It is a Scottish Charity. 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 accounts for the year ended 30 June 2018.

### 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

#### External examination of the financial statements

The Directors' Report and Accounts because of the Society's small size can be, and are, subject to an independent examination, as provided by Charitable and Company legislation, rather than the more expensive option of an audit.

#### Board of Directors and Management

Directors of the Society are also charity trustees for the purposes of charity law and are listed on page 1. 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, in which case they may stand for appointment again at or after the next following AGM.

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, bring a useful range of skills and are representative and knowledgeable of access takers' needs including walkers, cyclists and the general public. This enables them to assist staff as well as serve on the Finance and Risk Committees.

Day to day running of the Society is the responsibility of the National Secretary, supported by other staff and volunteers. A two year fixed term post of Operations Director was created and filled by Richard Barron with effect from 1 June 2018. Richard's professional experience in access both with the Society and more recently with Stirling Council will be invaluable in this new role.

#### Objects, activities and achievements

The principal objects of the Society are:

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's principal activities in pursuit of these objects during the year were:

- Providing information and advice about rights of access and rights of way to the public, local councils and others with the aim of promoting responsible access, and dealing with access problems that emerge;
- recording rights of way and paths and making this available to interested parties;
- signposting paths, and helping to keep routes open through replacement of bridges damaged by flood;
- education about rights of access, rights of way and heritage paths; and
- maintaining a network of volunteers to assist with its charitable activities.

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

### **Objects, activities and achievements** *(continued)*

The Society responds to approximately 1,000 enquiries each year from solicitors and developers, and many more from members of the public, local access officers and other access professionals. Financial stringency in local authorities, which bears ever more heavily on access officer posts and on activity in managing core paths and access generally, is a matter of continuing concern to us. ScotWays can help fill the information and advisory gap to some extent, but our case load is already a heavy one and capacity to take necessary action on the ground, in the way access officers can, is very limited.

The Society is responsible for maintaining the National Catalogue of Rights of Way ("CROW"). This record of both rights of way and other paths is the backbone of the Society's work and knowledge base to respond to the enquiries it receives. Refinements are made regularly as new information becomes available and it is invaluable in protecting rights of way from encroachment and to take landscape considerations such as recreational amenity into account. Members and others regularly provide route surveys and other information about routes they use.

A major project has been the writing of a new guide to the law of access in Scotland. The first proof was available from our publisher at the end of June and the projected publication date is November 2018. The writing of that guide led to another project – the short 'Access Law in Scotland – a user's guide' in leaflet form, which will be available in early 2019. Further information about both publications is available on our website.

ScotWays representatives attended two recent and significant court cases. Loch Lomond and the Trossachs National Park Authority successfully defended a landowner's appeal to the Court of Session about locked gates on the Drumlean estate. The decision, in favour of public access, helped to clarify what an access authority can do about a landowner who is trying to restrict access and how to assess whether the landowner's actions are legitimate management practices. In another important case, *Manson v Midlothian Council*, the Council has been successful in challenging a blocked access. Both authorities are commended for pursuing these issues to court and we are pleased that both judgements were delivered in time to be referred to in our new law guide.

The Society contributes to policy matters at the National Access Forum and is represented on a majority of Local Access Forums. Less formally, the Society gives talks and is represented at a number of mountain film festivals and events organised by like-minded organisations including Ramblers (Scotland), the Duke of Edinburgh's Award Scheme, the British Horse Society Scotland, the Borders Walking Festival and the Scottish Outdoor Access Network. During the year directors and staff have appeared on television, radio and in the press and three Japanese academics visited the office to discuss Scottish access legislation.

During the year, the Society embarked on scanning its paper case files covering the period from the late nineteenth century to the present day. By 30 June 2018, approximately 44,000 pages, or 70%, had been scanned and the remainder will be completed in the current year. These records have been digitised using latest technologies to BS10008 Standards (Legal Admissibility and Evidential Weight of Documents Stored Electronically). We are indebted to the volunteers who have contributed approximately 80 days to preparing the papers ready for the commercial archiver. Further office records will be digitised in 2018/19. The introduction of the General Data Protection Regulation (GDPR) has involved the office in a lot of work to change policies, assess systems and ensure we comply with the new requirements. The key difference members will have seen is the new renewal forms sent out with the summer mailing.

Across Scotland, we are becoming aware of stalled access cases, unresolved (or unresolvable) by Access Officers/Local Access Forums which are not progressing to the Sheriff Court for a variety of reasons. Notwithstanding the importance of case law, there are drawbacks to court cases, including expense, time, the entrenchment of position, inherently adversarial stances and unpredictability of outcomes. Concern has been raised that this non-resolution of access cases thwarts the intentions of the legislation and emboldens attempts to restrict public access rights. ScotWays has been exploring what other options may be available - meetings have been held with solicitors and others working in dispute resolution. In May 2018, on behalf of the Scottish Outdoor Recreation Alliance, ScotWays, in conjunction with the Scottish Canoe Association, took a discussion paper on mediation to the National Access Forum to seek further input and potential case studies. The paper was well-received, so work is ongoing.

## Directors' report *(continued)*

### Objects, activities and achievements *(continued)*

We are grateful to our busy volunteers for their continued involvement during the past year in connection with the dualling of the A9 and of the A96, and also the work in planning a grade-separated roundabout at Sheriffhall, on the A720 Edinburgh city bypass.

Our outdoor activity has included facilitating an anonymous donation part-funding the Sawmill Bridge replacement on the Airlie Estate which was opened at the end of March 2018. Director David Dixon has taken a lead to have the remote Carnach Bridge, Knoydart, replaced as quickly as possible with contributions to the cost promised from the land owner, ScotWays, the Mountain Bothies Association, Scottish Mountaineering Trust and Mountaineering Scotland as well as a number of individuals. Weather permitting, the new bridge should go in by summer 2019.

In relation to the Donald Bennet appeal, ScotWays paid £18,575 to NTS in September 2018 for the installation of the upper footbridge on the Quoich on the Mar Lodge Estate and an opening ceremony will be held as soon as possible with Mrs Bennet in attendance. Short term, there will be no further work on the Derry Bridge though, in the longer term, NTS plans to replace the temporary structure contributed by ScotWays and the Brown Forbes Trust.

Fife Council has allocated ScotWays a budget of £1,500 to assist with Fife signposting on rights of way. We plan to use this to update our signage records in Fife and, if we find signs in disrepair, we can then use the funds to repair or refurbish them. After a year, this project will have the majority, if not all, of our Fife signposts recorded correctly, with photographs of each, and will ensure our databases are up to date.

### Financial review

The Society's surplus for the year is £14,796 (2017: £48,886). The surplus on unrestricted reserves is £4,326 (2017: £49,368) and the surplus on restricted reserves is £10,470 (2017: £482 deficit).

### Reserves policy

The unrestricted funds represent the free reserves of the Society. The unrestricted reserves after deducting for the reserves financing fixed assets, amount to £135,347. The Board considers it appropriate to hold the equivalent of 12 months annual core expenditure, around £100,000, and has designated funds of £273,513 including £200,000 designated this year to its 3 year plan as follows:

Modernising systems including CROW and other IT and the office workspace	£85,000
Law Guides and other intellectual property	£25,000
Outdoor projects including signposts, contributions to bridge replacements and small grants	£35,000
Profile raising, website development and volunteer management	£55,000
<b>Total designated funds</b>	<b>£200,000</b>

More details of the 3 year plan are set out below.

### Risk management

The Risk Policy and Risk Register created in 2017 have been reviewed and updated as necessary and a number of initiatives have resulted.

### 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 thus established 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, our 3 year plan is in 4 parts with significant costs including for additional staff:

- to address office systems including CROW which now use old technology, to challenge our work practices and ensure staff have the tools they need to work effectively, to enhance our information management, to make our systems compliant and to re-configure our office space to accommodate more volunteers;
- 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 either through the work of its volunteers, including training, or making a financial contribution; and
- to raise the Society's profile to put it in a stronger position to campaign and to attract members.

### **Contribution of staff and volunteers**

I would like to acknowledge the commitment of staff both to the continued high levels of enquiries which are handled in the office but also in taking on additional responsibilities and consulting on changes. My fellow directors contribute extensive experience and energy to a wide range of projects for the Society. Our volunteers are resourceful and tenacious and whether helping in the office, attending meetings or surveying routes, signposts and bridges, they allow the Society to do much more than would otherwise be possible.

### **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 13 September 2018.

**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 2018 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**

13 September 2018



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

for the year ended 30 June 2018

	Note	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
<b>Income from:</b>					
Donations and legacies	3	45,170	15,500	60,670	108,964
Charitable activities	4	93,070	-	93,070	72,974
Investments	5	2,993	-	2,993	816
<b>Total</b>		<b>141,233</b>	<b>15,500</b>	<b>156,733</b>	<b>182,754</b>
<b>Expenditure on:</b>					
Raising funds	6	(368)	-	(368)	-
Charitable activities	7	(140,655)	(5,030)	(145,685)	(141,612)
<b>Total</b>		<b>(141,023)</b>	<b>(5,030)</b>	<b>(146,053)</b>	<b>(141,612)</b>
Unrealised gains on investments	12	4,116	-	4,116	7,744
<b>Net income</b>		<b>4,326</b>	<b>10,470</b>	<b>14,796</b>	<b>48,886</b>
Transfers between funds		-	-	-	-
<b>Net movement in funds</b>		<b>4,326</b>	<b>10,470</b>	<b>14,796</b>	<b>48,886</b>
Funds brought forward at 1 July 2017		589,899	30,469	620,368	571,482
<b>Funds carried forward at 30 June 2018</b>		<b>594,225</b>	<b>40,939</b>	<b>635,164</b>	<b>620,368</b>

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 2018

	Note	2018 £	2018 £	2017 £	2017 £
<b>Fixed assets</b>					
Tangible assets	11		104,347		105,191
Investments at valuation	12		354,531		49,557
			<u>458,878</u>		<u>154,748</u>
<b>Current assets</b>					
Stock	13	901		1,680	
Debtors	14	19,064		15,018	
Cash in bank and at hand		179,119		465,780	
		<u>199,084</u>		<u>482,478</u>	
<b>Creditors: amounts falling due within one year</b>	15	(22,798)		(16,858)	
<b>Net current assets</b>			<u>176,286</u>		<u>465,620</u>
<b>Total assets less current liabilities</b>			<u>635,164</u>		<u>620,368</u>
<b>Reserves</b>					
Unrestricted funds:	16				
General reserve		304,404		486,985	
Revaluation reserve		16,308		12,192	
Designated funds		273,513		90,722	
		<u>594,225</u>		<u>589,899</u>	
Restricted funds	17		40,939		30,469
			<u>635,164</u>		<u>620,368</u>


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 13 September 2018.

  
**D Langworth**  
Director

## Statement of cash flows

For the year ended 30 June 2018

	2018 £	2018 £	2017 £	2017 £
<b>Net income for year per the statement of financial activities</b>		<b>14,796</b>		<b>48,886</b>
<i>Adjustments for:</i>				
Gains on investments		(4,116)		(7,744)
Depreciation		844		828
Income from investments		(2,993)		(816)
Decrease in stock		779		808
(Increase)/decrease in debtors		(4,046)		2,370
Increase in creditors		5,940		1,165
		<hr/>		<hr/>
<b>Net cash provided by operating activities</b>		<b>11,204</b>		<b>45,497</b>
		<hr/> <hr/>		<hr/> <hr/>
<b>Investing activities</b>				
Purchase of office equipment		-	(1,198)	
Investment additions	(180,257)		-	
Investment cash injection	(120,601)		-	
Income from investments	2,993		816	
		<hr/>	<hr/>	
<b>Net cash used in investing activities</b>		<b>(297,865)</b>		<b>(382)</b>
		<hr/>		<hr/>
<b>Change in cash and cash equivalents in the year</b>		<b>(286,661)</b>		<b>45,115</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>465,780</b>		<b>420,665</b>
		<hr/>		<hr/>
<b>Total cash and cash equivalents at the end of the year</b>		<b>179,119</b>		<b>465,780</b>
		<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.

In the current year this method was changed from 5% reducing balance. The current year transfer represents a retrospective change to the method as if this had been in place from the outset.

#### **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.

#### **Taxation**

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

## Notes (continued)

### 2 Net incoming resources

	2018	2017
	£	£
This is stated after charging:		
Depreciation of fixed assets	844	828
Independent examination fee	1,750	1,700
	<u>          </u>	<u>          </u>

### 3 Income from donations and legacies

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
Annual subscription	15,574	-	15,574	16,604
Life subscriptions	1,700	-	1,700	-
Corporate subscriptions	3,125	-	3,125	2,981
Local authorities' subscriptions	6,450	-	6,450	5,983
Donations	6,568	5,000	11,568	7,160
Grants	-	10,500	10,500	-
Browns Forbes Trust	-	-	-	8,000
Bequests and legacies	7,000	-	7,000	63,768
Gift aid	4,753	-	4,753	4,468
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	45,170	15,500	60,670	108,964
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

In 2017 income from donations and legacies was split £100,814 unrestricted and £8,150 restricted.

### 4 Income from charitable activities

	2018	2017
	£	£
Lawyers' searches	87,365	68,009
Sale of publications	4,491	4,186
Walks	365	565
Other income	849	214
	<u>          </u>	<u>          </u>
	93,070	72,974
	<u>          </u>	<u>          </u>

In 2017 £181 of income from charitable activities was restricted.

### 5 Income from investments

	2018	2017
	£	£
Interest	1,200	816
Dividends	1,793	-
	<u>          </u>	<u>          </u>
	2,993	816
	<u>          </u>	<u>          </u>

In 2017 all income from investments was unrestricted.

### 6 Expenditure on raising funds

	2018	2017
	£	£
Investment manager's fees	368	-
	<u>          </u>	<u>          </u>

For the year ended 31 July 2017 there was no expenditure on raising funds.

## Notes (continued)

### 7 Expenditure on charitable activities

	Unrestricted Funds	Restricted Funds	2018 £	2017 £
Staff costs (note 10)	104,281	-	104,281	96,279
Travel costs	2,383	-	2,383	1,970
Publications	3,183	-	3,183	2,330
Project costs	622	5,030	5,652	10,945
Bad debts	280	-	280	259
Support costs (note 8)	25,055	-	25,055	23,600
Governance costs (note 9)	4,851	-	4,851	6,229
	<u>140,655</u>	<u>5,030</u>	<u>145,685</u>	<u>141,612</u>

In 2017 expenditure on charitable activities was split £131,077 unrestricted and £10,535 restricted.

### 8 Support costs

	2018 £	2017 £
Premises costs	7,277	6,229
Printing, postage and stationery	6,767	7,923
Computer costs	3,974	1,160
Subscriptions	363	574
Depreciation	844	828
Maps	847	848
Advertising	545	723
Sundry expenses and bank charges	664	623
Irrecoverable VAT	(969)	575
Meeting expenses and other staff costs	813	1,206
Professional fees	3,930	2,911
	<u>25,055</u>	<u>23,600</u>

### 9 Governance costs

	2018 £	2017 £
Independent examiner's fees	1,750	1,700
Meeting expenses	577	782
Preparation of annual report and AGM	2,524	2,199
Legal advice on Articles of Association	-	1,548
	<u>4,851</u>	<u>6,229</u>

**Notes** (continued)

**10 Employees**

	2018	2017
	£	£
Staff salaries	96,122	90,475
Employer's NIC	4,070	3,740
Pension	3,571	1,573
Death in service	518	491
	<u>104,281</u>	<u>96,279</u>

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

The average number of employees was 5 (2017: 5) (full time equivalent 4 (2017: 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 one director (2017: two) were paid such expenses of £124 (2017: £155).

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 £55,173 (2017: £54,960).

**11 Tangible fixed assets**

	Heritable property £	Office equipment £	Total £
<b>Cost</b>			
At 1 July 2017 and 30 June 2018	103,765	5,090	108,855
<b>Depreciation</b>			
At 1 July 2017	-	3,664	3,664
Charge for the year	-	844	844
At 30 June 2018	-	4,508	4,508
<b>Net book value</b>			
At 30 June 2018	<u>103,765</u>	<u>582</u>	<u>104,347</u>
At 30 June 2017	<u>103,765</u>	<u>1,426</u>	<u>105,191</u>

**12 Investments**

	2018	2017
	£	£
<i>Listed investments</i>		
Market value at 30 June 2017	49,557	41,813
Additions	180,257	-
Unrealised gain during the year	4,116	7,744
Cash held by investment broker	120,601	-
Market value at 30 June 2018	<u>354,531</u>	<u>49,557</u>
Historical cost	<u>338,223</u>	<u>37,365</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.

	2018 £	2017 £
Stock in hand	901	1,680

**14 Debtors**

	2018 £	2017 £
Gift aid recoverable	4,752	4,210
Prepayments	2,822	1,905
Other debtors	11,490	8,903
	<u>19,064</u>	<u>15,018</u>

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

	2018 £	2017 £
Trade creditors	530	-
Other creditors	11,274	9,503
Deferred income	2,630	2,488
VAT	7,558	4,867
Other tax and securities	806	-
	<u>22,798</u>	<u>16,858</u>

**16.1 Unrestricted funds**

	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 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>

A transfer has been made to designated funds for four new funds in the year as titled above.

A transfer has been made from the life membership fund to general reserves representing a retrospective change to the method previously applied. Each year a transfer will be made to the general reserve on a straight line basis over 15 years going forward.

**17 Restricted funds**

	Sawmill Bridge £	Donald Bennet Fund £	Heritage Paths Fund £	Law Guide Fund £	Signage Fund £	Total £
<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	-	-	-	-	-	-
Balance at 30 June 2018	<u>-</u>	<u>29,653</u>	<u>786</u>	<u>9,000</u>	<u>1,500</u>	<u>40,939</u>

- *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.
- *Sawmill Fund*: funded by an anonymous ScotWays member, this fund was a contribution towards the replacement of the Sawmill Bridge on the Airlie estate in Angus.
- *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.

**18 Analysis of net assets among funds**

	Unrestricted funds £	Restricted funds £	2018 £	2017 £
Fixed assets	458,878	-	458,878	154,748
Net current assets	135,347	40,939	176,286	465,620
	<u>594,225</u>	<u>40,939</u>	<u>635,164</u>	<u>620,368</u>

**Notes** (continued)

**19 Financial instruments**

	2018	2017
	£	£
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	16,242	13,113
Fair value through profit and loss	354,531	49,557
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	(11,804)	(9,503)
	<u>358,969</u>	<u>53,167</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 2018:

	2018	2017
	£	£
Within 1 year	1,828	1,828
2-5 years	1,828	3,656
	<u>3,656</u>	<u>5,484</u>

**21 Related parties**

Richard Barron, a director until 18 November 2017, provided consultancy services in the year to the Society to the value of £3,360 after he resigned as a director.

**22 Ultimate controlling party**

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