

REGISTERED COMPANY NUMBER: SC200827 (Scotland)
REGISTERED CHARITY NUMBER: SC029475

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST MARCH 2016
FOR**

THE SOUTHERN UPLANDS PARTNERSHIP

THE SOUTHERN UPLANDS PARTNERSHIP
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FOR THE YEAR ENDED 31ST MARCH 2016

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THE SOUTHERN UPLANDS PARTNERSHIP

CONVENOR'S STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

The Partnership has survived yet another harsh financial year! Better still, we have done so without having to eat into any of our financial reserve, as we had expected. For this we have to thank not only the sustained effort and creativity of our staff but also a most generous anonymous donor.

Much of our work focused on the Biosphere project, which despite some staff turnover has gathered momentum and is now at a crucial stage in its development. We have been working hard with partner bodies to secure funding for the next phase.

On other fronts our nature-based tourism initiative, Wild Seasons, has had to be put on hold because of the financial cut-backs but we are hopeful that things will improve later this year. We also continued to make progress, albeit painfully slowly, in our efforts to secure better broadband connections for remote rural communities and to help such communities to get a better handle on the scope for environmentally sensitive renewable energy development in their neighbourhoods.

At a strategic level, we have continued to facilitate and contribute to some key debates. The national Land Use Strategy has stimulated some useful discussions as to how decisions should be made and where subsidy should be targeted. The concept of ecosystem services is increasingly catching on as the impacts of climate change become more obvious. There are welcome signs of an impending conversation about future land use in the uplands, both within Scotland and across the border. We are convinced that there is an ongoing role for the Partnership and similar organisations in helping to inform and take forward such dialogues.

I would like to thank my fellow Board members and the SUP staff for all their work over the year.

John Thomson
Partnership Convenor

THE SOUTHERN UPLANDS PARTNERSHIP

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2016

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2016. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Southern Uplands Partnership has now been going for 15 years. Much has changed over that time, but our remit and objectives have remained the same. Our charitable objects are:

(a) to promote and advance education of the public about working and living sustainably in the Southern Uplands of Scotland (being generally the hills stretching from coast to coast across Southern Scotland, the northern boundary of which is the Central Lowlands of Scotland, and the southern boundary of which is the border between Scotland and England), either independently and/or in association with Local Authorities, voluntary organisations and local residents; and

(b) to guide and encourage the integration of environmental, social and economic land use policies, the sustainable use and management of land and water and other relevant activities in the Southern Uplands of Scotland so that they are compatible with considerations of the environment and local communities; and

(c) to promote, protect and conserve the biodiversity of the Southern Uplands of Scotland for the benefit of society.

Activities for achieving objectives

The Partnership has continued to play an important role in debates on the future of land use in South Scotland, specifically discussions on woodland expansion, The Scottish Land Use Strategy and SRDP reform. We have also played a role in a number of local initiatives relating to tourism, renewable energy, access and conservation. We have continued to produce regular e-newsletters and maintained the website.

Volunteers

The company is grateful for the unstinting efforts of its volunteers who are involved in service provision and fundraising.

THE SOUTHERN UPLANDS PARTNERSHIP

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2016

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Southern Uplands Partnership (SUP) was started by local people keen to keep the communities and countryside of the south of Scotland alive and healthy. The Partnership represents all sorts of people, as well as government bodies, agencies and Councils. Anyone who is committed to the future of the south of Scotland is invited to join and get involved.

In another challenging year for the Partnership, we have progressed a number of long-standing projects (such as the Biosphere) and we have developed some new areas of work (Community Broadband and Wild land). In addition, as a means of generating much needed income, we have undertaken a number of tasks on behalf of partners and commissioning bodies.

We have an active Board of Directors that has met three times and the Working Group six times with Directors regularly representing SUP and its interests both at meetings and in helping to deliver strategic pieces of work. We published our 14th set of accounts with an annual report showing a stable financial position (see www.sup.org.uk).

The Partnership currently employs two full time core staff, one part time core staff and an additional six project staff (two full-time, four part-time) who deliver specific projects. In the 2015/16 financial year, the Partnership attracted £309,931 for specific project work and a further £66,408 for strategic and core work. These funds came from a wide range of sources.

Galloway and Southern Ayrshire Biosphere

We have been involved in the Biosphere since leading on the public consultation that took place in 2007 as to whether local communities supported the concept of biosphere status for south west Scotland. Since then we have continued to play an active role and are currently part way through a three year project managing and hosting the Biosphere Team, on behalf of the Biosphere Partnership. The team have a focus on three distinct areas including Natural Heritage, Business Development and Community and Learning.

Key highlights so far have included the publication of a Management Plan for Priority Species and Habitats in the Biosphere which we are now starting to use to engage with landowners. We have also seen developed a highly successful Biosphere charter program that encourages businesses, communities and individuals to support the biosphere and offers an opportunity to promote their association with biosphere aspirations. There is a revamped website, interpretation and a new initiative that is using the "Sense of Place" process to help communities develop pride in their biosphere. Members of the team visited the Dyfi Biosphere in Wales to attend an event focused on a Citizen Science surveying "App" that we are hoping to trial locally.

Staff also joined a group that visited Urdaibai Biosphere in Spain looking at potential partnership opportunities. Minister for Environment, Climate Change and Land Reform, Dr Aileen McLeod MSP, launched the new Climate Ready Biosphere Vision and Action Plan and spoke very positively about the value of the biosphere and her support for it.

Upland Restoration and Wild Land

After the recent flood events experienced during the winter of 2015/16, management of the uplands to store more water and reduce peak flooding occurrences has once again been in the headlines. Our Peatland Action Officer, funded by Scottish Natural Heritage, has worked to identify and co-ordinate peatland restoration work in the uplands of Dumfries and Galloway. A key aspect of this work is the rewetting of upland areas that have been drained during the last 50 or so years, allowing the land to once again act as a sponge contributing to a reduction in the height and frequency of peak river levels. Funds have been allocated to 24 projects which will restore 680 hectares of peatland. Advice has been given on management of a further 2820has.

Also linked to upland management we have been meeting with stakeholders around the Talla Hartfell area interested in exploring how the new wild land designation might benefit Southern Scotland. Wild land is loosely defined as semi natural land that shows minimal signs of human influence.

It seems there may be scope for a habitat and nature based tourism / local regeneration project to be developed. We now need to follow-up with the stakeholders who were unable to attend the meeting.

THE SOUTHERN UPLANDS PARTNERSHIP

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2016

ACHIEVEMENT AND PERFORMANCE

Charitable activities

We are also looking at ways of funding works that will continue to deliver the Black Grouse work we have been supporting for a number of years and will take forward the new strategy being produced by our partners.

Dumfries and Galloway Environmental Resources Centre (DGERC)

SUP has been hosting the DGERC since September 2011. The Centre has continued to deliver its agreed actions, while at the same time significant efforts have been put into plans to extend its remit into Ayrshire.

A Heritage Lottery Fund application has been successful and we have been invited to apply to LEADER for the required match funding. The proposed project would involve employing a Project Officer for two years to work with communities and partners in Ayrshire to raise awareness of the region's natural heritage and the value in using biological data to help protect it.

South West Scotland Coastal Trail

SUP has long been a supporter of the development of access in southern Scotland as a means of helping to stimulate the local economy through tourism opportunities. Over the last few years we have worked closely with Dumfries and Galloway Council and Scottish Natural Heritage to survey and negotiate with landowners for the development of a 64 mile route that circumnavigates the Rhins of Galloway. We are now working closely with partners to help raise the funding required to implement the vision.

Nature Based Tourism Development

With nature based tourism reputed to be worth £1.4 billion/year to Scotland (Scottish Natural Heritage 2010), and predicted to grow significantly over the next few years, it is no surprise that we see it as being of great potential to the South of Scotland. Over the last few years we have led a partnership of wildlife managers and businesses in developing the nature based tourism opportunities that Southern Scotland has to offer. We have coordinated the Borders Nature Festival, Wild Spring and Wild Autumn festivals under the banner of Wild Seasons. Since Wild Seasons funding ended in December 2014, we have continued to work with partners in Dumfries and Galloway and the Scottish Borders to get their input into shaping the next project. We are currently assessing the best sources of funding to continue this successful project.

Ettrick and Beyond Community Broadband

During the year we have been working with Community Broadband Scotland and a number of local communities to survey households in a wide area centred on Ettrick that is unlikely to be part of the British Telecom roll out of high speed broadband. The task has been to scope out the case for, and the scale of, a community broadband project. 700 responses were received. The report stage is complete and we are now seeking funds for the next stage of the project which will generate a tender document and a business case.

We are interested in working with other local communities across Southern Scotland who also feel that they could benefit from our input.

Energy Mapping

Working with the local Community Development Company, we have proposed a pilot energy-potential mapping project for the Ettrick and Yarrow area. This would produce a supplementary layer for the Borders Land Use Strategy pilot showing renewable energy opportunities in the Ettrick and Yarrow Valleys. The tendering process has been completed and funding from Local Energy Scotland has recently been confirmed.

EuroRural Tourism

The EuroRural Tourism project is a partnership of seven countries who are working together to explore different approaches to the packaging of authentic rural experiences and accommodation to visitors. The project is still in its early stages but offers an opportunity to bring together local tourism businesses and accommodation providers in the south of Scotland to work together to develop a Scottish rural cultural experience that can be shared with partners from across Europe. The project has been awarded 75% funding from the EU and runs till March 2017.

THE SOUTHERN UPLANDS PARTNERSHIP

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2016

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Commissioned Work

In the current economic climate we are also finding ourselves having to increasingly look for paid commissions that will use our skills, expertise and extensive network to help deliver commercial work that can help support the wider aims and objectives of SUP. Some of the commissioned work we have undertaken in the last year includes:

Scottish Rural Parliament

We worked with a number of partners to make the case for the next Rural Parliament to take place in Dumfries. We were one of two locations considered but in the end we lost out to Brechin. We have now been asked to help run a series of community events across southern Scotland, ahead of the next Rural Parliament. We are working with the Rural Parliament running a series of local workshops to stimulate discussion about rural issues that will be taken up at the national event in Brechin.

Resilient Communities

SUP is providing staff time to the Resilient Communities project being led by Dundee University which started in April 2015. The project is funded by the Joseph Rowntree Foundation. To date we have assisted with community workshops in Hawick and Newcastleton.

Eildon Leaderfoot National Scenic Area

SUP has been asked by Scottish Power Energy Network (SPEN) to help put a bid together for funding that might pay for the development of an enhancement strategy and project plan for the Eildon Leaderfoot National Scenic Area (NSA). The NSA is little-known and yet the newly reopened railway allows visitors to arrive at the NSA boundary and potentially walk or cycle through it.

Element Power

At the request of Element Power we have supported a number of community meetings to consider the establishment of an "environmental project" fund linked to a windfarm proposal in Dumfries and Galloway. We ran a number of workshops creating community action plans that identified key issues and opportunities that the communities hoped to focus on.

Nordic Walking

At the request of the Creetown Initiative, SUP staff have undertaken work to scope out the potential of a Nordic Walking Initiative in Creetown. Local routes have been surveyed and proposals explored. Eight taster sessions were held for local people to try out the activity.

Input to other initiatives and projects

During the year, we met with a wide range of agencies and non-government organisations with the aim of sharing ideas, reducing duplication and seeking new opportunities. These included South Lanarkshire Rural Partnership; South Ayrshire Council; the Crichton Carbon Centre in Dumfries; the Ettrick and Yarrow Community Development Company; Galloway Forest Forum; Dumfries and Galloway LEADER Local Action Group; Berwickshire Community Council Forum Environment (BCCFEn) ; Crichton Institute; Scottish Rural Action; the Borders Social Enterprise Chamber; Tweed Forum; Borders Forest Trust; RSPB; Forestry Commission Scotland; various departments of Scottish Government, as well as a number of Community Councils and Community Initiatives.

We made contributions to a number of ongoing strategic initiatives including the Land Use Strategy; the Borders Low Carbon Economic Strategy; the Borders Social Enterprise Community Hub initiative; the Ken-Dee Landscape Partnership project.

We were also involved in a number of projects that we developed but which have not progressed for a range of reasons: An EU light-house tourism project; the Crichton Institute-led Discovering Dumfries and Galloway's Past and a co-housing initiative aimed at helping elderly people remain in rural communities for longer.

THE SOUTHERN UPLANDS PARTNERSHIP

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2016

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The above work is only possible because of the support we receive from our members, Patrons and partners. We thank them all warmly for their support and look forward to their continued involvement.

Investment policy and performance

Cash deposits are reviewed regularly to ensure that a suitable rate of return is earned.

FINANCIAL REVIEW

Principal funding sources

The partnership considers each application on its relative merits and in conjunction with the objectives of the Partnership. Projects are only adopted in the context of prior funding availability to ensure that the Partnership is not placed in a restricted financial position.

Reserves policy

Unrestricted Funds

The Board's strategy on the financing of the Partnership is that Core Funding be sought from partners and used to fund core management and administration costs. These include costs not directly incurred in the management of current projects, and cover the significant proportion of the Project Manager's costs involved in discussions on potential projects which may not crystallise, and in research for funding sources for both potential and delivered projects.

During the past year net incoming resources amounted to £14,154 (2015, £14,549). Closing unrestricted funds amounted to £82,256 (2015, £68,102).

Restricted Funds.

The funding for all projects is fully guaranteed before they start. However, much of this funding can only be claimed retrospectively. Closing restricted amounted to £257,958 (2015, £184,390).

FUTURE PLANS

The year ahead will see the end of the current Biosphere funding package and require decisions to be made on the future of the Biosphere initiative which we believe is starting to make a real difference. Broadband work is likely to continue to be a priority, with increasing interest in a more coordinated South Scotland Community Broadband project. We will also continue with efforts to add value to local designations such as National Scenic Areas and Wild Land Areas. The renewable energy mapping pilot is due to be completed and we hope it may influence the next stages of the national Land Use Strategy. The D&GERC is about to start work with communities in Ayrshire, something which we hope will lead to an expanded geographic remit. We hope to see more work on the SW Scotland Coastal Trail and we are also optimistic that Wild Seasons will be relaunched, with the Wild Film Festival 2017 as a launch-pad. The year ahead looks exciting.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The company, which is a recognised charity in Scotland, is a charitable company limited by guarantee and was set up by a Memorandum of Association on 19th October 1999.

There have been no changes in the objectives since the last annual report.

Method of appointment or election of directors

The management of the company is the responsibility of the Directors who are elected and co-opted under the terms of the Memorandum and Articles of Association.

THE SOUTHERN UPLANDS PARTNERSHIP

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Directors of the company during the period are shown on page 8. New Directors are elected annually at the AGM by a process of nomination.

The Directors meet on a regular basis to review and administer the operations of the Partnership. A project manager is delegated to administer the daily operational matters and to supervise the Partnership's employees.

Company formation/development

- The Directors have met in June 2015, October 2015 and February 2016.
- During the year the Working Group met approximately six weekly.
- The website (www.sup.org.uk) has been updated and enhanced.
- Project grant applications were made to a number of bodies.
- Claims were submitted to SNH and other funders efficiently and on time.
- We held our 14th AGM which was attended by various members.

Related parties

During the financial year 2014/15, £24,860 was paid to V R Wood-Gee (Trustee) for consultancy work undertaken on a project managed by the Southern Uplands Partnership. This payment was not for services provided by V R Wood-Gee as a Trustee. There are no such payments for the current year.

A S Crichton (Trustee) received rent from The Southern Uplands Partnership amounting to £3,780 for costs relating to the DGERC project. These premises are owned by A S Crichton. (2015, £3,780).

Expenses were paid to J A Thomson (Trustee) amounting to £83 for reimbursement of travel costs relating to Clyde Habitat Forum (2015, £50).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC200827 (Scotland)

Registered Charity number

SC029475

Registered office

Studio 2
Lindean Mill
Galashiels
TD1 3PE

THE SOUTHERN UPLANDS PARTNERSHIP

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2016

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

M W Fraser
A B Fraser
V R Wood-Gee - resigned 1.7.15
J A Thomson
J P Thomas
L A Fitzpatrick
A S Crichton
A J McNab
C A Strang
A Geddes
J G Mitchell - appointed 13.11.15
F J Watson - appointed 1.12.15

Company Secretary

J & H Mitchell, W.S.

Independent examiner

Alister Biggar
Chartered Accountant
JRW
Chartered Accountants
19 Buccleuch Street
Hawick
Roxburghshire
TD9 0HL

Solicitors

J & H Mitchell, W.S.
51 Atholl Road
Pitlochry
PH16 5BU

Treasurer

C A Anderson

Honorary President


Mrs B. M. Kelly, CBE

MEMBERS' LIABILITY

The Directors of the company guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 5th July 2016 and signed on its behalf by:



J A Thomson - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
THE SOUTHERN UPLANDS PARTNERSHIP**

I report on the accounts for the year ended 31st March 2016 set out on pages ten to twenty.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under Section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
 - to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Alister Biggar

Alister Biggar
Chartered Accountant
JRW
Chartered Accountants
19 Buccleuch Street
Hawick
Roxburghshire
TD9 0HL

30th June 2016

THE SOUTHERN UPLANDS PARTNERSHIP

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2016

	Notes	Unrestricted fund £	Restricted funds £	2016 Total funds £	2015 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	12,968	116	13,084	15,593
Charitable activities	5				
Projects		38,633	309,931	348,564	419,682
Other trading activities	3	27,775	-	27,775	48,430
Investment income	4	<u>3,672</u>	<u>232</u>	<u>3,904</u>	<u>5,083</u>
Total		83,048	310,279	393,327	488,788
EXPENDITURE ON					
Raising funds	6	6,000	-	6,000	6,000
Charitable activities	7				
Projects		99,106	200,499	299,605	341,635
Management charges		<u>(36,212)</u>	<u>36,212</u>	<u>-</u>	<u>-</u>
Total		68,894	236,711	305,605	347,635
NET INCOME		14,154	73,568	87,722	141,153
RECONCILIATION OF FUNDS					
Total funds brought forward		68,102	184,390	252,492	111,339
TOTAL FUNDS CARRIED FORWARD		<u>82,256</u>	<u>257,958</u>	<u>340,214</u>	<u>252,492</u>

The notes form part of these financial statements

THE SOUTHERN UPLANDS PARTNERSHIP

**BALANCE SHEET
AT 31ST MARCH 2016**

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	14	172	230
CURRENT ASSETS			
Debtors	15	98,424	76,183
Cash at bank		<u>250,043</u>	<u>208,691</u>
		348,467	284,874
CREDITORS			
Amounts falling due within one year	16	(8,425)	(32,612)
		<u>340,042</u>	<u>252,262</u>
NET CURRENT ASSETS			
		340,214	252,492
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>340,214</u>	<u>252,492</u>
NET ASSETS			
		<u>340,214</u>	<u>252,492</u>
FUNDS	19		
Unrestricted funds		82,256	68,102
Restricted funds		<u>257,958</u>	<u>184,390</u>
TOTAL FUNDS		<u>340,214</u>	<u>252,492</u>

The notes form part of these financial statements

THE SOUTHERN UPLANDS PARTNERSHIP

BALANCE SHEET - CONTINUED
AT 31ST MARCH 2016

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st March 2016.

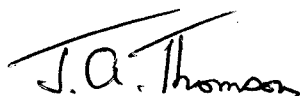
The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31st March 2016 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

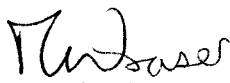
- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Trustees on 5th July 2016 and were signed on its behalf by:



J A Thomson -Trustee



M W Fraser -Trustee

The notes form part of these financial statements

THE SOUTHERN UPLANDS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company have been prepared in accordance with the Charities SORP (FRSSE) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015)', the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Governance costs

Governance costs are those incurred in connection with the administration of the company and compliance with constitutional and statutory requirements.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% on reducing balance
Computer equipment	- 33% on cost

All assets costing more than £500 are capitalised.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Investment income, gains and losses are allocated to the appropriate fund.

THE SOUTHERN UPLANDS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2016

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Company status

The company is a company limited by guarantee. The members of the company are the Directors named on page 2. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. DONATIONS AND LEGACIES

	2016	2015
	£	£
Donations	10,538	10,439
Gift aid	<u>2,546</u>	<u>5,154</u>
	<u>13,084</u>	<u>15,593</u>

3. OTHER TRADING ACTIVITIES

	2016	2015
	£	£
Memberships	3,305	4,593
Consultancy fees	<u>24,470</u>	<u>43,837</u>
	<u>27,775</u>	<u>48,430</u>

4. INVESTMENT INCOME

	2016	2015
	£	£
Rents received	3,672	4,890
Deposit account interest	<u>232</u>	<u>193</u>
	<u>3,904</u>	<u>5,083</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	2016	2015
	£	£
Sundry income	9,097	9,662
Grants	<u>339,467</u>	<u>410,020</u>
	<u>348,564</u>	<u>419,682</u>

THE SOUTHERN UPLANDS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2016

5. INCOME FROM CHARITABLE ACTIVITIES – continued

Grants received, included in the above, are as follows:

	2016	2015
	£	£
Core Grants	37,110	34,121
Project Grants	<u>302,357</u>	<u>375,899</u>
	<u>339,467</u>	<u>410,020</u>

6. RAISING FUNDS

Other trading activities

	2016	2015
	£	£
Staff costs	5,250	5,250
Overheads	<u>750</u>	<u>750</u>
	<u>6,000</u>	<u>6,000</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs	Totals
	(See note 8)	(See note 9)	
	£	£	£
Projects	<u>270,549</u>	<u>29,056</u>	<u>299,605</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2016	2015
	£	£
Staff costs	164,212	187,865
Project costs	100,880	108,140
Insurance	648	-
Rent	4,809	5,092
Sundries	-	887
Subcontracting	-	<u>10,482</u>
	<u>270,549</u>	<u>312,466</u>

9. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Projects	<u>24,976</u>	<u>4,080</u>	<u>29,056</u>

THE SOUTHERN UPLANDS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2016

9. SUPPORT COSTS – continued

Support costs, included in the above, are as follows:

	2016	2015
	Projects	Total
	£	activities
	£	£
Travel	3,604	4,078
Insurance	648	787
Rent	7,696	6,419
Telephone	1,016	991
Printing and stationery	718	401
Admin support	8,551	9,000
Other admin costs	1,966	2,492
Payroll fees	720	780
Depreciation	57	298
Wages	2,400	2,303
Accountancy	<u>1,680</u>	<u>1,620</u>
	<u>29,056</u>	<u>29,169</u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2016	2015
	£	£
Depreciation - owned assets	58	299
Pension costs	<u>10,610</u>	<u>9,882</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2016 nor for the year ended 31st March 2015.

Trustees' expenses

Expenses were paid to J A Thomson (Trustee) amounting to £83 for reimbursement of travel costs relating to Clyde Habitat Forum.

12. STAFF COSTS

	2016	2015
	£	£
Wages and salaries	149,488	169,217
Social security costs	11,764	16,319
Other pension costs	<u>10,610</u>	<u>9,882</u>
	<u>171,862</u>	<u>195,418</u>

THE SOUTHERN UPLANDS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2016

12. STAFF COSTS – continued

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

	2016	2015
Management	1	1
Project staff	<u>5</u>	<u>6</u>
	<u>6</u>	<u>7</u>

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

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	15,287	306	15,593
Charitable activities			
Projects	35,797	383,885	419,682
Other trading activities	48,430	-	48,430
Investment income	<u>4,890</u>	<u>193</u>	<u>5,083</u>
Total	104,404	384,384	488,788
EXPENDITURE ON			
Raising funds	6,000	-	6,000
Charitable activities			
Projects	104,688	236,947	341,635
Management charges	<u>(18,121)</u>	<u>18,121</u>	<u>-</u>
Total	<u>92,567</u>	<u>255,068</u>	<u>347,635</u>
NET INCOME	11,837	129,316	141,153
Transfers between funds	<u>2,712</u>	<u>(2,712)</u>	<u>-</u>
Net movement in funds	14,549	126,604	141,153
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>53,553</u>	<u>57,786</u>	<u>111,339</u>
TOTAL FUNDS CARRIED FORWARD	<u>68,102</u>	<u>184,390</u>	<u>252,492</u>

THE SOUTHERN UPLANDS PARTNERSHIP
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2016

14. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1st April 2015 and 31st March 2016	<u>10,262</u>	<u>658</u>	<u>10,920</u>
DEPRECIATION			
At 1st April 2015	10,032	658	10,690
Charge for year	<u>58</u>	<u>-</u>	<u>58</u>
At 31st March 2016	<u>10,090</u>	<u>658</u>	<u>10,748</u>
NET BOOK VALUE			
At 31st March 2016	<u>172</u>	<u>-</u>	<u>172</u>
At 31st March 2015	<u>230</u>	<u>-</u>	<u>230</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	95,878	76,183
Other debtors	<u>2,546</u>	<u>-</u>
	<u>98,424</u>	<u>76,183</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Other creditors and accruals	<u>8,425</u>	<u>32,612</u>

17. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	2016 £	2015 £
Expiring: Between one and five years	<u>5,508</u>	<u>5,508</u>

THE SOUTHERN UPLANDS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2016

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	2016 Total funds £	2015 Total funds £
Fixed assets	172	-	172	230
Current assets	86,950	261,517	348,467	284,874
Current liabilities	<u>(4,866)</u>	<u>(3,559)</u>	<u>(8,425)</u>	<u>(32,612)</u>
	<u>82,256</u>	<u>257,958</u>	<u>340,214</u>	<u>252,492</u>

19. MOVEMENT IN FUNDS

	At 1.4.15 £	Incoming Resources £	Resources Expended £	Transfers £	At 31.3.16 £
Unrestricted Funds					
SUP Core Funding	<u>68,102</u>	<u>83,048</u>	<u>(68,894)</u>	-	<u>82,256</u>
Restricted Funds					
Red Squirrels in South Scotland	6,497	680	(939)	-	6,238
Windfarm Habitat Fund	2,711	-	(2,711)	-	-
Black Grouse Project	8,658	-	(2,018)	-	6,640
Building Opportunities in the Biosphere	2,521	-	-	(2,521)	-
DGERC	10,278	37,411	(40,372)	-	7,317
Etrick and Yarrow Valleys Community Development Officer	-	12,664	(12,664)	-	-
Renewable Energy Mapping Opportunities	-	2,375	-	-	2,375
Biosphere Special Projects	9,757	-	-	-	9,757
North Solway Coastal Trail	595	-	-	(595)	-
Future Restricted Projects	333	-	(333)	-	-
Etrick School Project	-	2,305	(2,305)	-	-
Biosphere Development	113,064	179,231	(128,883)	2,521	165,933
Peatland Restoration Project	-	16,843	(16,843)	-	-
Biosphere Events	29,976	37,082	(10,807)	-	56,251
Broadband Etrick and Beyond	-	14,888	(14,888)	-	-
EuroRural Tourism	-	6,800	(3,948)	595	3,447
	<u>184,390</u>	<u>310,279</u>	<u>(236,711)</u>	-	<u>257,958</u>
Total Funds	<u>252,492</u>	<u>393,327</u>	<u>(305,605)</u>	-	<u>340,214</u>

THE SOUTHERN UPLANDS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2016

19. **MOVEMENT IN FUNDS – continued**

Unrestricted Funds - Funds held for the general core part of the charity which do not hold any restrictions.

Restricted Funds - Relates to all current projects being managed by The Southern Uplands Partnership which are all shown separately due to donor restrictions and monitoring of the progress of each individual project.

Transfer of Funds - represents the continuance of similar projects.

20. **PENSION COMMITMENTS**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions paid by the company to the fund and amounted to £10,610 (2015, £9,882). There are no amounts outstanding at 31st March 2016 (2015, £Nil).

21. **RELATED PARTY DISCLOSURES**

During the financial year 2014/15, £24,860 was paid to V R Wood-Gee (Trustee) for consultancy work undertaken on a project managed by the Southern Uplands Partnership. This payment was not for services provided by V R Wood-Gee as a Trustee. There are no such payments for the current year.

A S Crichton (Trustee) received rent from The Southern Uplands Partnership amounting to £3,780 for costs relating to the DGERC project. These premises are owned by A S Crichton. (2015, £3,780).

Expenses were paid to J A Thomson (Trustee) amounting to £83 for reimbursement of travel costs relating to Clyde Habitat Forum (2015, £50).