

Company No. SC452785  
Charity No. SC048061

**ETTRICK AND YARROW COMMUNITY DEVELOPMENT COMPANY**  
(A company limited by guarantee)

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2022**



**ETTRICK AND YARROW COMMUNITY DEVELOPMENT COMPANY**  
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**ETTRICK AND YARROW COMMUNITY DEVELOPMENT COMPANY**  
**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 30 JUNE 2022**

The Trustees, who are also the Directors of the charitable company, are pleased to present their annual report together with the financial statements for the year ending 30 June 2022 (which are also prepared to meet the requirements for a Directors' report and financial statements for the purposes of the Companies Act 2006).

**OBJECTIVES & ACTIVITIES**

The company's principal objective is to promote the advancement of citizenship and community development including the advancement of rural regeneration within the Ettrick and Yarrow valleys. Further to this, to promote the advancement of the arts, heritage, culture or science; to promote the advancement of education, and to promote the advancement of environmental protection or improvement.

**ACHIEVEMENTS & PERFORMANCE**

The year has been dominated by EYCDC's biggest ever project, the conversion of Kirkhope Steading into 5 affordable houses and a business centre with 7 lettable units. One side of the old Kirkhope Steading now houses the business units and has been renamed Kirkhope Mill. The other side has been converted into three single storey houses with two semi-detached 2 storey new-build houses behind on the site of an old barn. The houses which are all to be rented at affordable rents will be called 1-5 Kirkhope Steading and are designed to be very energy efficient with high levels of insulation and an EPC A rating.

The project started on site in March 2021. The main contractors, Swintons of Hawick, have been excellent partners throughout.

All the houses will have solar panels and battery storage with underfloor heating and individual ground source heat pumps linked to their own boreholes. The business unit building has air source heating and also PV panels linked to a 10kwh battery.

The project has been supported by several key funders without which it would have been impossible. These include the Scottish Government Rural Housing Fund, the South of Scotland Enterprise, the Scottish Borders Council Second Homes Council Tax Fund, the Langhope Rig Sustainable Development Fund and the Scottish Land Fund which enabled us to buy the steading in the first place.

There is considerable interest and demand for the houses and allocation will be based on an agreed allocation policy. The demand for the houses demonstrates the need for more affordable houses to rent in the area.

**Ettrick Marshes:** Work has continued at the Ettrick Marshes where our countryside ranger, Tommy Bryson, ably assisted by Mitchell Hobbs, have rebuilt board walks, improved paths, put up nesting boxes and taken many visitors. A recent discovery of a very rare micro-moth *Apotomis infida* or Rannoch Marble by Malcolm Lindsay has given the Marshes special publicity. It is a very unique habitat.

There have been suggestions to the board and discussion on the board around the possibility of re-introducing beavers in the Marshes. The site and its wider catchment would need to be assessed for suitability and we have passed on the suggestion to Nature Scot.

**Old Ettrick School Building:** The Community Hub at the old Ettrick School progresses and is now a comfortable place to meet with a wood burning stove in the main room. The Hogg exhibition continues to open 3 afternoons a week. Live cameras have been installed in the gardens and nesting boxes are shown on a screen in the school. These were funded through the Rural Communities Ideas Into Action Fund.

## **ETTRICK AND YARROW COMMUNITY DEVELOPMENT COMPANY**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTD)**

**FOR THE YEAR ENDED 30 JUNE 2022**

#### **ACHIEVEMENTS & PERFORMANCE (CONT'D)**

**Sustainable Transport Project:** The E bikes are still being hired out, with weekend demonstration hires to other communities planned and the EV bus is in constant use.

**Ring of the Loch and Captains Road walking routes:** The circular walking route around St Mary's Loch continues to be popular and the Captains Road link between the two valleys is being enjoyed by both walkers and cyclists. EYCDC continues to carry out light maintenance on the routes and improve the signage.

#### **FINANCIAL REVIEW**

Total income for the year was £1,353,647 (2021: £433,728) and total expenditure was £107,463 (2021: £110,493). Total net income was therefore £1,246,184. This comprises net expenditure of £18,325 for unrestricted activities, and net income of £1,264,509 for restricted activities as shown on the Statement of Financial Activities, the bulk of which was accounted for by capital expenditure incurred in the year, the relevant costs being reflected as new Fixed Assets on the Balance Sheet. Further details of income and expenditure are shown in the Statement of Financial Activities and notes 2 and 3 to the financial statements. Further details of Fixed Assets, which form part of total funds, are shown in note 4 to the financial statements.

In respect of funds, the Directors have a policy of maintaining funds to protect against unforeseen fluctuations in income. The policy is to maintain unrestricted general funds at a level which would enable the company to continue the provision of services if its sources of income were to cease or be delayed significantly in their payment. The Directors consider that it is prudent for them to aim to cover three months expenditure by way of reserve. At the date of signing the Directors consider that balance on the available unrestricted general funds is at a satisfactory level. The Directors are aware that continued funding needs to be sought, without which activities and other projects would need to be reduced. They are satisfied that borrowing and overheads will be covered by the rental income streams.

Revenue funding going forward includes two separate grants from the Langhope Rig windfarm fund administered by Foundation Scotland. The first will allow our rangers to continue their work through the winter months and the second will allow our project manager to work one day a week with the neighbouring Borthwick Water Community Development Trust on their need for affordable housing as well as continuing to oversee the Kirkhope project.

#### **STRUCTURE, GOVERNANCE & MANAGEMENT**

Ettrick and Yarrow Community Development Company is a company limited by guarantee and is governed by its Memorandum and Articles of Association, and as such has no share capital.

A subsidiary of the charity EYCDC is being created called EYCDC Homes Ltd which will lease the 5 houses from the main charity and be responsible for their ongoing management. A small board including some EYCDC directors will be created prior to the first tenants taking residence.

The Directors meet once a month as a full board and there are also project specific steering group meetings. 'Lead' Directors are nominated for different projects.

The Board continues to meet monthly with enthusiasm and commitment. Volunteer directors have made enormous contributions throughout the year in both time and expertise, particularly in relation to managing our accounts, designing the website and overseeing the Kirkhope project. Membership continues to be over 25% of the adult population of the valleys and we continue to maintain the valley Facebook page as well as sending out regular news updates by email. Members are in constant contact with the board giving useful input and suggestions and thanks are also due to the various volunteers who give their time driving, staffing the exhibition or helping with maintenance.

Directors are elected at the Annual General Meeting. New Directors receive appropriate induction and training.

**ETTRICK AND YARROW COMMUNITY DEVELOPMENT COMPANY**  
**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTD)**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**ADMINISTRATIVE DETAILS**

<b>Charity number</b>	SC048061
<b>Company number</b>	SC452785
<b>Registered office</b>	The Waterwheel Café, Philiphaugh, Selkirk TD7 5LU
<b>Secretary</b>	Lynne Hume
<b>Directors</b>	M Strang Steel L Hume J Snodgrass M Hutton F Garton (Resigned 24 August 2021) A Wright G Jack N Gray (Resigned 29 November 2022) A Renwick D Scott Steel (Appointed 23 November 2021) H Munro (Appointed 23 November 2021) J Camroux-Oliver (Appointed 1 March 2022) T Hartley (Appointed 29 November 2022)

**TRUSTEES' (DIRECTORS') RESPONSIBILITIES**

The Directors (who are also the Trustees of the charitable company for the purposes of charity law) are responsible for preparing a Directors' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the company 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 its incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing the financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and Statements of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

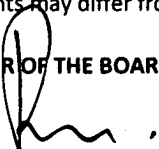
**ETTRICK AND YARROW COMMUNITY DEVELOPMENT COMPANY**  
**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTD)**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**TRUSTEES' (DIRECTORS') RESPONSIBILITIES (continued)**

The Directors are responsible for keeping proper accounting records that 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 Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and 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 Directors are responsible for the maintenance and integrity of the charity 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.

**BY ORDER OF THE BOARD OF DIRECTORS:**



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**J Snodgrass**  
Director

28.3.23

Date

## **INDEPENDENT AUDITORS REPORT TO THE DIRECTORS OF ETTRICK AND YARROW COMMUNITY DEVELOPMENT COMPANY**

### **Opinion**

We have audited the financial statements of Ettrick and Yarrow Community Development Company (the charitable company) for the year ended 30 June 2022 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report, including the directors' report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITORS REPORT TO THE DIRECTORS OF  
ETTRICK AND YARROW COMMUNITY DEVELOPMENT COMPANY (CONT'D)**

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

**Responsibilities of Directors**

As explained more fully in the Trustees' (Directors') Responsibilities statement set out on page 3, the Directors (who are also the Trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.



**INDEPENDENT AUDITORS REPORT TO THE DIRECTORS OF  
ETTRICK AND YARROW COMMUNITY DEVELOPMENT COMPANY (CONT'D)**

In response to the risk of irregularities and non-compliance with laws and regulations including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

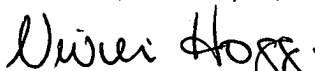
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charitable company's directors, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the charitable company's directors those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's directors as a body, for our audit work, for this report, or for the opinions we have formed.



**Vivien Hogg, Statutory Auditor**

**For and on behalf of Hogg & Thorburn**

Chartered Accountants  
Moat House  
14 Gala Park  
GALASHIELS  
TD1 1EX

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Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**ETTRICK AND YARROW COMMUNITY DEVELOPMENT COMPANY**

**STATEMENT OF FINANCIAL ACTIVITIES**

(Incorporating Income & Expenditure Account)

**For the Year Ended 30 June 2022**

		Unrestricted	Restricted	Total funds	Total funds
		Funds	Funds	2022	2021
	Note	£	£	£	(restated)
					£
<b>Income from:</b>					
Grants	2	-	1,341,803	1,341,803	432,280
Donations		1,154	5,000	6,154	132
Bike hire		1,206	-	1,206	1,007
Grazing		-	-	-	300
Electric vehicle hire and campervan site fees		154	-	154	-
Other income	2	4,330	-	4,330	9
<b>Total income</b>		<u>6,844</u>	<u>1,346,803</u>	<u>1,353,647</u>	<u>433,728</u>
<b>Expenditure on:</b>					
Charitable activities	3	25,169	82,294	107,463	110,493
<b>Total resources expended</b>		<u>25,169</u>	<u>82,294</u>	<u>107,463</u>	<u>110,493</u>
<b>Net incoming/(outgoing) resources before transfers</b>		(18,325)	1,264,509	1,246,184	323,235
<b>GROSS TRANSFERS BETWEEN FUNDS</b>	8	(17,467)	17,467	-	-
<b>NET MOVEMENT IN FUNDS</b>		(35,792)	1,281,977	1,246,184	323,235
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<u>36,958</u>	<u>692,877</u>	<u>729,835</u>	<u>406,600</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	8	<u>1,166</u>	<u>1,974,854</u>	<u>1,976,020</u>	<u>729,835</u>

The statement of financial activities includes all gains and losses recognised in the year

All income and expenditure derive from continuing activities

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 11 to 18 form part of these financial statements.

**ETTRICK AND YARROW COMMUNITY DEVELOPMENT COMPANY**

Company No. SC452785

**BALANCE SHEET**

Charity No. SC048061

As at 30 June 2022

	Note	£	2022 £	2021 (restated) £
<b>FIXED ASSETS</b>				
Tangible assets	4		2,191,740	628,600
<b>CURRENT ASSETS</b>				
Debtors	5	25,522		274,457
Cash at bank and in hand		<u>70,550</u>		<u>56,925</u>
		96,072		331,382
<b>LIABILITIES</b>				
Creditors: <i>amounts falling due within one year</i>	6	<u>(61,792)</u>		<u>(230,147)</u>
<b>NET CURRENT ASSETS</b>			<u>34,280</u>	<u>101,235</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			2,226,020	729,835
Creditors: <i>Amounts falling due after more than one year</i>	7		<u>(250,000)</u>	<u>-</u>
<b>TOTAL NET ASSETS</b>			<u><u>1,976,020</u></u>	<u><u>729,835</u></u>
<b>FUNDS OF THE CHARITY</b>				
Unrestricted funds			1,166	36,958
Restricted income funds			<u>1,974,854</u>	<u>692,877</u>
<b>TOTAL CHARITY FUNDS</b>	8		<u><u>1,976,020</u></u>	<u><u>729,835</u></u>

The financial statements on pages 8 to 18 were approved by the Directors on 28 March 2023 and were signed by:

  
 J Snodgrass  
 Director

  
 L Hume  
 Director

The notes on pages 11 to 18 form part of these financial statements.

**ETTRICK AND YARROW COMMUNITY DEVELOPMENT COMPANY**  
**STATEMENT OF CASHFLOWS**

	2022 £	2021 (restated) £
<b>Cash Flow from Operating Activities</b>		
Donation income	6,154	132
Grants income	1,341,803	432,280
Bike hire	1,206	1,007
Grazing	-	300
Electric vehicle and campervan hire	154	-
Other income	4,330	9
Other costs	<u>(107,462)</u>	<u>(110,492)</u>
Net income for the period as per the Statement of Financial Activities	<u>1,246,185</u>	<u>323,236</u>
<b>Adjustments to reconcile net income to net cash provided by activities</b>		
(Increase)/decrease in Debtors	248,935	(247,125)
Increase/(decrease) in Creditors	<u>(168,355)</u>	<u>228,998</u>
Net Cash in/(out) flow from operating activities	<u>80,580</u>	<u>(18,127)</u>
<b>Investing Activities</b>		
Purchase of fixed assets	(1,576,206)	(330,916)
Depreciation on Fixed Assets	<u>13,065</u>	<u>10,550</u>
Net cash provided by investing activities	<u>(1,563,140)</u>	<u>(320,366)</u>
<b>Financing Activities</b>		
Loan	<u>250,000</u>	<u>-</u>
<b>Net cash increase/(decrease) for period</b>	<u>13,624</u>	<u>(15,257)</u>
Cash at beginnning of the period	<u>56,925</u>	<u>72,182</u>
Cash at end of the period	<u><u>70,550</u></u>	<u><u>56,925</u></u>

## ETTRICK AND YARROW COMMUNITY DEVELOPMENT COMPANY

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

#### 1 ACCOUNTING POLICIES

##### **Charitable company information**

Ettrick & Yarrow Community Development Company is a private company limited by guarantee incorporated in Scotland. The registered office is The Waterwheel Cafe, Philiphaugh, Selkirk, Scottish Borders, TD7 5LU.

##### ***Basis of preparation***

The financial statements have been prepared in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)" (Charities SORP FRS 102); the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102); with the Charities and Trustee Investment (Scotland) Act 2005; with the Charities Accounts (Scotland) Regulations 2006 (as amended); with the Companies Act 2006 and with the company's Memorandum and Articles of Association. The company constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Assets and liabilities are recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

##### **Going concern**

The financial statements are prepared on the going concern basis. The directors have considered a period of 12 months from the accounting period end date and are satisfied that the charitable company has sufficient reserves to continue in operational existence for the foreseeable future.

##### ***Income recognition***

All income is recognised once the company has legal entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Any income such as annual grants received in advance, is included as deferred income within creditors. Where donations or grants, including capital grants, are received for a specific purpose, they are included within restricted income and any unexpended portion is carried forward as a restricted fund. Assets or gifts in kind received by the company are recognised as income when received and are included at market value or at an estimate of their value where market value is not readily known.

##### ***Expenditure recognition***

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the company to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings appropriate to the company's circumstances. Grants are awarded on the basis of need, from the Covid 19 Supporting Communities Fund.

##### ***Tangible fixed assets***

Property represents the original purchase price and refurbishment costs of Kirkhope Steading. The Directors have taken the decision to write off borrowing costs, including interest, to the SoFA as they are incurred. The Directors are of the opinion that it is not appropriate to depreciate property as the refurbishment work is on-going, and that there has been no diminution in value of property assets. Other tangible fixed assets are stated at cost less depreciation. Expenditure below £100 is not capitalised. Depreciation is provided on a straight line basis calculated to write off cost less estimated residual value of each asset, over its expected useful life, as follows:

Asset category	Annual rate
Motor vehicle	25%
Equipment	25%
Computer equipment	33%

## **ETTRICK AND YARROW COMMUNITY DEVELOPMENT COMPANY**

### **NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**For the Year Ended 30 June 2022**

#### **1 ACCOUNTING POLICIES (CONT'D)**

##### ***Impairment of non-current assets***

At each reporting end date, the company reviews the carrying amounts of its tangible to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

##### ***Financial instruments***

Financial assets comprise trade debtors, other debtors, prepayments and accrued income, and are measured at amortised cost. Cash at bank is carried in the balance sheet at nominal value.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charitable company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Financial liabilities comprise trade creditors, other creditors, borrowings, provisions, accruals and deferred income and are measured at amortised cost.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

##### ***Funds***

Unrestricted general funds are funds which can be used in accordance with the objects of the company at the discretion of the Directors. Designated funds are the funds set aside by the Directors out of unrestricted general funds for specific purposes or projects. Restricted funds are the funds that can only be used for particular restricted purposes within the objects of the company. 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 set out in notes to the financial statements.

##### ***Cash and cash equivalents***

Cash and cash equivalents consist of cash on hand.

##### ***Judgements and key sources of estimation uncertainty***

In the application of the company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**ETTRICK AND YARROW COMMUNITY DEVELOPMENT COMPANY**

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**For the Year Ended 30 June 2022**

	2022	2021 (restated)
	£	£
<b>2 ANALYSIS OF INCOME</b>		
<i>Grant income</i>		
South of Scotland Enterprise	572,670	300,376
Scottish Land Fund	-	16,816
Scottish Government (Rural Housing Fund)	555,496	15,504
Scottish Borders Council	120,000	777
Scottish Borders LEADER	-	3,972
SP Energy Networks (Green Economy Fund)	-	29,133
Paths for All	-	29,750
Scottish Government (Community Climate Asset Fund)	-	13,857
Langhope Rig Windfarm Fund via Foundation Scotland	-	10,000
Energy Savings Trust	-	6,873
Scottish Natural Heritage (Better Places Green Recovery Fund)	25,467	3,204
Cycling Scotland	-	2,018
SSE (Scottish Borders Sustainable Development Fund)	30,000	-
Langhope Rig Windfarm Fund via Ettrick & Yarrow Community Council	1,980	-
Foundation Scotland	10,000	-
Inspiring Scotland	26,190	-
<i>(Restricted: £1,341,803 2021: £432,280)</i>	<u>1,341,803</u>	<u>432,280</u>

	2022	2021 (restated)
	£	£
<i>Other income</i>		
Cash incentive for switching bank	4,200	-
Membership fees	10	9
Courses	120	-
<i>All unrestricted</i>	<u>4,330</u>	<u>9</u>

**3 ANALYSIS OF EXPENDITURE**

The company considers that the Directors are its key management personnel. No Directors were remunerated during the year or previous year. No expenses were reimbursed to the Directors during the year for services provided to the company.

	2022	2021 (restated)
	£	£
<i>Other costs</i>		
Project management/sustainable transport fees and expenses	32,852	41,799
Professional fees	2,925	10,370
Other project costs	4,912	9,729
Ranger fees	25,953	-
Repairs & Renewals	10,889	22,414
EV costs	207	-
Grants made (Supporting Communities Fund)	-	2,450
Office costs	1,842	-
Telephone	1,009	-
Utilities and room hire	629	1,907
Insurance	4,070	4,532
Computer costs, stationery and postages	872	674
Accountancy fee	1,400	1,267
Auditor fee	3,500	-
Publicity/advertising costs	571	-
Sundry expenses	105	238
Depreciation of fixed assets	13,066	10,550
Bank charges	-	63
Loan interest	2,661	-
Loan fees	-	4,500
<i>(Restricted: £82,294 2021: £110,493)</i>	<u>107,463</u>	<u>110,493</u>

**ETTRICK AND YARROW COMMUNITY DEVELOPMENT COMPANY**

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**For the Year Ended 30 June 2022**

**4 FIXED ASSETS**

	<i>Property</i>	<i>Motor</i>	<i>Equipment</i>	<i>Computer</i>	<i>Total</i>
	<i>£</i>	<i>Vehicle</i>	<i>£</i>	<i>Equipt.</i>	<i>£</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
<b>Cost</b>					
At 1 July 2021 (restated)	607,230	27,229	13,964	4,069	652,492
<b>Additions</b>	<u>1,553,471</u>	<u>-</u>	<u>22,735</u>	<u>-</u>	<u>1,576,206</u>
At 30 June 2022	<u>2,160,701</u>	<u>27,229</u>	<u>36,699</u>	<u>4,069</u>	<u>2,228,698</u>
<b>Depreciation</b>					
At 1 July 2021	-	14,976	5,520	3,396	23,892
Charge for year	<u>-</u>	<u>6,807</u>	<u>5,607</u>	<u>651</u>	<u>13,065</u>
At 30 June 2022	<u>-</u>	<u>21,783</u>	<u>11,127</u>	<u>4,047</u>	<u>36,957</u>
<b>Net book value</b>					
At 30 June 2022	<u>2,160,701</u>	<u>5,446</u>	<u>25,572</u>	<u>22</u>	<u>2,191,740</u>
At 30 June 2021 (restated)	<u>607,230</u>	<u>12,253</u>	<u>8,444</u>	<u>673</u>	<u>628,600</u>

In addition to the above fixed assets, EYCDC owns three areas of land comprising the restored floodplain known as the Ettrick Marshes and including the area of native woodland at Tima and the Tima carpark and a section of boardwalk which connects to Gamescleuch Forest. These assets have not been capitalised in the balance sheet because the Directors are of the opinion that it is not possible to place a value on them.

There is a First Standard Security over the property known as Kirkhope Steading, Ettrickbridge, Selkirk, which is on the Balance Sheet at a historical cost of £2,160,702, for £400,000, together with interest and any further advances and interest thereon.

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>(restated) £</b>
<b>5 DEBTORS</b>		
Trade debtors	-	198,861
VAT	<u>25,522</u>	<u>75,596</u>
	<u>25,522</u>	<u>274,457</u>

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>(restated) £</b>
<b>6 CREDITORS: amounts falling due within 1 year</b>		
Trade creditors	55,827	228,482
Other creditors	<u>5,965</u>	<u>1,665</u>
	<u>61,792</u>	<u>230,147</u>

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>(restated) £</b>
<b>7 CREDITORS: amounts falling due after more than 1 year</b>		
Loan	250,000	-
	<u>-</u>	<u>-</u>
	<u>250,000</u>	<u>-</u>

The loan has a 40 year term and is interest only in the first year. The total facility available to draw down is £400,000. It is secured on the property as described in note 4.



**ETTRICK AND YARROW COMMUNITY DEVELOPMENT COMPANY**

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**For the Year Ended 30 June 2022**

**8 ANALYSIS OF CHARITABLE FUNDS**

		<b>Balance 1/7/21 (restated)</b>	<b>Income</b>	<b>Expenses</b>	<b>Transfers</b>	<b>Funds 30/6/22</b>
		£	£	£	£	£
<b>UNRESTRICTED FUNDS</b>						
General Funds		15,588	6,844	(25,169)	(27,135)	(29,872)
Fixed Asset Fund	1	21,370	-	-	9,668	31,038
<b>Total Unrestricted Funds</b>		<b>36,958</b>	<b>6,844</b>	<b>(25,169)</b>	<b>(17,467)</b>	<b>1,166</b>
<b>RESTRICTED FUNDS</b>						
Fixed Asset Fund	1	607,230	-	-	1,553,471	2,160,701
Ring of the Loch	2	709	1,980	(2,254)	-	435
Lunch Club	3	699	-	-	(699)	-
Ettrick Marshes	4	1,875	5,000	(750)	(2,146)	3,979
Kirkhope Steading, Ettrickbridge						
Project development/site purchase (SSE)	6d	35,854	30,000	(6,533)	(30,935)	28,387
Revenue costs (SLF)	6e	17,152	-	-	-	17,152
Construction phase (SOSE)	6f	-	363,813	(18,172)	(345,641)	-
Construction phase (RHF)	6g	-	555,496	-	(555,496)	0
Fixtures & Fittings (FS)	6h	-	10,000	-	-	10,000
Construction phase (SBC)	6i	-	120,000	-	(120,000)	-
Renewables grant (SOSE)	6j	-	202,457	-	(202,457)	-
Green Economy Fund	7	5,611	-	-	(5,611)	-
The "6 Projects"	8	-	-	-	-	-
Supporting Communities Fund	9	4,281	-	(1,068)	-	3,213
Better Places Green Recovery Fund	10	-	25,467	(21,425)	(4,042)	-
Paths for All	11	6,990	-	(6,349)	(641)	0
Bike Racks	12	711	-	-	(282)	429
Ettrick Marshes Boardwalks	13	10,000	-	(12,146)	2,146	-
eBikes	14	1,145	-	-	(1,145)	-
Professional Fees and Insurance	15	620	(30)	(62)	30	558
Rural Communities Ideas into Action (Inspiri	16	-	26,190	(7,105)	(19,085)	-
Strategic Review (SOSE)	17	-	6,430	(6,430)	-	-
Ecology bank loan	18	-	-	-	(250,000)	(250,000)
<b>Total Restricted Funds</b>		<b>692,877</b>	<b>1,346,803</b>	<b>(82,294)</b>	<b>17,467</b>	<b>1,974,854</b>
<b>TOTAL FUNDS</b>		<b>729,835</b>	<b>1,353,647</b>	<b>(107,463)</b>	<b>0</b>	<b>1,976,020</b>

- 1 Fixed asset funds: represent the net book value of fixed assets capitalised in the balance sheet. The cost of new assets acquired are reflected within the fund and depreciation of assets is deducted. This is represented by the net transfer which is the difference between new assets purchased in the year (from restricted funds), and the depreciation charge for the year.

The Kirkhope project assets are included within the restricted fund due to the requirement by the funders for the buildings to be held for a specific purpose.

- 2 Ring of the Loch: a project to create a circular walk around St Mary's Loch with the intention of attracting visitors to the area, funded by the SSE Scottish Borders Sustainable Development Fund. Residual funds are being used for annual maintenance of the walk and the reprinting of a descriptive leaflet and guide. Grant received from Ettrick and Yarrow Community Council for Cappercleuch path maintenance works during the year.

**ETTRICK AND YARROW COMMUNITY DEVELOPMENT COMPANY**

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**For the Year Ended 30 June 2022**

**8 ANALYSIS OF CHARITABLE FUNDS (CONT'D)**

- 4 Ettrick Marshes: private donation from an individual with a long association with the Ettrick Marshes and a desire to see them restored and the footpaths opened up again to the public, to be used in due course for this purpose. The transfer was to cover overspend on Ettrick Marshes project funded by Foundation Scotland (see 13 below).
- 6d SSE Scottish Borders Sustainable Development / Clyde Wind Farm grant towards the purchase of Kirkhope Steading and to progress the design of the proposed conversion to Building Warrant and Tender Stage.
- 6e Funding received from Scottish Land Fund towards revenue costs of the Kirkhope Steading project.
- 6f Award from South of Scotland Enterprise (SOSE) from their Community Asset Development Fund for the redevelopment of Kirkhope Steading into business units and residential units. This grant was to cover construction costs, professional fees and project management costs. The net transfer includes spend on construction, the actual cost of which is reflected within fixed assets on the balance sheet.
- 6g Award from the Scottish Government's Rural Housing Fund (RHF) in connection with the reconfiguration and new build of residential units at Kirkhope Steading. The grant was to cover work costs, professional fees and development costs. The transfer represents spend on construction, the actual cost of which is reflected within fixed assets on the balance sheet.
- 6h Funding received from Foundation Scotland towards the cost of Fixtures & fittings for the Kirkhope Steading project.
- 6i Funding received from Scottish Borders Council for the redevelopment of Kirkhope Steading into residential units. This grant was to cover construction costs, professional fees and project management costs. The net transfer includes spend on construction, the actual cost of which is reflected within fixed assets on the balance sheet. The funds came from the second home council tax fund.
- 6j Funding received from South of Scotland Enterprise (SOSE) for the residential and business units at Kirkhope Steading. This grant was to cover capital and revenue costs to develop Kirkhope Steading into a business hub with affordable housing with PV panels, heat pumps and battery storage.
- 7 Green Economy Fund: originally funded by SP Energy Networks, the project finished in the previous financial year. SP Energy Networks agreed that the last of their funds could be used towards the capital cost of PV panels at Kirkhope Steading. The transfer includes costs reflected within fixed assets on the balance sheet.
- 8 The '6 Projects': funded by LEADER, plus match funding, this was primarily to support the project management of 6 different workstreams including progressing Kirkhope Steading, Ettrick School, eBike hire, the Captain's Road walking path, and feasibility for a creative writing centre and a community laundry. The work concluded in the previous year, the LEADER debtor was received during the year.
- 9 Supporting Communities Fund: funding from the Scottish Government via Development Trusts Association to meet Covid 19 related needs including the distribution of crisis grants.

**ETTRICK AND YARROW COMMUNITY DEVELOPMENT COMPANY**

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**For the Year Ended 30 June 2022**

**8 ANALYSIS OF CHARITABLE FUNDS (CONT'D)**

- 10 Award from Scottish Natural Heritage ("NatureScot") from their Better Places Green Recovery Fund for the purposes of employing a seasonal ranger to manage visitors, wild campers and campervans, to facilitate two campervan parking sites, to improve and enlarge an informal car park, and to provide picnic benches and recycling bins at car parks. The transfer represents an allocation towards overheads.
- 11 Award from Paths for All from their "Smarter Choices, Smarter Places" fund to promote a more positive attitude towards sustainable transport, in particular to promote the use of the electric bikes and the electric vehicle, and to engage a sustainable transport manager. The transfer represents an allocation towards overheads.
- 12 Award from Cycling Scotland from their "Cycling Friendly Communities" fund for the purchase and installation of three bike racks. The transfer represents the spend on the bike racks, the actual cost of which is reflected within fixed assets on the balance sheet.
- 13 Award from Foundation Scotland from the Langhope Rig Community Fund, for the repair and renewal of boardwalks in the Ettrick Marshes, received in the previous year following the transfer of ownership of the Ettrick Marshes to EYCDC. The transfer was from 4 above, to cover the overspend on the project.
- 14 Award from the Energy Saving Trust (EST) from their eBike Grant Fund for the purchase of eBikes and associated equipment.
- 15 Funds towards professional fees and insurance.
- 16 Award from Inspiring Scotland to fund the Ideas into action project. These funds had to be spent by 31 March 2022. The funds were used for wildlife cameras and ranger expenses.
- 17 Award from South of Scotland Enterprise (SOSE) for costs in relation to a strategic review for the various projects EYCDC has.
- 18 A bank loan was received during the year from Ecology bank, this is restricted for the construction work at Kirkhope.

**9 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	General	Designated	Restricted	Total
	£	£	£	£
Tangible fixed assets	-	31,039	2,160,701	2,191,740
Debtors	25,186	-	337	25,522
Cash at bank and in hand	3,128	-	67,422	70,550
Creditors amounts falling due within one year	(58,187)	-	(3,605)	(61,792)
Creditors amounts falling due after one year	-	-	(250,000)	(250,000)
Net assets at 30 June 2022	<u>(29,873)</u>	<u>31,039</u>	<u>1,974,855</u>	<u>1,976,020</u>

**10 RELATED PARTY TRANSACTIONS**

During the year the company bought materials at a cost of £3,902 from Philiphaugh Trust Estate. Michael Strang Steel, a director of the charitable company, is Chairman of Philiphaugh Trust Estate.

**ETTRICK AND YARROW COMMUNITY DEVELOPMENT COMPANY**

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**For the Year Ended 30 June 2022**

**11 PRIOR YEAR ADJUSTMENT**

In accordance with IAS 16, the professional fees incurred in relation to the purchase and construction work for the Kirkhope project have been capitalised for the year to 30 June 2022 and a restatement has been made for the 2021 and 2020 figures, previously these costs were recognised as revenue expenditure.

The fund previously shown as designated in respect of the Kirkhope development has been restated as a restricted fund.

<b>Changes to the statement of financial position</b>	<b>As previously reported</b>	<b>Adjustment</b>	<b>As restated at 30 June 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed Assets</b>			
Land and property	528,461	78,769	607,230

<b>Reserves</b>			
Unrestricted fund	565,419	(528,461)	36,958
Restricted fund	85,647	607,230	692,877

<b>Changes to the statement of financial activities</b>	<b>As previously reported</b>	<b>Adjustment</b>	<b>As restated at 30 June 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>For the year ended 30 June 2021</b>			
Professional fees	45,790	(35,420)	10,370
Net movement	287,815	35,420	323,235

<b>For the year ended 30 June 2020</b>			
Professional fees	57,325	(43,349)	13,976
Net movement	337,716	43,349	381,065

<b>Reconciliation of changes in reserves</b>	<b>30 June 2020</b>	<b>30 June 2021</b>
<b>Adjustments to prior year</b>		
Professional fees capitalised	43,349	35,420
Total reserves as previously reported	363,251	651,066
Adjustment for previous year	-	43,349
<b>Reserves as adjusted</b>	<b>406,600</b>	<b>729,835</b>

## Audit letter of representation

To: Hogg & Thorburn

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the charitable company's financial statements for the year ended 30 June 2022. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

### General

1. We have fulfilled our responsibilities as directors / trustees as set out in the terms of your engagement letter dated 6 October 2022, under the Companies Act 2006 / the Charities and Trustee Investment (Scotland) Act 2005 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
2. All the transactions undertaken by the charitable company have been properly reflected and recorded in the accounting records.
3. All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the charitable company, and with all other records and related information requested, including minutes of all management and trustee meetings and correspondence with The Office of the Scottish Charity Regulator.
4. The financial statements are free of material misstatements, including omissions.
5. The effects of uncorrected misstatements (as set out in the management report) are immaterial both individually and in total.

### Internal control and fraud

6. We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
7. We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
8. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.

### Assets and liabilities

9. The charitable company has satisfactory title to all assets and there are no liens or encumbrances on the charitable company's assets, except for those that are disclosed in the notes to the financial statements.
10. It is of the directors opinion that the Kirkhope project buildings are restricted assets due to the requirement from grant funders that the assets are held for specific purposes.
11. All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
12. ~~We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.~~

### Accounting estimates

13. The methods, data and significant assumptions used by us in making accounting estimates, and their related disclosures, are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

### **Loans and arrangements**

14. The charitable company has not granted any advances or credits to, or made guarantees on behalf of, directors other than those disclosed in the financial statements.

### **Legal claims**

15. We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

### **Laws and regulations**

16. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

### **Related parties**

17. Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with legislative and accounting standards requirements.

### **Subsequent events**

18. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

### **Going concern**

19. We believe that the charitable company's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the charitable company's needs. We also confirm our plans for future action(s) required to enable the charitable company to continue as a going concern are feasible. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the charitable company's ability to continue as a going concern need to be made in the financial statements.

### **Grants and donations**

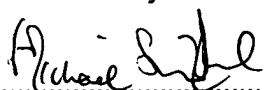
20. All grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you and recorded in the financial statements. There have been no breaches of terms or conditions in the application of such income.

21. Restricted grants and donations are as per note 2 in the financial statements.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully



Signed on behalf of the board of directors

Date: 28 March 2023