

**REGISTERED COMPANY NUMBER: SC461352 (Scotland)**  
**REGISTERED CHARITY NUMBER: 048086**

**Report of the Trustees and**  
**Unaudited Financial Statements for the Year Ended 31 March 2020**  
**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 2020**

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**Report of the Trustees  
for the Year Ended 31 March 2020**

**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.

Between April - July 2019, Scottish Rural Action's Board refreshed its Strategy and agreed the following vision, outcomes and activity areas which will be delivered in partnership with others:

**VISION** Our vision is to help improve the lives of people and communities in rural Scotland, and reduce rural inequality.

**OUTCOME 1** Rural communities across Scotland have equal access to services, resources and opportunities, and the rights and wellbeing of those living in rural Scotland are promoted and protected.

**OUTCOME 2** A growing and sustainable rural network with an effective and diverse range of voices heard and responded to in local, national and public life.

Under these outcomes, the Board identified five discrete activity areas or 'pillars' that will enable SRA fulfil its mission. These are:

1. Thematic: Exploring emerging topics of interest to rural communities, including our "Rural Homes, Rural Lives" campaign delivered in partnership with Rural Housing Scotland.
2. Rural Mainstreaming: Engaging with policy and decision makers to ensure rural communities are considered and involved from policy inception.
3. Rural Movement: Building a collaborative network and shared platform for the rural areas, their people and many organisations engaged in rural development.
4. Cross-Cutting: Ensuring our communications and outreach achieves maxim reach and relevance across geography and interests.
5. Business Development: Creating a viable, well managed and sustainable organisation

**Activities**

The review of the organisation's Strategy took place at a time of change for SRA. This involved changes in the funding and staffing.

During this period, SRA's grant support from the Scottish Government was under review, after six years. Confirmation of future funding was predicted on a review by the James Hutton Institute. The review process was delayed for some months, and the report was finally published in December 2019. During the review period on short term funding was available for staffing etc. The conclusions of the review enable SRA and its stakeholders, including the Scottish Government, to move with confidence into the next phase of the organisation's growth and development.

Prior to the review, SRA staffing had also changed: The Policy & Communications Officer had left in October 2018 and the CEO in February 2019. In June 2019, the Volunteering & Campaigns Coordinator took up a new post. Following the review process, in January 2020, SRA advertised for new Trustees and for a salaried National Coordinator to support the Board. Three new Trustees were appointed at SRA's AGM on the 27th February 2020. The National Co-ordinator was appointed in March 2020 and took up the post on the 6th April 2020.



## Scottish Rural Action

### Report of the Trustees for the Year Ended 31 March 2020

2019-20 was a challenging year but against the backdrop of the COVID-19 pandemic, the influx of new people, new energy and new ideas meant SRA embarked on 2020-21 with a sense of renewed purpose and enormous potential. The work carried out in 2019-20, delivered in the main by thousands of volunteer hours put in by trustees and other volunteers with support from our Finance & Administration Officer and two consultants, kept momentum going on SRA's thematic projects and building a rural movement. Some achievements from this period include:

1. The Highlands and Islands Air Transport Survey Report which was produced in collaboration with SRUC at the request of Scottish Government.
2. The continued promotion of our "Rural Homes, Rural Lives" campaign in partnership with Rural Housing Scotland.
3. Participation in the implementation of the Open Government in Scotland Action Plan 2018-20. The aim of this working group was to bring together state and civic society partners who share an improving democratic processes and outcomes across Scotland, in particular, supporting work to place people at the heart of public service design and delivery.
4. National Stakeholder Event - inviting key organisations to discuss and debate the issues affecting rural communities and determine whether a co-ordinated approach would strengthen the rural voice.
5. The delivery of six regional workshops entitled, 'Your Voice Matters' looking at funding and the perceptions/expectations of rural communities about a rural movement. Discussions and information from these workshops helped shape the programme for the SRA National Conference.
6. Our National Conference and AGM was held in February 2020 at New Lanark World Heritage Site. The conference sought to explore the challenges and opportunities facing rural communities. The programme included plenaries, field visits and participatory workshops.
7. The SRA Climate Emergency Working Group was set up after the 2019 Rural Parliament to examine how rural communities can contribute to reducing greenhouse gas emissions. The working groups devised two workshops which were held at the SRA Conference, identifying themes and examples of pioneering good practice in specific communities that have been shared with the SRA network.
8. SRA was a partner in an EU funded ERP project on the impacts of Brexit on rural UK. Five delegates from SRA attended the European Rural Parliament held in Asturias, Spain in November 2019.

#### FINANCIAL REVIEW

##### Financial Review

There is usually a significant difference in our turnover depending on whether the accounts are for a year in which the Rural Parliament is held. The turnover in 2020 departs from this pattern. The Board of Directors were successful in obtaining funding for this and the subsequent year before 31 March 2020. This is represented in a higher level of turnover at £184,497, £60,000 of which is funding for 2020/21. In addition, SRA hosted a two-day conference which coincided with our AGM in February 2020. This attracted sponsorship of £24,579 which covered much of the cost.

Significant changes in the pattern of expenditure are also apparent from these accounts. As described above, the SRA's staff team was considerably smaller than in the previous year and this is reflected in a lower salary cost. This is offset in part by an increase in Trustee expenses. This increase was due partly to Trustees undertaking a significant amount of operational work on a voluntary basis in order to maintain SRA's core activities.

The Board of Directors is grateful to SRA's funders and sponsors for supporting its activities throughout the year and helping achieve a worthwhile conference. In particular, the Board would like to thank the Scottish Government's Rural Communities Team, South Lanarkshire LEADER, Impact Funding Partners and Scottish Rural Network.

The Scottish Government remains the primary core funder for Scottish Rural Action and this is noted as a significant risk to the organisation. The Trustees recognise the need to diversify SRA's income and are currently developing a Fundraising Plan linked to the new Strategy and five work pillars.

##### Reserves policy

Scottish Rural Action usually seeks to retain reserves the equivalent of three months operating costs and sufficient to meet our obligations in full upon deciding to close the organisation. At 31 March 2020 SRA held £172,000.

**Report of the Trustees  
for the Year Ended 31 March 2020**

**FUTURE PLANS**

Against the backdrop of COVID-19, Brexit and climate change, Scotland's communities currently contend with great uncertainty and change. Whilst this is creating significant challenges, it also presents opportunities. SRA, in partnership with others at local and national levels, intends to strengthen the voice and agency of Scotland's rural communities and build platforms where rural people can collectively re-imagine their future and realise their ambitions. The Scottish Rural Parliament has been postponed for a year, until Autumn 2021. Instead, SRA will seek to take full advantage of virtual communications technology to take forward our programme of work.

The programme will be carried out in four stages:

1. On-line surveys
2. A series of regional and thematic events
3. A major virtual conference to enable a collective vision and strategy
4. Supporting advocacy and action to enable this vision and strategy to translate into policy and resources for rural communities

Underpinning this work programme is a commitment to involving the less heard community voices in debate and action.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

SRA is a Scottish Charity and a Company limited by guarantee, as defined by the Companies Act 2006 and is governed by its Articles of Association

**Staffing structure**

At the end of June 2019, Fiona Thompson left for pastures new. The Trustees thank her for her contribution and wish her well in her new role.

The staffing structure of SRA during the year was as follows:

- Volunteer & Campaigns Coordinator - Fiona Thompson (0.6FTE) until the end of June 2019 thereafter, vacant.
- Finance & Administration Officer - Barbara Grieve (0.25 FTE, rising to 0.53FTE in September 2019)

**Induction and training of new trustees**

New members of the Board attend an induction meeting and are provided with an initial information pack containing previous minutes of Board meetings and literature associated with the business of the organisation. The Trustees receive ongoing, appropriate training by attendance at organisational development days, governance training as part of regular board meetings and other volunteer development sessions.

**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. To strengthen governance and due diligence, in January 2019 the board decided to create a new Compliance and Risk Committee, chaired by one of the new board members with a strong background in compliance and risk. Existing procedures and policies, as well as the existing risk register were reviewed and improved, with additional policies and a new risk management strategy agreed. All board members are given compliance and risk and GDPR (General Data Protection Regulation) training to improve overall knowledge and ensure compliance with legislation.

The Trustees considered the greatest risk to SRA in the year to March 2020 was the absence of secured core funding.

As time without core funding has progressed since the year end and the independent evaluation commission by Scottish Government was unavoidably delayed, the risk increased. The Trustees' prudence in maintaining an appropriate level of reserves has proven valuable. The Trustees also recognise the useful contribution Scottish Government has made to ensure SRA can continue with some of its work for rural communities. The Trustees are grateful for Scottish Government's solid and continued support after the year end.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

SC461352 (Scotland)

**Registered Charity number**

048086



Scottish Rural Action

**Report of the Trustees  
for the Year Ended 31 March 2020**

**Registered office**

The Cooper Building  
505 Great Western Road  
Glasgow  
Strathclyde  
G12 8HN

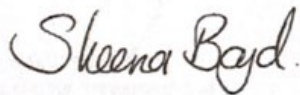
**Trustees**

A K Burgauer (resigned 17.12.19)  
A V Halhead  
G S M Harrison  
A M Macleod  
S K Boyd  
C Taylor (resigned 4.12.19)  
S E Horner (resigned 20.5.19)  
P A Kennedy  
K Dams  
T Morrison (appointed 27.2.20)  
D G Campbell (appointed 27.2.20)  
A Jones (appointed 27.2.20) (resigned 7.4.20)  
B W Cameron  
C Russell

**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 20 August 2020 and signed on its behalf by:



S K Boyd - Trustee

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

I report on the accounts for the year ended 31 March 2020 set out on pages seven to thirteen.

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  
505 Great Western Road  
Glasgow  
G12 8HN

20 August 2020



Scottish Rural Action

Statement of Financial Activities  
for the Year Ended 31 March 2020

	Notes	Unrestricted fund £	Restricted funds £	31.3.20 Total funds £	31.3.19 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	-	-	-	2,576
<b>Charitable activities</b>	4				
Grants		150,000	9,918	159,918	157,490
Other trading activities	3	24,579	-	24,579	35,823
<b>Total</b>		<u>174,579</u>	<u>9,918</u>	<u>184,497</u>	<u>195,889</u>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Charitable activities		72,517	9,918	82,435	170,970
<b>NET INCOME</b>		<u>102,062</u>	<u>-</u>	<u>102,062</u>	<u>24,919</u>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		69,938	-	69,938	45,019
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>172,000</u>	<u>-</u>	<u>172,000</u>	<u>69,938</u>

The notes form part of these financial statements

Scottish Rural Action

Balance Sheet  
31 March 2020

	Notes	Unrestricted fund £	Restricted funds £	31.3.20 Total funds £	31.3.19 Total funds £
<b>CURRENT ASSETS</b>					
Debtors	9	578	-	578	-
Cash at bank and in hand		172,742	-	172,742	71,258
		<u>173,320</u>	-	<u>173,320</u>	<u>71,258</u>
<b>CREDITORS</b>					
Amounts falling due within one year	10	(1,320)	-	(1,320)	(1,320)
<b>NET CURRENT ASSETS</b>		<u>172,000</u>	-	<u>172,000</u>	<u>69,938</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>172,000</u>	-	<u>172,000</u>	<u>69,938</u>
<b>NET ASSETS</b>		<u>172,000</u>	-	<u>172,000</u>	<u>69,938</u>
<b>FUNDS</b>					
Unrestricted funds	11			172,000	69,938
<b>TOTAL FUNDS</b>				<u>172,000</u>	<u>69,938</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2020 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 provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 20 August 2020 and were signed on its behalf by:

*Skeena Boyd*

S K Boyd - Trustee

The notes form part of these financial statements

**Notes to the Financial Statements  
for the Year Ended 31 March 2020**

**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 2019)', 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.

**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.



Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

<b>2. DONATIONS AND LEGACIES</b>		31.3.20	31.3.19
		£	£
Donations		-	2,576
		<u>          </u>	<u>          </u>
<b>3. OTHER TRADING ACTIVITIES</b>		31.3.20	31.3.19
		£	£
Sponsorships		24,579	26,969
Exhibitor fees		-	2,000
Participants fees		-	6,854
		<u>          </u>	<u>          </u>
		24,579	35,823
		<u>          </u>	<u>          </u>
<b>4. INCOME FROM CHARITABLE ACTIVITIES</b>		31.3.20	31.3.19
		£	£
Grants	Activity		
	Grants	159,918	157,490
		<u>          </u>	<u>          </u>
Grants received, included in the above, are as follows:			
		31.3.20	31.3.19
		£	£
Scottish Government		150,000	125,500
Scottish Government - Brexit Stakeholder Engagement Fund		-	25,000
Voluntary Action Fund		9,918	6,990
		<u>          </u>	<u>          </u>
		159,918	157,490
		<u>          </u>	<u>          </u>
<b>5. NET INCOME/(EXPENDITURE)</b>			
Net income/(expenditure) is stated after charging/(crediting):			
		31.3.20	31.3.19
		£	£
Independent examination fee		1,320	1,560
		<u>          </u>	<u>          </u>

**6. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 nor for the year ended 31 March 2019.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

6. TRUSTEES' REMUNERATION AND BENEFITS - continued

Trustees' expenses

During the year to 31 March 2020 £12,789 (2019-£5,444) was reimbursed in expenses to the trustees.

7. STAFF COSTS

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

	31.3.20	31.3.19
Administration	2	4
	<u>2</u>	<u>4</u>

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

8. TANGIBLE FIXED ASSETS

	Plant and machinery £
<b>COST</b>	
At 1 April 2019 and 31 March 2020	1,234
<b>DEPRECIATION</b>	
At 1 April 2019 and 31 March 2020	1,234
<b>NET BOOK VALUE</b>	
At 31 March 2020	-
At 31 March 2019	-

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20	31.3.19
	£	£
Prepayments	578	-
	<u>578</u>	<u>-</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20	31.3.19
	£	£
Accrued expenses	1,320	1,320
	<u>1,320</u>	<u>1,320</u>

11. MOVEMENT IN FUNDS

	At 1.4.19	Net movement in funds	At 31.3.20
	£	£	£
<b>Unrestricted funds</b>			
General fund	69,938	102,062	172,000
	<u>69,938</u>	<u>102,062</u>	<u>172,000</u>
<b>TOTAL FUNDS</b>	<u>69,938</u>	<u>102,062</u>	<u>172,000</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

11. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	174,579	(72,517)	102,062
<b>Restricted funds</b>			
Voluntary action Fund	9,918	(9,918)	-
<b>TOTAL FUNDS</b>	<u>184,497</u>	<u>(82,435)</u>	<u>102,062</u>

Comparatives for movement in funds

	At 1.4.18 £	Net movement in funds £	At 31.3.19 £
<b>Unrestricted funds</b>			
General fund	45,019	24,919	69,938
<b>TOTAL FUNDS</b>	<u>45,019</u>	<u>24,919</u>	<u>69,938</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	163,899	(138,980)	24,919
<b>Restricted funds</b>			
Brexit Stakeholder Engagement Fund	25,000	(25,000)	-
Voluntary action Fund	6,990	(6,990)	-
	<u>31,990</u>	<u>(31,990)</u>	<u>-</u>
<b>TOTAL FUNDS</b>	<u>195,889</u>	<u>(170,970)</u>	<u>24,919</u>



Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

12. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2020.

Scottish Rural Action

Detailed Statement of Financial Activities  
for the Year Ended 31 March 2020

	31.3.20	31.3.19
	£	£
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Donations	-	2,576
<b>Other trading activities</b>		
Sponsorships	24,579	26,969
Exhibitor fees	-	2,000
Participants fees	-	6,854
	<u>24,579</u>	<u>35,823</u>
<b>Charitable activities</b>		
Grants	159,918	157,490
	<u>159,918</u>	<u>157,490</u>
<b>Total incoming resources</b>	<u>184,497</u>	<u>195,889</u>
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Wages	14,231	66,787
Pensions	1,202	3,811
Insurance	577	554
Telephone and communications	818	1,993
Postage and stationery	3,465	420
Advertising	-	3,727
Sundries	13	(13)
Consultancy	25,203	24,492
Directors travel and subsistence	12,789	5,444
Computer software and subs	2,982	-
Other events	1,984	2,822
Uist Project	-	5,500
Staff travel and subsistence	559	16,291
Legal and professional	907	470
Training	-	220
Conference costs	15,197	34,889
	<u>79,927</u>	<u>167,407</u>
<b>Support costs</b>		
<b>Management</b>		
Bank charges	60	66
<b>Governance costs</b>		
Independent examination fee	1,320	1,560
Board meeting expenses	1,128	1,937
	<u>2,448</u>	<u>3,497</u>
<b>Total resources expended</b>	<u>82,435</u>	<u>170,970</u>
<b>Net income</b>	<u>102,062</u>	<u>24,919</u>

This page does not form part of the statutory financial statements