

Hornshole Greenway Development Group SCIO

A Scottish Charitable Incorporated Organisation
Annual Report and Financial Statements

for the period from 21 June 2021 to 30 June 2022

Hornshole Greenway Development Group SCIO

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Hornshole Greenway Development Group SCIO

Reference and Administrative Details

Chairman	J G Hogg
Trustees	M Calothis L Fraser E J Murray J G Hogg C S C Elliott-Walker
Charity Registration Number	51068
Principal Office	55 High Street Hawick Roxburghshire TD9 9BP
Independent Examiner	Deans Accountants and Business Advisors Independent Examiner 27 North Bridge Street Hawick TD9 9BD

Hornshole Greenway Development Group SCIO

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the period ended 30 June 2022.

Objectives and activities

Objects and aims

The organisations purposes are for the advancement of local community development and in particular:

- a) The provision of recreational facilities that commemorate and celebrate the history and culture of Hawick.
- b) The advancement of local environmental protection and improvement.
- c) The advancement of education.

Achievements and performance

Since achieving charitable status in June 2021 Hornshole Greenway Development Group has had an interesting and productive year.

The project has many facets but we are able to report a degree of progress on each front.

We have engaged widely with the local community to scope local interest and backing for our project and this has been very positive.

Preparatory works have been undertaken regarding the Border Queen sculpture and extensive research has been carried out by local historians regarding our exciting plans for an informative signage system throughout the town telling the rich and multifaceted story of Hawick. We have also been working closely with the Hawick Flood protection scheme and active travel network to progress plans for the delivery of this concept.

Our eco-education project has moved forward substantially with the delivery of a number of highly successful workshops in conjunction with local schools and community groups and we are indebted to SBC Build Back a Better Borders Fund for making this possible.

We would also like to thank all our other funders for having faith in the project and we look forward to continuing to work closely with them and the local community as we move forward into our second year of operation.

Financial review

Unrestricted funds totalled £1,408 and restricted funds £12,429 at 30 June 2022. Principle funding comes from grants and donations which allows the charity to meet its principal objectives.

Structure, governance and management

Nature of governing document

The Charity is a Scottish Charitable Incorporated Organisation (SCIO). It was registered in its current legal form on 21 June 2021.

Recruitment and appointment of trustees

The individuals who signed the charity trustee declaration forms on incorporation shall be deemed to have been appointed by the members on incorporation.

At each AGM, the members may elect any member to be a charity trustee. The board may at any time appoint any member to be a charity trustee. At each AGM, all of the charity trustees appointed by the members and the board shall retire from office (except those appointed on incorporation) - but shall then eligible for be re-election.

The maximum number of charity trustees is twelve and minimum is three.

Induction and training of trustees

Trustees are inducted into the company with an induction pack, which summarises Trustees obligations and responsibilities. Relevant training is offered to both new and existing trustees on all aspects of governance.

Hornshole Greenway Development Group SCIO

Trustees' Report (continued)

Organisational structure

The members have a right to attend members' meetings and have important powers under the constitution; in particular, the members appoint people to serve on the board and take decisions on changes to the constitution itself:

The Board, hold regular meetings, and generally control the activities of the organisation.

Membership is open to any individual aged 16 or over who shares the aims of the organisation and have an interest in furthering the organisations aims.

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

Cash flow risk

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

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Trustees' Report (continued)

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees 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 accounting standards 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 charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity 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 governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The annual report was approved by the trustees of the charity on 26 September 2022 and signed on its behalf by:

Hornshole Greenway Development Group SCIO

Independent Examiner's Report to the trustees of Hornshole Greenway Development Group SCIO

I report to the trustees on my examination of the accounts of Hornshole Greenway Development Group SCIO for the year ended 30 June 2022.

Responsibilities and basis of report

As the charity trustees of Hornshole Greenway Development Group SCIO you are responsible for the preparation of the accounts in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). You are satisfied that the audit requirement of Regulation 10(1) (a) to (c) of the 2006 Accounts Regulations does not apply.

I report in respect of my examination of the Hornshole Greenway Development Group SCIO's accounts carried out under section 44 (1)(c) of the 2005 Act and section 145 of the 2011 Act. In carrying out my examination I have followed the requirements of Regulation 11 of the Charities Accounts (Scotland) Regulations 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 seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

Since the charity has prepared its accounts on an accruals basis and is also registered in Scotland your examiner must be a member of a body listed in Regulation 11(2) of the Charities Accounts (Scotland) Regulations 2006 (as amended). I can confirm that I am qualified to undertake the examination because I am a registered member of ICAS, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of Hornshole Greenway Development Group SCIO as required by section 44(1)(a) of the 2005 Act and Regulation 4 of the Charities Accounts (Scotland) Regulations 2006 (as amended); or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

.....
D Campbell
Independent Examiner
ICAS

27 North Bridge Street
Hawick
TD9 9BD

26 September 2022

Hornshole Greenway Development Group SCIO

Statement of Financial Activities for the Period from 21 June 2021 to 30 June 2022

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
Income and Endowments from:				
Donations and legacies	2	1,730	25,800	27,530
Other income		<u>102</u>	<u>-</u>	<u>102</u>
Total income		<u>1,832</u>	<u>25,800</u>	<u>27,632</u>
Expenditure on:				
Charitable activities	3	<u>(424)</u>	<u>(13,371)</u>	<u>(13,795)</u>
Total expenditure		<u>(424)</u>	<u>(13,371)</u>	<u>(13,795)</u>
Net income		<u>1,408</u>	<u>12,429</u>	<u>13,837</u>
Net movement in funds		<u>1,408</u>	<u>12,429</u>	<u>13,837</u>
Reconciliation of funds				
Total funds carried forward	7	<u>1,408</u>	<u>12,429</u>	<u>13,837</u>

All of the charity's activities derive from continuing operations during the above period.

Hornshole Greenway Development Group SCIO

(Registration number: 51068)
Balance Sheet as at 30 June 2022

	Note	2022 £
Fixed assets		
Tangible assets	5	2,315
Current assets		
Cash at bank and in hand	6	<u>11,522</u>
Net assets		<u><u>13,837</u></u>
Funds of the charity:		
Restricted income funds		
Restricted funds	7	12,429
Unrestricted income funds		
Unrestricted funds		<u>1,408</u>
Total funds	7	<u><u>13,837</u></u>

The financial statements on pages 6 to 12 were approved by the trustees, and authorised for issue on 26 September 2022 and signed on their behalf by:

Hornshole Greenway Development Group SCIO

Notes to the Financial Statements for the Period from 21 June 2021 to 30 June 2022

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Accounts (Scotland) Regulations 2006.

Basis of preparation

Hornshole Greenway Development Group SCIO meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements are presented in Sterling (£) and rounded to the nearest £0.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Grants receivable

Grants receivable are credited to the Statement of Financial Activities (SOFA) in the year for which they are received.

Deferred income

Deferred income represents amounts received in advance for future periods and is released to which it relates.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Government grants

Grants receivable are credited to the Statement of Financial Activities (SOFA) in the year in which they are received.

Hornshole Greenway Development Group SCIO

Notes to the Financial Statements for the Period from 21 June 2021 to 30 June 2022 (continued)

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £100.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Computer equipment	33.33% straight line

Impairment of fixed assets

The policy with respect to impairment review of fixed assets is that an annual review is carried out by the trustees. As at 30 June 2022 in the trustee's opinion, there are no differences between the market value and the carrying value in the accounts.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Financial instruments

Classification

The trust only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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Notes to the Financial Statements for the Period from 21 June 2021 to 30 June 2022 (continued)

2 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total funds £
Donations and legacies;			
Donations from companies, trusts and similar proceeds	1,230	6,000	7,230
Grants, including capital grants;			
Grants from other charities	500	19,800	20,300
Total for period ended 30 June 2022	1,730	25,800	27,530

3 Expenditure on charitable activities

	Activity undertaken directly £	Total expenditure £
Materials	1,107	1,107
Travel	613	613
Room Hire	1,483	1,483
Computer Expenses	265	265
Advertising	396	396
Donations	200	200
Printing and Stationery	866	866
Repairs and Maintenance	60	60
Professional fees	8,144	8,144
Depreciation	661	661
Total for period ended 30 June 2022	13,795	13,795

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Notes to the Financial Statements for the Period from 21 June 2021 to 30 June 2022 (continued)

4 Taxation

The charity is a registered charity and is therefore exempt from taxation.

5 Tangible fixed assets

	Computer equipment £	Total £
Cost		
Additions	2,976	2,976
At 30 June 2022	2,976	2,976
Depreciation		
Charge for the year	661	661
At 30 June 2022	661	661
Net book value		
At 30 June 2022	2,315	2,315

6 Cash and cash equivalents

	2022
	£
Cash at bank	11,522
	11,522

7 Funds

	Incoming resources £	Resources expended £	Balance at 30 June 2022 £
Unrestricted funds			
<i>General</i>			
Unrestricted	1,832	(424)	1,408
Restricted funds			
Education	14,250	(7,775)	6,475
Greenway	6,750	(5,541)	1,209
Community Orchard	2,500	(55)	2,445
Border Queen	2,300	-	2,300
Total restricted funds	25,800	(13,371)	12,429
Total funds	27,632	(13,795)	13,837

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Notes to the Financial Statements for the Period from 21 June 2021 to 30 June 2022 (continued)

The specific purposes for which the funds are to be applied are as follows:

Education - environmental education opportunities.

Border Queen - creation of a bronze sculpture.

Greenway - creation of a walkway through Hawick.

Community Orchard - creation of a community orchard.

8 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 30 June 2022 £
Tangible fixed assets	-	2,315	2,315
Current assets	1,408	10,114	11,522
Total net assets	1,408	12,429	13,837