

**Report of the Trustees and  
Unaudited Financial Statements for the Year Ended 31 March 2018  
for  
Scottish Rural Action**

The Kelvin Partnership Ltd  
Chartered Accountants  
The Cooper Building  
505 Great Western Road  
Glasgow  
G12 8HN

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for the Year Ended 31 March 2018**

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**Report of the Trustees  
for the Year Ended 31 March 2018**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2018. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The company supports and promotes the advancement of citizenship and community development, including rural regeneration and civic responsibility. To this end, the company carries out activities: To encourage and actively support the development of an inclusive and sustainable Scottish rural movement that is rooted in Scotland's rural communities and empowers and connects them. To support the organisation of a Scottish Rural Parliament that meets with the purpose of giving a stronger, more coherent voice to Scotland's rural communities and enabling them to engage more effectively with government at all levels. To support and promote the development of a Scottish rural movement and Parliament.

After the success of staging two Scottish Rural Parliaments, the Board of directors recognised the need to review SRAs structures and processes to develop its work further. Following engagement with members and stakeholders, the board of directors wrote a 10-year strategic plan in early 2017 with two outcomes:

**OUTCOME 1:** There is a powerful voice for the diverse people and communities of rural Scotland, particularly those not already represented by other interests, to assure that policy and decision-making meets the needs of rural Scotland.

**OUTCOME 2:** Scottish Rural Action will be a sustainable, independent and effective organisation with a clear vision for our future.

Throughout 2017-18 the focus of SRAs activities shifted to ensure these outcomes were prioritised and the staff team was restructured to reflect the new priorities (see below), alongside the Action Plan agreed following the Scottish Rural Parliament in Brechin in 2016.

Key activities delivered in pursuit of these aims included:

- Conference and AGM - Connected rural stakeholders from across the third sector and rural communities to examine the future of rural policy at our conference and AGM, Towards a vision for rural Scotland, attended by over 100 people.
- Rebranded - To align our identity with the new strategic plan, we rebranded publicly as Scottish Rural Action and launched a new logo and website, including discussion forum.
- General election campaign - We ran a campaign to help people decide who to vote for by outlining the impact of political party manifestos on rural areas and connecting people with candidates through an online hustings.
- Tools to empower rural communities to be heard - Provided training for community leaders in using social media to lead campaigns, and piloted a campaigns toolkit.
- Rural Mental Health Forum - Became an active and founding member of the new Rural Mental Health Forum, guiding the development of the Forum's strategy and advocating on behalf of people in rural communities with mental health problems.
- European Rural Parliament - Sent a delegation to the European Rural Parliament, facilitating the exchange of ideas and building links across Europe.
- Rural Innovators Awards - Showcased good practice through highlighting the work throughout 2017-18 of the 2016 Rural Innovators Award winners.
- National Transport Strategy 2 - Provided ongoing input into the National Transport Strategy in both the Partnership Working Group (overseeing the development of the strategy) and the Enabling Economic Growth sub-group, including presentations on the rural economy. Secured an excellent response from rural communities to the related consultations, ensuring a strong rural voice in the development of the strategy.
- Digital Expert Panel - Provided rural representation on the procurement panel for the R100 broadband programme
- FareEnough? - Researched and highlighted the needs of young people in rural areas in relation to transport costs through research, leading to improved travel concessions for young people.
- #BeKindDecember - Campaigned to encourage people to do one kind activity over the holiday season in recognition of the needs of people isolated through their locality.
- National Outcomes - Extensive input into the new National Outcomes to ensure that the needs of rural communities are understood and met.

**Report of the Trustees  
for the Year Ended 31 March 2018**

- Rural Communities Liaison Group - Coordinated activity on rural issues as an active member of the Rural Communities Liaison Group.
- Fairer Delivery Charges - Supported the Fairer Delivery Charges campaign, enabling this to reach more people and have a greater impact.
- Rural Banking - Advocated for rural communities on the impact of bank branch closures in wide range of forums, including in direct meetings with bank officials, at the Westminster Scottish Affairs Committee. Secured a hiatus for some rural banks and ensured a national focus on the issue.
- Broadband and mobile phone signal - Submitted evidence on the impact of proposed legislative changes on rural communities to the Westminster Scottish Affairs Committee.
- Consultations - provided information for rural communities on and responded to consultations as follows: Scottish Energy Strategy Scottish Energy Efficiency Programme Fuel Poverty Strategy Guidance on Engaging Communities in Decisions Relating to Land Climate Change Bill Isolation Strategy Fuel Poverty Bill

## **FINANCIAL REVIEW**

### **Financial Review**

There is always a significant difference in our turnover depending on if the accounts are for a year in which the Rural Parliament takes place and there is a notable difference in both income and expenditure between 2016-17 and 2017-18 for this reason.

The Scottish Government remains the primary funder for Scottish Rural Action and this is noted as a significant risk to the organisation, although funding for 2018-19 has been agreed in principle. The trustees are grateful to the Scottish Government for their continued support for rural communities and keen to ensure that additional sources of funding are secured for 2018-19 and beyond, including sponsorship for the Rural Parliament, which is not funded by Scottish Government.

### **Reserves policy**

Scottish Rural Action seeks to retain reserves the equivalent of three months operating costs and sufficient to meet our obligations in full upon making a decision to close the organisation. We currently calculate this value to be £40,000 and are in the fortunate position of achieving our reserves level.

## **FUTURE PLANS**

The board of directors have identified key activities that Scottish Rural Action will undertake in 2018-19:

- Progress review - We will review the Action Plan and Strategic Plan and circulate an update to members in early 2018.
- Scottish Rural Parliament - In 2018-19 the third Scottish Rural Parliament will take place, bringing together 400 rural activists and decision-makers to inspire, influence and debate.
- Brexit - We will consider how best to influence decisions related to Brexit in partnership with key stakeholders, including UK and NI grassroots networks.
- Campaigns - We will continue to implement our Action Plan arising from the second Rural Parliament as well as continuing campaigns begun in 2017-18 on rural banking, transport for young people and mental health.
- Volunteers - Review and develop our volunteer programme to reflect lessons learnt in 2017-18.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing document**

To reflect our new strategic aims, it was recognised that SRA would benefit from charitable status and at the conference in September 2017, the membership voted to amend the articles of association and to apply to OSCR for registration as a charity. Charitable registration was awarded to SRA on 22 January 2018.

Charitable registration presented additional responsibilities to the governance of SRA and highlighted the need to recruit additional trustees with charitable experience. Looking forward to next year, SRA aims to review the skills needed for the Board of Trustees and develop the trustee recruitment process in order to formalise this and to target appropriate skills and experience. As part of this, there will be a focus throughout the year on the roles and responsibilities of the Board of trustees.

The charity is controlled by its governing document, articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

**Report of the Trustees  
for the Year Ended 31 March 2018**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Staffing structure**

The new strategic plan required a refreshed staffing structure and SRA therefore restructured the staff team in 2017-18. The refreshed team are:

Chief Executive - Emma Cooper (1FTE)  
Volunteer & Campaigns Coordinator - Fiona Thompson (0.6FTE)  
Policy & Communications Officer - Paul Daly (0.5FTE)  
Finance & Administration Officer - Barbara Grieve (0.2FTE)

This takes our total staff team to 2.3FTE posts bringing together a wide-range of skills which has aided the development of SRA.

The creation of this new staffing structure did, however, result in the previous posts being made redundant. The board of directors was sad to lose Francesca Harding as our Administrator and Chris Kinloch as our Press & Admin Officer and thank them both for their hard work in taking SRA to this stage. Emma Cooper moved from the post of National Coordinator to the new post of Chief Executive and the board are delighted to retain her experience and commitment to the work of SRA.

**Induction and training of new trustees**

New members of the Board are provided with an initial information pack containing: previous minutes of Board Meetings and literature associated with the business of the company. The Trustee Directors receive appropriate training by attendance at Company development days and Governance training and also through Voluntary Action Scotland.

**Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**  
SC461352 (Scotland)

**Registered Charity number**  
SC04808

**Registered office**  
69 Ardbeg Road  
ROTHESAY  
Isle of Bute  
PA20 0NN

**Trustees**

S Brooke	- resigned 1.12.17
A Brunton	- resigned 1.12.17
Mrs A K Burgauer	
Ms R Dawes	
Ms A V Halhead	
Miss F M Harding	- resigned 1.12.17
G S M Harrison	
L Haxton	
Ms A M Macleod	
Ms A M Simpson	- resigned 26.1.18
Ms M Williams Edgar	
Mrs H M Houston	- appointed 1.12.17 - resigned 16.5.18
Mrs S K Boyd	- appointed 1.12.17

Report of the Trustees  
for the Year Ended 31 March 2018

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Independent examiner**

Raymond Henry FCA  
The Kelvin Partnership Ltd  
Chartered Accountants  
The Cooper Building  
505 Great Western Road  
Glasgow  
G12 8HN

Approved by order of the board of trustees on 23 October 2018 and signed on its behalf by:

A handwritten signature in black ink that reads "Amanda Burgauer". The signature is written in a cursive style with a large initial 'A'.

Mrs A K Burgauer - Trustee

**Independent Examiner's Report to the Trustees of  
Scottish Rural Action**

I report on the accounts for the year ended 31 March 2018 set out on pages six to ten.

**Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's trustees 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 accounts as required under Section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

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

My examination was 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 accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

**Independent examiner's statement**

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

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

have not been met; or

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



Raymond Henry FCA  
The Kelvin Partnership Ltd  
Chartered Accountants  
The Cooper Building  
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23 October 2018

**Statement of Financial Activities  
for the Year Ended 31 March 2018**

	Notes	31.3.18 Unrestricted fund £	31.3.17 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
<b>Charitable activities</b>			
Grants		146,072	150,578
Other trading activities	2	5,945	51,376
<b>Total</b>		152,017	201,954
 <b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Charitable activities		107,066	201,954
<b>NET INCOME</b>		44,951	-
 <b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward		68	68
 <b>TOTAL FUNDS CARRIED FORWARD</b>		45,019	68



**Balance Sheet  
At 31 March 2018**

	Notes	31.3.18 Unrestricted fund £	31.3.17 Total funds £
<b>CURRENT ASSETS</b>			
Cash at bank and in hand		46,352	30,194
<b>CREDITORS</b>			
Amounts falling due within one year	7	(1,333)	(30,126)
<b>NET CURRENT ASSETS</b>		<u>45,019</u>	<u>68</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		45,019	68
<b>NET ASSETS</b>		<u>45,019</u>	<u>68</u>
<b>FUNDS</b>			
Unrestricted funds		45,019	68
<b>TOTAL FUNDS</b>		<u>45,019</u>	<u>68</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2018 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 23 October 2018 and were signed on its behalf by:

Mrs A K Burgauer -Trustee

The notes form part of these financial statements

Notes to the Financial Statements  
for the Year Ended 31 March 2018

1. ACCOUNTING POLICIES

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery - 33% on cost

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. OTHER TRADING ACTIVITIES

	31.3.18	31.3.17
	£	£
Sponsorships	1,158	35,000
Exhibitor fees	600	3,880
Participants fees	645	5,548
Community Jobs Scotland	3,542	6,948
	<hr/>	<hr/>
	5,945	51,376
	<hr/> <hr/>	<hr/> <hr/>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2018

3. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.3.18	31.3.17
	£	£
Independent examination fee	1,320	1,320
Depreciation - owned assets	-	411
Other operating leases	-	1,750
	<u>          </u>	<u>          </u>

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2018 nor for the year ended 31 March 2017.

**Trustees' expenses**

Rural Action Scotland registered as a charity on 23 January 2018. Since that date £791 has been paid to trustees in expenses.

5. STAFF COSTS

The average monthly number of employees during the year was as follows:

31.3.18	31.3.17
4	4
<u>          </u>	<u>          </u>

No employees received emoluments in excess of £60,000.

6. TANGIBLE FIXED ASSETS

	Plant and machinery £
<b>COST</b>	
At 1 April 2017 and 31 March 2018	<u>1,234</u>
<b>DEPRECIATION</b>	
At 1 April 2017 and 31 March 2018	<u>1,234</u>
<b>NET BOOK VALUE</b>	
At 31 March 2018	<u>          </u>
At 31 March 2017	<u>          </u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.18	31.3.17
	£	£
Trade creditors	-	2,721
Tax	13	13
Other creditors	-	26,072
Accrued expenses	1,320	1,320
	<u>          </u>	<u>          </u>
	<u>1,333</u>	<u>30,126</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2018

8. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2018.

Detailed Statement of Financial Activities  
for the Year Ended 31 March 2018

	31.3.18	31.3.17
	£	£
<b>INCOME AND ENDOWMENTS</b>		
<b>Other trading activities</b>		
Sponsorships	1,158	35,000
Exhibitor fees	600	3,880
Participants fees	645	5,548
Community Jobs Scotland	3,542	6,948
	<hr/>	<hr/>
	5,945	51,376
<b>Charitable activities</b>		
Grants	146,072	150,578
	<hr/>	<hr/>
<b>Total incoming resources</b>	152,017	201,954
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Wages	72,740	61,372
Pensions	786	8,377
Rent	-	1,750
Insurance	538	534
Telephone	28	998
Postage and stationery	420	1,691
Advertising	2,318	3,672
Sundries	-	541
Subcontractors	100	8,900
Directors travel and subsistence	3,706	10,209
Regional events	7,548	16,635
Other events	2,039	3,588
Venue hire	-	82
Repairs and renewals	-	93
Staff travel and subsistence	14,183	1,165
Voluntary Action Fund	1,280	10,417
Legal and professional	-	72
Training	-	10,220
Rural Parliament advertising	-	4,253
Rural Parliament travel & acc	-	10,884
Rural Parliament performers	-	5,168
Rural Parliament catering	-	30,238
Rural Parliament delegate exp	-	1,582
Rural Parliament post & stat	-	3,415
Rural Parliament innovator exp	-	965
Rural Parliament visits	-	848
Rural Parliament miscellaneous	-	2,517
Rural Parliament wages	-	37
Depreciation	-	411
	<hr/>	<hr/>
	105,686	200,634
<b>Support costs</b>		

**Detailed Statement of Financial Activities  
for the Year Ended 31 March 2018**

	31.3.18	31.3.17
	£	£
<b>Management</b>		
Bank charges	60	-
<b>Governance costs</b>		
Independent examination fee	1,320	1,320
<b>Total resources expended</b>	<u>107,066</u>	<u>201,954</u>
<b>Net income</b>	<u><u>44,951</u></u>	<u><u>-</u></u>