

THE SCOTTISH RIGHTS OF WAY SOCIETY
(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1998



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(A COMPANY LIMITED BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1998

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The following does not form part of the
statutory Accounts.

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THE SCOTTISH RIGHTS OF WAY SOCIETY
(A COMPANY LIMITED BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1998

DIRECTORS' REPORT

The directors have pleasure in presenting the Annual Report and Accounts for the year ended 30 June 1998.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:-

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ACTIVITIES

The company gives advice about rights of way to the public and to local councils. In addition the company signposts rights of way both to show their routes and to help safeguard their status. Records of the principal rights of way are also kept.

RESULTS

The results for the year are shown in the attached accounts.

FIXED ASSETS

Major changes in fixed assets are detailed in note 5 to the accounts.

THE SCOTTISH RIGHTS OF WAY SOCIETY
(A COMPANY LIMITED BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1998

DIRECTORS' REPORT (Continued)

DIRECTORS

The directors who held office during the year were:-

D J Bennet (Chairman)	W J Gay
T W Boyd	J C Bartholomew
I J G Carnegie	J P Lawson
J Law	Mrs E S Lyle
Cllr G Urquhart	A Sutherland
J G Aird	W R Forsyth
T Weir (Hon President)	Miss M M Dymock
Dr R Aitken (Vice President)	J B C Davidson
J Barton	A C H Valentine
Dr M C Macleod	W B Logan
	Cllr T Smith

GUARANTEE

Each member of the company has undertaken to contribute an amount not exceeding £1 towards any deficit arising in the event of the Society being wound up.

By order of the board



Judith Lewis
Secretary

John Cotton Business Centre
10 Sunnyside
Edinburgh
EH7 5RA

Date:- 16th September 1998

ACCOUNTANT'S REPORT
TO THE MEMBERS OF THE SCOTTISH RIGHTS OF WAY SOCIETY

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1998

As described on page 1, the Society's directors are responsible for the preparation of the accounts, and they believe that the company is exempt from an audit under section 249(3) of the Companies Act 1985.

At the request of the directors, we have examined the accounts on pages 4 to 12 and find them to be in accordance with the accounting records and sufficiently vouched and instructed. We did not carry out an audit.



Brown Campbell & Company
Chartered Accountants and
Registered Auditors
16 Great Stuart Street
Edinburgh
EH3 7TN

Date:- 18-9-98

THE SCOTTISH RIGHTS OF WAY SOCIETY
(A COMPANY LIMITED BY GUARANTEE)

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 1998

INCOMING RESOURCES	Note	1998 £	1997 £
Annual Subscriptions		11,075	11,323
Life Subscriptions		2,286	3,520
Corporate Subscriptions		6,109	5,620
Donations		4,058	6,109
Receipts from Publications		692	621
Interest on Invested Funds including Income Tax recovered		6,757	5,418
Income Tax recovery on Deeds of Covenant and Gift Aid		809	844
Grants Receivable		33,106	32,260
Royalties received on Sale of Scottish Hill Tracks		2,346	5,568
Surplus on Sale of Scottish Hill Tracks		712	1,283
Lawyers' Search Expenses		1,110	870
Surplus on Raffles		-	3,593
Legacy		30,000	-
TOTAL INCOMING RESOURCES		99,060	77,029
DIRECT CHARITABLE EXPENDITURE			
Guide Posts Expenses		14,942	11,490
Catalogue Project Expenses		16,200	18,887
Case Law Expenses		-	2,000
MANAGEMENT AND ADMINISTRATION	3	49,911	44,569
TOTAL RESOURCES EXPENDED		81,053	76,946
NET SURPLUS/(DEFICIT)		18,007	83
OTHER RECOGNISED GAINS AND LOSSES			
Net realised Loss on Sale of Investments		(654)	(1,018)
Net realised Gain on Sale of Office Equipment		-	150
SURPLUS/(DEFICIT) FOR THE YEAR		17,353 =====	(785) =====

The results for the year relate wholly to continuing activities.
There are no other recognised gains or losses for the year.

The Notes on Pages 6 to 12 form part of these Accounts

THE SCOTTISH RIGHTS OF WAY SOCIETY
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 30 JUNE 1998

<u>FIXED ASSETS</u>	<u>Note</u>	£	<u>1998</u> £	£	<u>1997</u> £
Tangible Assets	5		2,406		1,769
Investments	6		52,492		53,168
<u>CURRENT ASSETS</u>					
Stock	7	2,502		1,286	
Debtors	8	6,202		17,043	
Cash at Bank and in Hand		47,246		15,976	
Creditors: due within one year	9	55,950 (13,756)		34,305 (9,503)	
Net Current Assets			42,194		24,802
Total Assets less Current Liabilities			97,092		79,739
			=====		=====
<u>CAPITAL AND RESERVES</u>	10 & 11				
Unrestricted			85,969		71,463
Restricted			11,123		8,276
			97,092		79,739
			=====		=====

The directors:

1. confirm that for the year ending 30 June 1998 the company was entitled to the exemption under subsection (1) of section 249A;
2. confirm that no notice requiring an audit had been deposited under subsection (2) of section 249B in relation to the accounts for the financial year; and
3. acknowledge their responsibility for:
 - a. ensuring that the company keeps accounting records which comply with section 221; and
 - b. preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its surplus for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

D J Bennet

Dr D J Bennet, Director

16/9/98

Date

The Notes on Pages 6 to 12 form part of these Accounts

NOTES (FORMING PART OF THE FINANCIAL STATEMENTS)
FOR THE YEAR ENDED 30 JUNE 1998

1. ACCOUNTING POLICIES

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

Basis of Preparation

The accounts have been prepared in accordance with the historical cost convention and in accordance with applicable accounting standards.

Company Status

The company is limited by guarantee of the members and does not have share capital. Under paragraph VI of the Memorandum of Association, each member undertakes to contribute up to £1 in the event of the company being wound up.

To comply fully with The Statement of Recommended Practice would require investments to be accounted for at valuation. The Main Board are of the opinion that since the investments are held for the long term it would be inappropriate to account for unrealised gains and losses year by year. Therefore investments have been accounted for at historical cost. This is the only exception to compliance with the Statement of Recommended Practice. the market value of the investments is disclosed in note 6.

Funds

With the adoption of the new Recommended Practice, all income and expenditure is dealt with through the Income and Expenditure Account, including those items which under the previous practice were dealt with separately as movements in miscellaneous reserves. Funds are now classified as either restricted funds or unrestricted funds, defined as follows:

Restricted funds are funds subject to specific trusts, which may be declared by the donor or with their authority (e.g. by the restrictive wording of an appeal).

Unrestricted funds are expendable at the discretions of the Board of Directors in furtherance of the objects of the Scottish Rights of Way Society.

A transfer is made from unrestricted funds to restricted funds to compensate fully all restricted funds which would otherwise be in deficit at the accounting date.

NOTES (CONTINUED)

1. ACCOUNTING POLICIES (continued)

Statement of Financial Activities

This statement included as note 10, produced to comply with the Statement of Recommended Practice, is effectively a restatement of the Income and Expenditure Account in a different format, incorporating information on movements in capital resources to form a single statement of all movements between opening and closing fund balances.

Deeds of covenant

No credit has been taken for future instalments receivable under Deeds of Covenant.

Life memberships

Life memberships are recognised as income in the year of receipt and allocated to the Life Membership Fund. Each year 5% of the fund is transferred to the Fighting Fund which is an unrestricted fund which is used as required to provide funds for restricted funds.

Management and Administration Expenditure

Head office expenses are allocated to Fighting Fund.

Investment Income

Investment income is credited to the Income and Expenditure Account on the basis of actual dividends and interest receivable during the year.

Sale of Fixed Assets

Any gains or losses on sale of fixed assets are taken to the Income and Expenditure Account.

Grants

Revenue grants are credited to the income and expenditure account in the year in which they are awarded.

Depreciation

Depreciation has been provided on the cost of the assets so as to write them off over their anticipated useful lives as follows:-

Office Equipment	33.3% reducing balance
Vehicle Trailer	33.3% reducing balance

THE SCOTTISH RIGHTS OF WAY SOCIETY
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NOTES (CONTINUED)

1. ACCOUNTING POLICIES (continued)

Stock

Stock has been valued at the lower of cost or net realisable value.

Taxation

The Society has charitable status for tax purposes.

2. DIRECTORS' REMUNERATION

The directors receive no remuneration other than the re-imbursement of expenses incurred by them for purpose of carrying out their duties. Total expenses paid in the year were £1,479 (1997 - £1,057).

3. MANAGEMENT AND ADMINISTRATION EXPENSES

	1998			1997
	Unrestricted	Restricted	Total	
	Funds	Funds		
Wages and NI	22,173	-	22,173	19,604
Rent, Rates and Insurance	7,629	-	7,629	7,604
Postage, Printing and Stationery	7,085	-	7,085	7,306
Travelling Expenses	1,796	2,488	4,284	4,287
Telephone and Electricity	1,378	-	1,378	1,566
Accountancy/Audit Fee	1,193	-	1,193	1,610
Expenses of Meetings	607	-	607	462
Subscriptions and Donations	160	-	160	225
Miscellaneous	487	3,001	3,488	902
Depreciation of Office Equipment and Trailer	1,183	20	1,203	888
Maintenance of Office Equipment	711	-	711	115
	<u>44,402</u>	<u>5,509</u>	<u>49,911</u>	<u>44,569</u>
	=====	=====	=====	=====

THE SCOTTISH RIGHTS OF WAY SOCIETY
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NOTES (CONTINUED)

4.	<u>WAGES AND SALARIES</u>	<u>1998</u>	<u>1997</u>	
Average number of Employees:				
General Fund		2	2	
Catalogue Projects		1	1	
Guide Post Fund		1	1	
		=====	=====	
		<u>1998</u>	<u>1997</u>	
Wages and Salaries:				
		£	£	
General Fund		20,750	18,517	
Catalogue Project		14,689	17,135	
Guide Post Fund		4,736	6,583	
Social Security Costs:				
General Fund		1,423	1,087	
Catalogue Project		1,511	1,752	
Guide Post Fund		393	434	
		-----	-----	
		43,502	45,508	
		=====	=====	
5.	<u>TANGIBLE ASSETS</u>	<u>Office Equip.</u>	<u>Vehicle Trailer</u>	<u>Total</u>
		£	£	£
<u>Cost</u>				
At 1 July 1997		6,869	200	7,069
Additions		1,840	-	1,840
		-----	-----	-----
At 30 June 1998		8,709	200	8,909
		-----	-----	-----
<u>Depreciation</u>				
At 1 July 1997		5,159	141	5,300
Charge for Year		1,183	20	1,203
		-----	-----	-----
At 30 June 1998		6,342	161	6,503
		-----	-----	-----
<u>Net Book Value</u>				
At 30 June 1998		2,367	39	2,406
		=====	=====	=====
At 30 June 1997		1,710	59	1,769
		=====	=====	=====

THE SCOTTISH RIGHTS OF WAY SOCIETY
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NOTES (CONTINUED)

6. <u>INVESTMENTS</u>	<u>1998</u>	<u>1997</u>
	£	£
Listed Investments at Cost	52,492 =====	53,168 =====
Market Value	56,330 =====	52,755 =====
7. <u>STOCKS</u>		
Goods for Resale	2,502 =====	1,286 =====
8. <u>DEBTORS</u>		
Prepayments and Accrued Income	6,202 =====	17,043 =====
9. <u>CREDITORS: DUE WITHIN ONE YEAR</u>		
Sundry Creditors and Accruals	8,627	5,285
Subscriptions Prepaid	5,129	4,218
	13,756 =====	9,503 =====

THE SCOTTISH RIGHTS OF WAY SOCIETY
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NOTES (CONTINUED)

10. STATEMENT OF FINANCIAL ACTIVITIES	1998		Total 1997
	Unrestricted Funds	Restricted Funds	
	£	£	£
INCOME AND EXPENDITURE			
INCOMING RESOURCES			
Subscriptions	19,470	-	19,470
Donations	4,058	-	4,058
Interest on Invested Funds	6,421	336	6,757
Income tax recovery on Deeds of Covenant etc.	809	-	809
Surplus on Publications	3,750	-	3,750
Grants Receivable	7,000	26,106	33,106
Income from Lawyers' Search Expenses	1,110	-	1,110
Surplus on Raffles	-	-	-
Legacy	30,000	-	30,000
Total Incoming Resources	72,618	26,442	99,060
RESOURCES EXPENDED			
Direct Charitable Expenditure			
Guide Posts	-	14,942	14,942
Catalogue Project	-	16,200	16,200
Case Law Project	-	-	-
OTHER EXPENDITURE			
Management and Administration	44,402	5,509	49,911
Total Resources Expended	44,402	36,651	81,053
Net Incoming/outgoing Resources before Transfers	28,216	(10,209)	18,007
Transfers between Funds	(13,056)	13,056	-
Net Incoming/outgoing Resources	15,160	2,847	18,007
Net Loss on Investments realised	(654)	-	(654)
Gain on Equipment realised	-	-	-
Net Movement in Funds	14,506	2,847	17,353
Fund Balances brought forward at 1 July 1997	71,463	8,276	79,739
Fund Balances carried forward at 30 June 1998	85,969	11,123	97,092
	=====	=====	=====

THE SCOTTISH RIGHTS OF WAY SOCIETY
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NOTES (CONTINUED)

11. RECONCILIATION OF FUNDS

	Balance at 30 June 1997	Surplus /Deficit for the Year	Transfers between Funds	Balance at 30 June 1998
	£	£	£	£
UNRESTRICTED FUNDS				
Life Membership Fund	18,870	2,286	(1,059)	20,097
Fighting Fund	39,733	(4,724)	(11,997)	23,012
General Reserve	12,860	-	-	12,860
Property Fund	-	30,000	-	30,000
	71,463	27,562	(13,056)	85,969
RESTRICTED FUNDS				
Lockerby Bequest	5,331	221	-	5,552
George Cheyne Memorial Fund	2,945	115	-	3,060
Catalogue Project	-	(5,789)	5,789	-
Guide Posts Fund	-	(7,267)	7,267	-
Case Law Project	-	2,511	-	2,511
	8,276	(10,209)	13,056	11,123
Total	79,739	17,353	-	97,092
	=====	=====	=====	=====

12. CAPITAL COMMITMENTS

	<u>1998</u>	<u>1997</u>
Authorised but not contracted	94,000	-
	=====	=====

The Society is in the process of purchasing office premises. The likely price is £79,950 plus VAT. The office purchase will be funded by the Stewart legacy of £30,000 with the balance funded by a mixture of the Society's own funds and a loan from the Dunfermline Building Society. The Board of Directors have approved the purchase but have not yet finalised the contract.

THE SCOTTISH RIGHTS OF WAY SOCIETY

(A COMPANY LIMITED BY GUARANTEE)

MANAGEMENT SCHEDULE

RECONCILIATION OF FUNDS

INCOME

	General Funds	Designated Funds			Restricted Funds					Total
	£	Fighting Fund	Membership Fund	Life Fund	Property Fund	Catalogue Project Account	Lockerby Bequest	George Cheyne Memorial	Guide Posts Fund	Case Law Project
Annual Subscriptions	11,075									11,075
Life Subscriptions			2,286							2,286
Corporate Subscriptions	6,109									6,109
Donations	4,058									4,058
Receipts from Publications	692									692
Interest on Invested Funds, including Tax recoverable	6,421						221	115		6,757
Income Tax recovery on Deeds of Covenant Gift Aid	809									809
Grants receivable	7,000								9,795	33,106
Surplus on Sale of Scottish Hill	712					13,768				712
Royalties receivable on Sale of Scottish Hill Tracks	2,346									2,346
Lawyers' Search Expenses	1,110									1,110
Surplus on Raffles										
Legacy					30,000					30,000
	40,332	-	2,286		30,000	13,768	221	115	9,795	99,060

EXPENDITURE

Guide Posts	7,085								9,813	9,813
Postage, Printing and Stationery	1,796									7,085
Travelling Expenses	1,378					356			2,100	4,284
Telephone and Electricity	1,193									1,378
Accountancy/Audit Fee	22,173					16,200			5,129	1,193
Wages and NI	7,629									43,502
Rent, Rates and Insurance	607									7,629
Expenses of Meetings	160								20	607
Subscriptions and Donations	487					3,001				160
Miscellaneous										3,488
Depreciation - Office Equipment and Trailer	1,183									1,203
Maintenance of Office Equipment	711									711
	44,402	-	-	-	-	19,557	-	-	17,062	81,053

THE SCOTTISH RIGHTS OF WAY SOCIETY

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MANAGEMENT SCHEDULE

RECONCILIATION OF FUNDS

	Designated Funds			Restricted Funds					Total
	General Funds	Fighting Fund	Life Membership Fund	Property Fund	Catalogue Project Account	Lockerby Bequest	George Cheyne Memorial	Guide Posts Fund	Case Law Project Account
	£	£	£	£	£	£	£	£	
INCOME									
Surplus/(Deficit) for the Year	(4,070)		2,286	30,000	(5,789)	221	115	(7,267)	2,511
									18,007
Net realised loss on Sale of Investments	(654)								(654)
Balance at 30 June 1997	(4,724) 12,860	- 39,733	2,286 18,870	30,000	(5,789)	221 5,331	115 2,945	(7,267)	2,511
									17,353 79,739
Transfer between General Funds	8,136 4,724	39,733 (3,665)	21,156 (1,059)	30,000	(5,789)	5,552	3,060	(7,267)	2,511
									97,092
Transfer from General Funds to cover Deficit in Restricted Funds		(13,056)			5,789			7,267	-
									-
Balance at 30 June 1998	12,860	23,012	20,097	30,000	-	5,552	3,060	-	2,511
									97,092