

THE ESK VALLEY TRUST COMPANY LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

Company Registration Number SC218056

Charity Number SC031951

THE ESK VALLEY TRUST COMPANY LIMITED

YEAR ENDED 31 December 2017

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THE ESK VALLEY TRUST COMPANY LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 December 2017

The Directors have pleasure in presenting their report and the unaudited financial statements of the charitable company for the year ended 31 December 2017.

OBJECTIVES AND ACTIVITIES

The objectives of the charity are to establish, maintain and protect paths in the Esk Valleys in the Lothians. The charity also seeks to stimulate public interest in and care for the beauty, history and character of these valleys.

In addition, the aims of the Trust are to -

- Encourage sustainable public amenities for the benefit of its local communities and others
- Support and augment the activities of local groups and national and local authorities
- Promote a long-distance path route to be known as the 'Esk Valley Way'

ACHIEVEMENTS AND PERFORMANCE

Membership

Increasing membership as a means to achieve greater engagement, reach and promotion of the aims of the Trust is a continuing priority. The more people we can speak for and the more communities involved, the greater the impact we can make. We would like to attract more families with children and to interact more effectively with community groups along the valleys. There have been a number of new members who have joined during the year but rather more existing members who have been slow to renew their subscriptions. As a result the number of paid-up members has fallen since last year. Our policy is to remind members about missing subscriptions and only remove from the list of members who have not paid their annual contributions for more than two years. Including members who have yet to renew subscriptions within the two year period there has been a modest increase in the total of individual and family members in 2017.

We were pleased to attract four Corporate Members in the first year of this scheme and have invited Corporate Membership renewals as well as inviting further Corporate Members.

	2017	2016
	number	number
Family	33	55
Individual	34	45
Total	<u>67</u>	<u>100</u>
Corporate	<u>-</u>	<u>4</u>

Environment and Heritage

The Trust welcomes involvement with (including representative membership of) environmental and recreational fora and advisory committees, where the rivers and their environment are considered. We thank Shelagh Jenkins for her substantial contribution to the Midlothian Access Forum over many years. Shelagh has now resigned from the Access Forum and Susan Manson has joined on behalf of the Trust.

The Trust responds to public consultations as appropriate. We responded to the consultation on the Sheriffhall South development in particular to highlight the opportunity for planning gain to improve the pathway between Melville Castle and the King's Gate entry into Dalkeith Country Park.

THE ESK VALLEY TRUST COMPANY LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 December 2017

ACHIEVEMENTS AND PERFORMANCE (continued)

Esk Valley Way

The Trust maintains a dialogue with land owners, land-users and public authorities for improved access for the public to routes in the valleys. Sir Robert Clark and his Ranger team at the Penicuik Estate have continued their help in trying to identify an improved pathway from the south into and through the Penicuik Estate. All other land-owners or land-users between New Hall and the Penicuik Estate have been contacted and with only one exception have been very positive about a suggested new route. Realisation of this route will require some capital expenditure for bridges, styles and fencing. We will continue to work towards establishing this route as soon as possible. We are working with Dalkeith Country Park to explore options for access into the park from Musselburgh. While riverside access into Ironmills Park from the south remains as a longer-term aspiration pragmatism has led to us pursuing an improved pathway between Melville Gate and the King's Gate of Dalkeith Country Park as a more realisable shorter-term option. Agreed access along the Melville High Drive remains a problem.

Annual General Meeting

This year's AGM confirmed that the Trust maintains adequate funds to continue to operate. There has been some recruitment of new members and the Directors continue to be keen to increase the number of active members. After the AGM Professor Roger Mercer, former Chief Executive of the Royal Commission on the Ancient and Historical Monuments of Scotland gave an excellent talk on origins of the peoples of the Lothians.

Photo Competition

As in the preceding three years we held a Photo competition. The prizes for the 2016 competition were awarded at the AGM. Unfortunately funds to support this competition have now been exhausted and so no competition was possible in 2017.

Activities

Our programme of evening talks included Hamish Martin from the Secret Herb Garden ("Herb or Weed?", February), Darren Woodhead, Wildlife artist who gave an active demonstration of watercolour painting of wildlife whilst outlining his own artistic journey (September) and Tommy MacDermott who discussed "The Recovering Ecology of the Rivers Esk" in November. The talks were held in St David's Hall, Dalkeith and we are grateful for access to the Hall.

The Trust owns the Hewan Wood (which is an area of woodland between Polton and Roslin Glen). The paths in the wood can become badly overgrown but, as in previous years, working parties in May and in September cleared and remarked them. The work in September was done, for the third year, with the help of the Midlothian Paths team to whom we are extremely grateful. The Paths Team and EVT volunteers are committed to working together again on the wood in September 2018.

Members of the Trust led two walks in the 2017 Midlothian Walking Festival in August. These covered the route of the North Esk Way from Carlops to Lasswade and were well attended. We expect to be involved again in 2018 in the revised Midlothian Outdoor Festival.

A new Management Plan for the Hewan Wood has now been approved. This paves the way for applications for grant support to activate those parts the plan that cannot be achieved by volunteer effort alone.

Website

One of the features of the website is that it helps build an archive of letters, maps and initiatives that is available to all. This gives members and others access to the Trust's views and actions on current (and previous) topics. The prime purpose of the website is, of course, to inform and to enthuse people of all ages about the history and natural history of the valleys and to encourage as many people as possible to enjoy being involved in activities that benefit both themselves and others. We will continue to develop the site as a vehicle for information and inspiration.

THE ESK VALLEY TRUST COMPANY LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 December 2017

FINANCIAL REVIEW

The charity funds its activities by donations, subscriptions and grants. The result for the year was a deficit of £418 (2016: deficit £2,091) largely representing the costs of part-time administrative help.

Total income of £2,326 (2016: £3,205) was received in the year and expenditure of £2,744 (2016: £5,296) was incurred in the year.

At the balance sheet date the unrestricted reserves were £3,314 (2016: £3,332), restricted reserves were £6,075 (2016: £6,475) and permanent endowment reserves were £29,387 (2016: £29,387), giving total funds of £38,776 (2016: £39,194).

Reserves Policy

The charity has no staff, leasing or other significant commitments and is able to manage expenditure according to available funds. Accordingly, it is necessary only to hold minimal reserves in order to meet annual administrative costs in the event of a loss of income. The free reserves of the charity are £3,314 (2016: £3,332), which is considered to be sufficient. Any decisions on the future use of the remainder of these reserves are still to be agreed.

Risk Management

The Directors confirm that the major risks to which the charity is exposed, in particular those relating to the operations and finances of the charity, have been reviewed and systems have been established to mitigate them. The Risk Register is reviewed by the Directors at least twice per year.

PLANS FOR FUTURE PERIODS

The charity plans to continue with its activities as outlined above and work towards realising the charity's long-term vision - the creation of "The Esk Valley Way".

STRUCTURE AND GOVERNANCE

Governing Document

Esk Valley Trust Company Limited is a company limited by guarantee (registration number SC218056) and governed by its Memorandum and Articles of Association. It is a Scottish registered charity (number SC031951).

Recruitment and Appointment of Directors

Individuals who are committed to the objects of the charity are admitted to the membership of the organisation. Thereafter a member can be proposed and elected at the AGM to serve on the board.

Directors' Induction and Training

Any newly appointed Director is offered induction and training to cover the following:

- Brief history of the charity
- Copy of the founding document
- Guidance on the duties and responsibilities of charity directors
- Copy of the most recent financial statements
- Any other relevant documentation

THE ESK VALLEY TRUST COMPANY LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 December 2017

STRUCTURE AND GOVERNANCE (continued)

Executive Committee

The Committee met four times during the year. The agenda covers all the Trust's areas of responsibility and considers in detail expenditure, fund raising, activities, the response of the Trust to planning and other issues affecting the river valleys, and promoting the creation of a long distance pathway along the two Esk rivers.

Organisational Structure

The company is governed through the Executive Committee, which includes non-Directors with areas of certain expertise. The charity's policy is guided by the Executive Committee responding to input both from individual members and associate members such as Community Councils and Heritage or Nature Conservation groups who represent local community interests within the river catchment area. Any major issues that affect policy are presented to the AGM for discussion.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Directors of the charitable company are its Trustees for the purpose of charity law but throughout the report are collectively referred to as Directors.

The Directors

The Directors who served the charity during the year and to the date of signing the accounts were as follows:

Professor J Oldham	
Mrs S Jenkins	Resigned 22 June 2018
Mrs P Frankland	
Mr P Raine	
Mrs J Jerome	Resigned 2 May 2017
Professor R Crofts	
Mr Ben Miller	Appointed 30 January 2018

Each Director has undertaken to contribute an amount not exceeding £1 to the assets of the charity in the event of its being wound up.

Company Secretary	Mr R W Frazer
Address & Registered Office	15 Buckstone Gardens Edinburgh EH10 6QD
Independent Examiner	Ingela Louise Presslie CA Whitelaw Wells Chartered Accountants 9 Ainslie Place Edinburgh EH3 6AT
Bankers	Clydesdale Bank PLC 102 High Street Dalkeith EH22 1HZ

THE ESK VALLEY TRUST COMPANY LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 December 2017

RESPONSIBILITIES OF THE DIRECTORS

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit for that year. In preparing those 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;
- observe the methods and principles of the Charities SORP;
- state whether applicable accounting standards and statements of recommended practice 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 charitable 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 charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

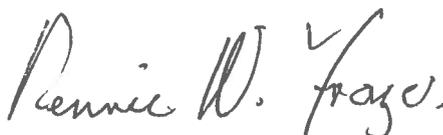
ACCOUNTS PREPARATION

The Directors confirm that the accounts for the year ended 31 December 2017 have been prepared so as to comply with current statutory requirements, the charity SORP and the charitable company's own governing document.

Registered Office:

15 Buckstone Gardens
Edinburgh
EH10 6QD

Signed by order of the Directors



R W Frazer
Company Secretary

Approved by the Directors on 25 September 2018

INDEPENDENT EXAMINER'S REPORT TO THE DIRECTORS

YEAR ENDED 31 DECEMBER 2017

I report on the financial statements for the year ended 31 December 2017 set out on pages 7 to 16.

Respective responsibilities of the Directors and the Independent Examiner

The Directors 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 (as amended). The 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 accounts 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 was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulation 2006 (as amended). 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 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 accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

1. That 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 Charities and Trustee Investment (Scotland) Act 2005 and Regulation 4 of the 2006 Accounting Regulations (as amended); and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) 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.



Ingela Louise Presslie CA
Whitelaw Well
Chartered Accountants
9 Ainslie Place
Edinburgh EH3 6AT

25 September 2018

ESK VALLEY TRUST COMPANY LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the Income and Expenditure Account)
Year ended 31 December 2017**

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2017 Total £	2016 Total £
Income and Endowments from:						
Donations and legacies		2,326	-	-	2,326	1,705
Grants		-	-	-	-	1,500
Total Income		<u>2,326</u>	<u>-</u>	<u>-</u>	<u>2,326</u>	<u>3,205</u>
Expenditure on:						
Charitable activities	3	2,344	400	-	2,744	5,296
Total Expenditure		<u>2,344</u>	<u>400</u>	<u>-</u>	<u>2,744</u>	<u>5,296</u>
Net (expenditure) and movement in funds	2	(18)	(400)	-	(418)	(2,091)
Reconciliation of funds						
Total funds at 1 January 2017		3,332	6,475	29,387	39,194	41,285
Total funds at 31 December 2017		<u>3,314</u>	<u>6,075</u>	<u>29,387</u>	<u>38,776</u>	<u>39,194</u>

The charity has no recognised gains or losses other than the results for the year as set out above.

All the activities of the charity are classed as continuing.

The notes on pages 11 to 16 form part of these financial statements

ESK VALLEY TRUST COMPANY LIMITED

BALANCE SHEET 31 December 2017

		2017	2016
	Notes	£	£
Fixed assets			
Tangible assets	5	28,771	28,967
Current assets			
Cash at bank and in hand		10,491	9,387
Paypal account		248	124
Paths For All - grant receivable		-	375
Gift Aid tax credit receivable		-	1,074
		10,739	10,960
Creditors: Amounts falling due			
within one year	6	734	733
Net current assets			
		10,005	10,227
Total assets less current liabilities			
	7	38,776	39,194
Funds			
	8		
Unrestricted funds		3,314	3,332
Restricted funds		6,075	6,475
Endowment funds		29,387	29,387
		38,776	39,194

The company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 31 December 2017. The members have not required the company to obtain an audit of financial statements for the year ended 31 December 2017 in accordance with section 476 of the Companies Act 2006.

ESK VALLEY TRUST COMPANY LIMITED

BALANCE SHEET

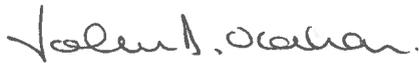
31 December 2017

The directors acknowledge their responsibilities for:

- Ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006;
- Preparing financial statements 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 or deficit for each financial year in accordance with the requirement 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 company.

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006.

These Financial Statements were approved by the Directors on 25 September 2018 and are signed on their behalf by;



Professor J Oldham
Director and Chair

The notes on pages 11 to 16 form part of these financial statements

ESK VALLEY TRUST COMPANY LIMITED

STATEMENT OF CASH FLOWS

31 December 2017

	Note	2017 £	2016 £
Cash flows from operating activities:			
Net cash used in operating activities below	below	1,228	(2,819)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		1,228	(2,819)
Cash and cash equivalents at the beginning of the year		<u>9,511</u>	<u>12,330</u>
Cash and cash equivalents at the end of the year		<u>10,739</u>	<u>9,511</u>

Reconciliation of net income to net cash flow from operating activities

	2017 £	2016 £
Net income for the year (per Statement of Financial Activities)	(418)	(2,091)
Adjusted for:		
Depreciation charge	196	207
Decrease/(increase) in debtors	1,449	(632)
Increase/(decrease) in creditors	<u>1</u>	<u>(303)</u>
Net cash used in operating activities	<u>1,228</u>	<u>(2,819)</u>

ESK VALLEY TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

1. ACCOUNTING POLICIES (continued)

Unrestricted Funds

Unrestricted funds are grants and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Restricted Funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund together with a fair allocation of management and support costs.

Endowment Funds

The permanent endowment funds are funds that must be permanently maintained and represent the freehold property acquired to be used indefinitely for the purposes of the charity.

2. NET INCOME/(EXPENDITURE)

	Total 2017	Total 2016
	£	£
This is stated after charging:		
Depreciation	196	207
Independent examiner's fees:	600	600

3. EXPENDITURE ON CHARITABLE ACTIVITIES

	Total 2017	Total 2016
	£	£
Direct charitable costs		
Photographic competition	200	200
Production of Hewan Wood leaflet	-	1,100
Website	-	101
Affiliated organisation membership	38	38
Support costs		
Insurance	419	424
Office costs	682	862
Administrator	529	1,659
Depreciation	196	207
Governance costs		
Meeting expenses	140	105
Independent examiner's fees	540	600
	<u>2,744</u>	<u>5,296</u>

4. EMPLOYEES AND DIRECTORS' REMUNERATION

The charity has no employees. No fees or expenses have been paid to Directors (2016 £nil). All Directors act without remuneration.

ESK VALLEY TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

5. TANGIBLE FIXED ASSETS

	Freehold Property £	Equipment £	Total £
Cost			
At 1 January 2017	28,771	1,182	29,953
Additions	-	-	-
At 31 December 2017	<u>28,771</u>	<u>1,182</u>	<u>29,953</u>
Depreciation			
At 1 January 2017	-	986	986
Charged during year	-	196	196
At 31 December 2017	<u>-</u>	<u>1,182</u>	<u>1,182</u>
Net Book Value			
At 31 December 2017	<u>28,771</u>	<u>-</u>	<u>28,771</u>
At 31 December 2016	<u>28,771</u>	<u>196</u>	<u>28,967</u>

Freehold property represents the 27 acre Hewan Wood, beside the North Esk near Polton in Midlothian. It was acquired by the charity in March 2002.

6. CREDITORS

	2017 £	2016 £
Accruals	734	733

7. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 December 2017	Unrestricted £	Restricted £	Endowment £	Total £
Tangible fixed assets	-	-	28,771	28,771
Current assets	4,048	6,075	616	10,739
Current liabilities	<u>(734)</u>	<u>-</u>	<u>-</u>	<u>(734)</u>
	<u>3,314</u>	<u>6,075</u>	<u>29,387</u>	<u>38,776</u>

ESK VALLEY TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

7. ANALYSIS OF NET ASSETS BETWEEN FUNDS (Continued)

Fund balances at 31 December 2016	Unrestricted	Restricted	Endowment	Total
	£	£	£	£
Tangible fixed assets	196	-	28,771	28,967
Current assets	3,869	6,475	616	10,960
Current liabilities	(733)	-	-	(733)
	<u>3,332</u>	<u>6,475</u>	<u>29,387</u>	<u>39,194</u>

8. MOVEMENT IN FUNDS

	Balance 1 January 2017	Income	Expenditure	Balance 31 December 2017
	£	£	£	£
Unrestricted funds				
General funds	3,332	2,326	(2,344)	3,314
	<u>3,332</u>	<u>2,326</u>	<u>(2,344)</u>	<u>3,314</u>
Restricted funds				
Hewan Wood Fund	5,075	-	(200)	4,875
Ironmills Park Access Campaign	1,000	-	-	1,000
Paths for all	400	-	(200)	200
	<u>6,475</u>	<u>-</u>	<u>(400)</u>	<u>6,075</u>
Endowment funds				
Copley Trust	2,453	-	-	2,453
Hewan Wood	21,934	-	-	21,934
Hobart Trust	5,000	-	-	5,000
	<u>29,387</u>	<u>-</u>	<u>-</u>	<u>29,387</u>
TOTAL funds	<u>39,194</u>	<u>2,326</u>	<u>(2,744)</u>	<u>38,776</u>

ESK VALLEY TRUST COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2017**

8. MOVEMENT IN FUNDS (Continued)

	Balance 1 January 2016 £	Income £	Expenditure £	Balance 31 December 2016 £
Unrestricted funds				
General funds	5,098	1,705	(3,471)	3,332
Restricted funds				
Hewan Wood Fund	5,775	-	(700)	5,075
Ironmills Park Access Campaign	1,000	-	-	1,000
Paths for all	-	1,500	(1,100)	400
Photography competition	25	-	(25)	-
	<u>6,800</u>	<u>1,500</u>	<u>(1,825)</u>	<u>6,475</u>
Endowment funds				
Copley Trust	2,453	-	-	2,453
Hewan Wood	21,934	-	-	21,934
Hobart Trust	5,000	-	-	5,000
	<u>29,387</u>	<u>-</u>	<u>-</u>	<u>29,387</u>
TOTAL funds	<u>41,285</u>	<u>3,205</u>	<u>(5,296)</u>	<u>39,194</u>

Restricted Funds

Hewan Wood Fund

Funds specified for the upkeep of Hewan Wood.

Ironmills Park Access Campaign

Funds to campaign for improved access to Ironmills Park, which has been restricted as a result of the new Borders railway line.

Paths for all

Funds specified for path improvement and information leaflet production.

Photography competition

K Duthie made a grant to fund prizes of the photographic competition.

ESK VALLEY TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2017

8. MOVEMENT IN FUNDS (Continued)

Endowment Funds

The funds were used to purchase Hewan Wood, which remains an asset of the Trust. The maintenance of the woodland, paths and fencing are a continuing charge on the resources of the Trust.

9. COMPANY LIMITED BY GUARANTEE

The charitable company is limited by guarantee and has no share capital.

10. STATEMENT OF FINANCIAL ACTIVITIES FOR COMPARATIVE PERIOD

		Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2016 Total £
	Notes				
Income and Endowments from:					
Donations and legacies		1,705	-	-	1,705
Grants		-	1,500	-	1,500
Total Income		<u>1,705</u>	<u>1,500</u>	<u>-</u>	<u>3,205</u>
Expenditure on:					
Charitable activities	3	3,471	1,825	-	5,296
Total Expenditure		<u>3,471</u>	<u>1,825</u>	<u>-</u>	<u>5,296</u>
Net (expenditure)/ income and movement in funds	2	<u>(1,766)</u>	<u>(325)</u>	<u>-</u>	<u>(2,091)</u>

