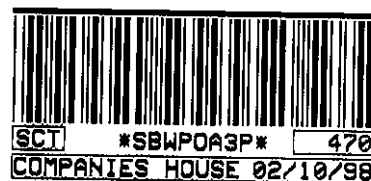


PATHS FOR ALL PARTNERSHIP
(A Company limited by guarantee, not having a share capital)

REPORT and FINANCIAL STATEMENTS

for the year
to
31 March 1998



Reg No. SC168554

Scottish Charity No SC025535

Bankers
Bank of Scotland
Mar Street
Alloa
Clackmannanshire
FK10 1HR

Auditors
Dickson, Middleton & Co.
P.O. Box 14
20 Barnton Street
Stirling
FK8 1NE

Registered Office
Inglewood House
Tullibody Road
ALLOA
Clackmannanshire
FK10 2HU

PATHS FOR ALL PARTNERSHIP

REPORT OF THE DIRECTORS

The Directors of Paths for All Partnership have pleasure in presenting their report and the audited financial statements for the period to 31 March 1998.

Constitution

The Paths For All Partnership is a company limited by guarantee and has no share capital. It was promoted by Scottish Natural Heritage to take forward its Paths For All Initiative to help others provide better opportunities for walkers, horse riders and cyclists to enjoy the countryside in and around their town or village. The Partnership represents Scottish Natural Heritage, Scottish local authorities, the Enterprise Company network, land owners and managers of possible paths and recreational, sporting, tourist and other interests in these paths. The company was incorporated on 19 September 1996. It is recognised by the Inland Revenue as a Scottish Charity. Its Scottish Charity number is SC025535.

Principal Activity

The principal activity of the company is to work with others to create more paths in Scotland for people of all abilities to enjoy walking, horse-riding and cycling.

Review of the period and future developments

The financial results for the period are set out in the financial statements which follow. The directors regard the financial position to be satisfactory. The surplus for the period of £2,019 will be transferred to reserves.

During the year to 31 March 1998 the Paths for all Partnership prepared and published its "*Strategy -1996 - 2000*" and submitted its Business Plan to SNH and Scottish Enterprise after a programme of extensive consultation with Partner organisations and local authorities across Scotland. There was agreement of the mission for the Partnership and the objectives set. In addition the Partnership agreed to deliver through four programmes:

- profile
- leadership and co-ordination
- education and training
- funding

Over the year the Partnership received extensive coverage on "Scottish Action", in newspapers and journals. It circulated three editions of "The Right Track Newsletter" to a mailing list of over 3000, and published "*Making the Case for Local Path Networks*", a comprehensive booklet containing sound arguments and referenced statistics which make a case for the provision of local path networks. These arguments and figures have been used by at least six authorities in Council Papers and also in various press articles.

The Partnership has been operational in 22 of the 32 local authorities in Scotland. In some cases we have been running Demonstration Projects with them and we have funded a number of Feasibility Studies. We work closely with the local Access Officers and provide them with support and practical assistance.

For education and training, the Partnership instituted a series of seminars attended by 81 delegates and ran a Path Surveying and Construction Skills Course attended by 24 delegates, in addition to courses for local authorities and Partners. Finding funding for paths is a challenge, there is not one "pot" to which path projects can apply and therefore funding packages are being sought. This can be time consuming, but we are encouraged by the variety of potential sources of funds. This year the Partnership appointed consultants to prepare a sponsorship strategy which will provide the Partnership with a basis for securing sponsorship for paths.

In the next year to March 1999, the Partnership will update its Business Plan and continue with its programmes. Also in this year there will be a monitoring and evaluation exercise looking at the effectiveness of the Paths for All Initiative and the Paths for all Partnership with a view to continuing funding.

Additional details of the company's achievements to date and plans for the future are contained in the Annual Review of the Partnership which is published as a separate document obtainable from the Paths for All Partnership at its registered office indicated on page 2.

PATHS FOR ALL PARTNERSHIP

REPORT OF THE DIRECTORS (contd.)

Directors

The following persons acted as directors of the company during the period to 31 March 1998:

			First appointed on	Resigned on
Magnus Magnusson	Chairman	(appointed)	19 September 1996	
Alan Blackshaw	Director	(nominated)	19 September 1996	30 September 1997
Iain Hart	Director	(elected)	29 November 1996	
Jonathan Burrow	Director	(elected)	29 November 1996	
Marsailidh Chisholm	Director	(elected)	29 November 1996	29 April 1997
John Holms	Director	(elected)	29 November 1996	
Henry Murdoch	Director	(elected)	29 November 1996	
Ann Fraser	Director	(elected)	26 June 1997	
Alexander Sutherland	Director	(appointed)	26 June 1997	
Peter Mackay	Director	(appointed)	01 October 1997	

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the surplus or deficit 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;

prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue to operate.

Directors' and Officers' liability insurance

During the period the company purchased liability insurance for its directors and staff as permitted by Section 310(3) of the Companies Act 1985.

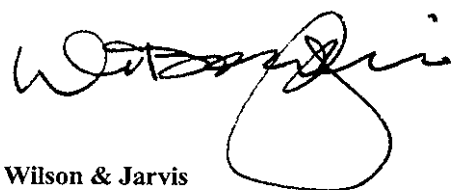
Changes in fixed assets

The movements in fixed assets during the period are set out in note 6 to the financial statements.

Auditors

Messrs Dickson, Middleton & Co., C.A. are auditors to the company and the Directors recommend their reappointment at the Annual General Meeting. A resolution will be proposed at the Annual General Meeting authorising the Directors to fix the remuneration of the auditors.

BY ORDER OF THE BOARD



Wilson & Jarvis
Company Secretaries
Alloa
FK10 1HX

22 September 1998

**REPORT of the AUDITORS to the members of
the PATHS FOR ALL PARTNERSHIP**

We have audited the Financial statements on pages 7 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 10.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on pages 3 and 4 the company's directors are responsible for the preparation of Financial Statements.. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

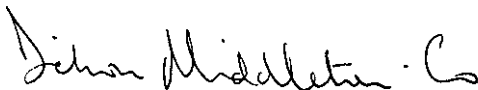
BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards, issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

OPINION

In our opinion, the Financial Statements give a true and fair view of the state of the company's affairs as at 31 March 1998 and of the surplus for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 as applicable to small companies.



**Dickson, Middleton & Co.
Chartered Accountants and Registered Auditors**

Stirling, 22 September 1998

PATHS FOR ALL PARTNERSHIP

INCOME and EXPENDITURE ACCOUNT for the period ended 31 March 1998

	Notes	For the year to 31 March 1998 £	For the period 15 September 1996 to 31 March 1997 £
Income	2	281520	89564
Operating expenses		281520	90564
Operating surplus/ (deficit) for the period		-	(1000)
Interest receivable		<u>10716</u>	<u>2068</u>
Surplus for the period	3	10716	1068
Transferred to the Development Fund		<u>8697</u>	<u>741</u>
Transferred to Revenue Reserves for the period		<u>2019</u>	<u>327</u>

All the company's operations relate to continuing activities.

There are no recognised surpluses or deficits for the current period other than those stated above.

There is no difference between the surplus for the period and its historical cost equivalent.

The notes on pages 10 to 14 form part of these financial statements.

PATHS FOR ALL PARTNERSHIP

BALANCE SHEET

as at 31 March 1998

	Notes	1998 £	1997 £
FIXED ASSETS			
Tangible assets	6	<u>13805</u>	<u>17762</u>
CURRENT ASSETS			
Debtors	7	12121	12621
Cash at bank and in hand		176648	160167
		<u>188769</u>	<u>172788</u>
CURRENT LIABILITIES -			
Creditors: amounts falling due within one year	8	<u>46757</u>	<u>41492</u>
NET CURRENT ASSETS		<u>142012</u>	<u>131296</u>
TOTAL ASSETS less CURRENT LIABILITIES		155817	149058
PROVISIONS FOR LIABILITIES and CHARGES			
Deferred credit	9	<u>(13805)</u>	<u>(17762)</u>
NET ASSETS		<u>142012</u>	<u>131296</u>

Represented by:

REVENUE RESERVES


Balance brought forward	327	-
Surplus for the period to 31 March 1998	<u>2019</u>	<u>327</u>
<u>Balance carried forward at 31 March 1998</u>	<u>2346</u>	<u>327</u>

DEVELOPMENT FUND

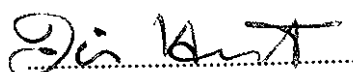
Balance brought forward	130969	-
Received from Scottish Natural Heritage	-	130228
Transferred from Income and Expenditure Account	<u>8697</u>	<u>741</u>
Balance at 31 March 1998	<u>139666</u>	<u>130969</u>
	<u>142012</u>	<u>131296</u>

The notes on pages 10 to 14 form part of these financial statements.

Approved by the Board of Directors and signed on its behalf by


.....
Magnus Magnusson

Director


.....
Iain Hart

Director

on 22 September 1998

PATHS FOR ALL PARTNERSHIP

Notes to the Financial Statements for the period ended 31 March 1998

1. Accounting Policies

Basis of accounting

The financial statements have been largely prepared in accordance with applicable accounting standards in the United Kingdom and the Statement of Recommended Practice 'Accounting for Charities' (SORP).

The SORP requires the presentation of a Statement of Financial Activities (SOFA). The Company has not prepared a SOFA because all of the information required in a SOFA by the SORP is given elsewhere in the financial statements. All of the company's core income is subject to donor imposed restrictions and all expenditure is considered to be of a direct charitable nature.

A summary of the more important accounting policies, which have been applied consistently, is set out below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost.

Depreciation

Depreciation is provided on fixed assets to write off the cost, less the estimated residual value, evenly over the period stated below.

Computer equipment	4 years
Office furniture and other equipment	4 years

Government and other grants

Grants received in respect of capital expenditure are credited to a deferred income account and are released to income over the expected useful lives in equal annual instalments. Revenue grants are taken to the Income and Expenditure Account in the year to which they relate.

Development Fund

The company received a charitable endowment of £130,228 from Scottish Natural Heritage in 1997. This sum has been placed in the Development Fund and is used by the directors to promote and develop the Paths for All initiative with partners and others.

Taxation

The company is recognised as a charity for taxation purposes. Interest receivable is shown gross and no provision for tax is considered necessary.

Value Added Tax

The company is not registered for Value Added Tax (VAT). Expenditure includes any attributable VAT.

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Pensions

The company does not operate a pension scheme for staff but makes contributions to future pension provision for all employees.

Cash Flow Statement

The company is a small company as defined by Section 247 of the Companies Act 1985 and is entitled to exemption from preparation of a Cash Flow Statement as required under FRS1. Consequently a Cash Flow Statement has not been prepared.

PATHS FOR ALL PARTNERSHIP

Notes to the Financial statements for the period ended 31 March 1998 (continued)

2. Income

Income includes grants from publicly funded bodies which were received during the period, subject to the accounting policy enumerated in Note 1 above. Income includes:

	Received £	1998 Applied £	1997 Applied £
Scottish Natural Heritage	240000	235821	93100
Scottish Enterprise	25000	25000	8333
Scottish Tourist Board	5000	5000	5000
Health Education Board for Scotland	-	5000	-
Other	-	-	536
Total grants	<u>270000</u>	<u>270821</u>	<u>106969</u>
Less: Applied as capital expenditure		<u>(2618)</u>	<u>(23683)</u>
Grants applied as revenue costs		268203	83286
Deferred credit release		6575	5921
		<u>274778</u>	<u>89207</u>
		1998	1997
		£	£

3. Surplus for the period

This is stated after charging -

Staffing costs (see Note 4)	125456	44380
Board of Directors and Members costs (see Note 5)	1163	357
Auditor's remuneration	645	650
Depreciation of fixed assets	<u>6575</u>	<u>5921</u>

and after crediting -

Interest receivable	10716	2068
Deferred credit release	<u>6575</u>	<u>5921</u>

4. Staffing Costs

Staff employment costs -

Salaries	102596	36356
Employers NIC	10260	3687
Employers superannuation	12600	4337
	<u>125456</u>	<u>44380</u>

Average staff numbers (1997 - assuming that they had been in post for one whole year) -

Those employed for more than 20 hours per week	5	4
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PATHS FOR ALL PARTNERSHIP

Notes to the Financial statements

for the year ended 31 March 1998 (continued)

5. Directors Costs

The directors receive no remuneration from the company for their services. They are however entitled to reimbursement of expenses which, for the period, totalled £258 (£100).

6. Fixed Assets

Tangible assets

	Computer equipment	Office furniture and other equipment	1998 Total £	1997 Total £
	£	£		
Cost:				
At 1 April 1997	11356	12327	23683	-
Additions during the period	121	2497	2618	23683
At 31 March 1998	<u>11477</u>	<u>14824</u>	<u>26301</u>	<u>23683</u>
Accumulated depreciation:				
At 1 April 1997	2839	3082	5921	-
Provided during the period	2869	3706	6575	5921
At 31 March 1998	<u>5708</u>	<u>6788</u>	<u>12496</u>	<u>5921</u>
Net book value at 31 March 1998	<u>5769</u>	<u>8036</u>	<u>13805</u>	<u>17762</u>
Net Book Value at 31 March 1997	<u>8517</u>	<u>9245</u>	<u>17762</u>	

7. Debtors

	1998	1997
Grant income due	9721	8901
Prepayments	-	825
Other debtors	2400	2895
	<u>12121</u>	<u>12621</u>

8. Creditors: Amounts falling due within one year

Trade creditors	437	15777
Grant income in advance	16667	16667
Accrued charges	18984	1854
Payroll deductions	10669	7194
	<u>46757</u>	<u>41492</u>

9. Deferred credit

At 1 April 1997	17762	-
Grant received during the period	2618	23683
Released to income and expenditure	<u>(6575)</u>	<u>(5921)</u>
At 31 March 1998	<u>13805</u>	<u>17762</u>

PATHS FOR ALL PARTNERSHIP

Notes to the Financial statements
for the year ended 31 March 1998 (continued)

10. Leasing Commitments

	1998	1997
	£	£
	Property	Property
Expiring within one year	<u>8869</u>	<u>6782</u>

11. Capital Commitments and Contingent Liabilities

There were no capital commitments or contingent liabilities at 31 March 1998 (1997 £ Nil).

PATHS FOR ALL PARTNERSHIP

DETAILED INCOME and EXPENDITURE ACCOUNT for the period ended 31 March 1998

	£	1998 £	£	1997 £
INCOME				
Core Income -				
Grants -				
Scottish Natural Heritage	233203		69774	
Scottish Enterprise	25000		8333	
Scottish Tourist Board	5000		5000	
Health Education Board for Scotland	5000		-	
Other	=		<u>536</u>	
		268203		83643
Income from activities-				
Sponsorship	2210			
Training income	<u>4532</u>			
		6742		-
Deferred Income -				
Grants released		<u>6575</u>		<u>5921</u>
		281520		89564
Other Income -				
Interest receivable		10716		2068
		<u>292236</u>		<u>91632</u>
EXPENDITURE				
Core Expenditure -				
Staffing costs -				
Salaries, National Insurance and pensions costs	125456		44380	
Other staff costs	<u>17573</u>		<u>5012</u>	
		143029		49392
Other costs -				
Board of Directors and Members costs		1406		357
Office running costs		23910		6459
Professional support costs, including audit fees		4792		2371
Marketing and public relations costs		3296		3797
Publication and Newsletter costs		20495		1518
Seminar and Training costs		7823		55
Information dissemination costs		9213		1600
Feasibility studies		14616		-
Demonstration projects		46365		100
Initial establishing costs		-		17994
Depreciation on fixed assets		<u>6575</u>		<u>5921</u>
		281520		89564
Development Fund Expenditure -				
Grant		=		<u>1000</u>
		<u>281520</u>		<u>90564</u>
Surplus for the period		<u>13805</u>		<u>1068</u>