

**THE SOUTHERN UPLANDS PARTNERSHIP**  
**DIRECTORS REPORT AND ACCOUNTS**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**YEAR ENDED 31ST MARCH 2006**

**REGISTERED IN SCOTLAND NUMBER SC200827**  
**SCOTTISH CHARITY NUMBER SC029475**

THE SOUTHERN UPLANDS PARTNERSHIP  
DIRECTORS REPORT AND ACCOUNTS  
31ST MARCH 2006

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Funds received during the year to March 2006	18-22

The Southern Uplands Partnership  
Convenors Report  
31<sup>st</sup> March 2006

Looking back at the last annual report, it is pleasing to note that the momentum we were so proud of has not diminished – indeed in many ways it has continued to grow. We have maintained a turnover of more than half a million pounds, and while some projects have been completed – others have started. The number of staff directly employed by the partnership has risen to six and there are signs that this will grow again in the coming months. The Partnership has been playing an important role in the debate on the future of rural development – with consultations on the future of the Rural Development Plan, Scottish Forestry, Community Planning and so on. The increasing importance of “Metro Regions” as the drivers of economic growth is going to have a significant impact on investment in rural areas and we have made our concerns about this known at the highest levels.

The coming year will bring further challenges as we approach the end of the EU structural funding programme and as LEADER + runs down. We hope that there will be further support available for new initiatives, but as Europe expands it is inevitable that resources will be spread more thinly, making it even more important that we make effective use of whatever support there is.

Core funding remains a major issue for us as the Local Authorities struggle to cope with ever-tighter budgets. Organisations such as ours are easy targets when savings have to be made. We are pleased that our main funders are doing all they can to help, and I thank them sincerely for their ongoing support. We are now actively looking for alternative means of generating income and the coming year will hopefully see exciting developments on this front. The aim is to steadily reduce our dependency on core funding grants and to increase the proportion of “sustainable” income based on assets.

I must thank the Board for the vital input they make to the running of the Partnership and also all our members, supporters and many friends without whom we could not operate. I urge everyone with an interest in sustaining the vibrant communities and environment of the Southern Uplands to join with us – there is plenty to do!



Sir Michael Strang Steel. Bt. CBE.  
Partnership Convenor

# The Southern Uplands Partnership

## Project Manager's Report

31<sup>st</sup> March 2006

### **The context**

The need to work better across boundaries is well recognised but it remains a challenge to actually achieve. Objective 2 and Leader+ funds are now almost all allocated and changes to the CAP are just starting to bite. The shape of the new Rural Development Programme remains unclear but the impacts of climate change are becoming more obvious. More than ever it is vital that we agree what we are trying to achieve and work together to achieve it.

### **The role of the SUP**

- We develop and stimulate the links – between projects, partners, individuals and information sources so as not to duplicate existing groupings.
- We find funding for, advise on, and manage projects that fulfil our aims, from practical work to save red squirrels to research into rural socio-economics.
- We use websites to help groups and projects exchange ideas.
- We fill the gaps - between local administrations, and between policy areas. We do the work other agencies aren't doing, or can't do.
- We map out existing initiatives and share best practice.

Where we cannot ourselves affect change, we persuade others of the need for change.

### **Our strengths**

Bringing partners together and sharing information is a vital part of our role, and we seek to add value to existing plans and projects wherever this is possible. Delivering a sustainable and integrated approach to rural development is a task for everyone. Good ideas come from the grass roots, but need to be supported by agencies if they are to prosper. The SUP has an excellent track record of bringing together the ideas and the support mechanisms.

### **This time last year I suggested that there were some new things we hoped we would see during the year now passed. It is interesting to review these:**

- *A project to take over the excellent work that has been done by Making Tracks over the last two years.*

During the year we have produced a summary document on the nature-based tourism potential and the idea of clustering projects. We have launched a mini-web site to promote the best areas of the Southern Uplands for seeing nature (see the link from our website [www.sup.org.uk](http://www.sup.org.uk)). We have tried hard to get support for a project called “Our Natural Assets” off the ground – we have circulated a proposal and presented it to the Enterprise Companies, to VisitScotland and to SNH. The idea has been warmly received – but as yet no one has been able to put any funding towards it. Making Tracks has now finished – leaving behind it a number of really good nature-based tourism businesses (e.g. the Red Kite Trail, Clifftop Discovery Tours, the Osprey project at Glentress, etc), but also leaving many potential projects “adrift”. In our view there is still plenty of potential out there, but this needs to be nurtured and supported if it is to develop and at present there is very little support available. It is encouraging that there are references to nature based tourism in recent Scottish Executive and Scottish Enterprise strategies.

- *A project to address the decline of the black grouse in the Southern Uplands*

We are really pleased that we now have such a project with Tom Adamson in post since September last year. The project has funding from LEADER+, SNH, the Scottish Executive, RSPB and the Local Authority and will run at least until March 2007. Tom has been working with key landowners to enhance the habitat and land management to try to stop the alarming decline in black grouse numbers. The first newsletter for the project will be out soon and we are planning to hold a series of demonstration/training days this summer.

- *One of the clear messages from the 2004 AGM was the vital role of rural housing policy (both “affordable” housing and new housing in the countryside) in regeneration of rural areas. This issue has continued to crop-up throughout this year and there remains a need, in our view, for some research into the demand for lowland croft-type developments and also more discussion on ways of providing affordable housing in rural communities on a sustainable basis.*

This issue has continued to be very topical and we have been involved in a number of projects which address it. Small scale renewable energy technologies offer the chance to address fuel poverty and the Berwickshire Housing Association is piloting ground-breaking approaches to this. Interest in small scale renewables amongst the public is very high – as was shown by the attendance of over 1000 members of the public at the two renewable energy fairs we helped to run recently. We have also had input to the project run by Shelter in D&G to establish a local Housing Trust.

- *We are pleased to announce that the project which developed as a result of the Cleggs Report on the Small Woodland Resource and the factors affecting productive use of this resource is being revisited. The Cleggs report is on the website and we would welcome ideas as to how to take this issue forward.*

### **Achievements in relation to the objects of the charity.**

In relation to the charities specific objects we have:-

- *promoted and advanced education of the public through a range of means including ongoing distribution of the booklet on the Southern Uplands; our regular newsletters; regular updating of our website; holding seminars on a number of subjects including renewable energy.*
- *encouraged the integration of environmental, social and economic land use policies and the sustainable management of land and water through regular liaison meetings with key partners, the promotion of best practice, through the development of joint projects and promotion of an integrated approach in response to a number of Government consultation papers. We completed the Tweed Trails project which is now delivering multi-use access to the Southern Uplands.*
- *promoted and conserved the biodiversity of the Southern Uplands - we are now running major projects to help protect two of the most endangered yet popular species in Southern Scotland - red squirrels and black grouse.*

### **Meeting our Charitable Objectives**

In addition to the specific activities covered above there are a number of more general activities undertaken by core staff and Directors to meet our charitable objectives.

Over the past twelve months new effort has been directed towards communicating the outcomes of research and project work, making it more accessible through the web and pamphlet and pdf summaries to support the full reports (which as sometimes too detailed to encourage readers other than those with a specialist interest). We have also extended our efforts to encourage groups to join the Partnership by allowing Community Councils and rural development initiatives the option to join even if they cannot meet the annual subscription cost.

While “consultation fatigue” is a term which is becoming increasingly common we continue to respond to consultation documents where we feel that we have a valuable contribution to make. In the last year this includes feeding into consultation on forestry, the Rural Development Programme and micro-generation of energy.

Partnership Directors and staff also promote the cultural and environmental heritage of the Southern Uplands at a wide range of events and meetings both across the south of Scotland and further afield which fall outside the confines of partnership projects, in fact this is something that we are increasingly being asked to do as the SUP becomes more established.

### **Developing the prosperity of the Partnership**

As noted elsewhere in this report, core funding is becoming a growing issue for the Partnership and for other groups like it. We are indebted to our core funders for their support to date but increasingly aware of the need to develop income that frees us from grant dependence.

2006/7 will see action to address this with a business review and investigation into income generating potential supported by consultancy through the Charities Aid Foundation. Feasibility work is in hand to look at the potential for the Partnership to establish and managed shared rural office space for letting to rural regeneration, environmental and community groups as an exciting first step in this direction.

### **Milestones achieved during the year to March 2006:**

In partnership with others, a number of projects have been developed and delivered:

- The research work commissioned into the equestrian tourism market was published and circulated widely and has helped make the case for the new British Horse Society Access Officer. A trail riding section has been added to the SUP website and we are working with BHS and others to extend the SSCT network.
- The Southern Upland Way user-survey commissioned from the Crichton Tourism Research Centre has also been written up and published and a bid (lead by D&GC) for funding from Europe for a SUW Route Development Officer has been successful. The route was widely promoted last year – including the excellent “Southern Upland Suite” concert at St Mary’s Loch - and levels of use were reported to be improved as a result. Charlie Poulson completed his wonderful “Point of Resolution” land art on the Minchmoor above Traquair.
- The “Communities on the Edge” project continued to develop and has attracted strong interest from the Carnegie UK Trust which we hope will allow the project to grow significantly later in the coming year. David Niven has managed to keep things going in Douglas as well as start a project in Langholm and maintain input to the Borders.
- The SUP Red Squirrels in South Scotland Project phase 2 was completed and phase 3 is now underway thanks to funding from the Heritage Lottery Fund, SNH, Forestry Commission, a number of other funders, and a huge amount of work by Elly Hamilton. Sue Hearn left the project to start her PhD and the post has been very efficiently taken over by Ann-Marie MacMaster.
- Nature-based tourism (nbt) has continued to be a major area of interest, with the research work now written up and is published on the web. A pamphlet to promote cluster development has been printed and a new mini-website established to promote S Scotland as a place to see nature.
- The research into adding value to locally produced beef and lamb in D&G has continued through out the year and is now completed. The project has raised a number of issues which we hope our partners will now address.
- The Biodiversity on the Edge project has been awarded funding to allow the employment of Tom Adamson (see above)
- The SUP has completed the Tweed Trails/South Scotland Countryside Trails project on time and to budget an excellent launch event at Traquair on June 18<sup>th</sup>. Grants totalling over £0.7M have been used to develop multi-use paths through southern Scotland. Funding came from Scottish Natural Heritage; the Heritage Lottery Fund, European Regional Development Fund through Objective 2, Forest Enterprise, the Local Authorities and Land-Fill Tax with the support of the Scottish Borders VisitScotland.
- We have continued to explore the possibility of shared office space even though the “Yarn Store” project was considered to be uneconomic. This project is now being linked to the idea

of a low-carbon/renewable technology demonstration building and we are currently looking for funding and suitable sites.

- As part of a partnership approach to stimulating greater use of small scale renewable energy we have helped run two renewable energy events – one in Borders and one in Dumfries. Both were very successful and we plan to repeat them later this year. This area has benefited greatly from the excellent input of Tshering Dolma Sherpa – a work placement student from Bhutan.
- During the year we have also made significant input to the development of a number of Local Rural Partnerships, strategies and initiatives.

#### Company formation/development

- The Directors have met quarterly in June, September, December and March.
- During the year the Working Group met approximately monthly.
- The website ([www.sup.org.uk](http://www.sup.org.uk)) was regularly updated and enhanced and widely promoted through the circulation of a bookmark.
- 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 fifth AGM - a lively and well attended event.
- Our Business Plan has been reviewed and core-funding secured from Scottish Borders Council; Dumfries & Galloway Council; South Lanarkshire Council and Scottish Natural Heritage.
- We have been awarded assistance for an organisational review to be carried out by the Charities Aid Foundation.

#### Future plans and milestones

The AGM will take place on June 14<sup>th</sup> in Lockerbie.

The year to April 2007 will see a number of projects progress:

- Communities on the Edge will continue to develop and expand.
- We hope to see the establishment of a project to help existing and potential businesses to develop a cluster approach to adding value to local natural assets.
- We will pursue the idea of low-carbon demonstration buildings which could also provide shared office space.
- The black grouse and red squirrel projects will continue to develop as examples of best practice and seek longer-term support
- Further events aimed at promoting the use of renewable forms of energy at an appropriate scale.
- The Southern Uplands booklet will continue to be circulated to businesses, schools, visitors etc.

However, as in previous years, our main aim is to listen for sustainable ideas from the rural communities of southern Scotland, and to help develop these by initiating meetings, sharing information, catalysing action, developing partnerships, helping find funding, and, if necessary, helping manage projects.

**Pip Tabor, Project Manager**

THE SOUTHERN UPLANDS PARTNERSHIP  
COMPANY INFORMATION  
31ST MARCH 2006

INCORPORATED	Scotland
COMPANY NUMBER	SC200827
CHARITY NUMBER	SC029475
DIRECTORS	Sir Michael Strang Steel, Bt. CBE. Mr R. H. B. Hall Cllr E. Logan Mr J. W. Pringle Mrs W. J. Finlay Mr M. I. Williams Cllr V. Davidson Mr O. Jackson Mr J. Moorhouse Mrs J. Mitchell
HONORARY PRESIDENT	Mrs B. M. Kelly, CBE
SECRETARY	J & H Mitchell, W.S.
REGISTERED OFFICE	Studio 2 Lindean Mill Galashiels TD1 3PE
BANKERS	Bank of Scotland 3 Channel Street Galashiels TD1 3BE
SOLICITORS	J & H Mitchell, W.S. 51 Atholl Road Pitlochry PH16 5BU
AUDITORS	Deans Accountants and Business Advisors Limited Chartered Accountants and Registered Auditors 1 Melgund Place Hawick TD9 9HY



# THE SOUTHERN UPLANDS PARTNERSHIP

## DIRECTORS REPORT

### 31ST MARCH 2006

#### **Charity Objectives**

To promote and advance education of the public about working and living sustainably in the Southern Uplands of Scotland either independently or in association with local authorities, voluntary organisations and local residents.

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 so that they are compatible with considerations of the environmental and local communities.

To promote, protect and conserve the biodiversity of the Southern Uplands for the benefit of society.

#### **Legal Status**

The company was incorporated on 19th October 1999 and registered as a charity, number SC029475. The company is a company limited by guarantee and does not have a share capital. A memorandum and articles of association govern the company. The Trustees have reviewed the implications of the issue of the Statement of Recommended Practice (SORP) 2005 – Accounting by Charities and have incorporated the necessary amendments into the accounts.

#### **Organisation**

The Partnership is a membership organisation. The members are responsible for electing the Board of Directors in accordance with the procedures set out in the Articles of Association.

#### **Project Funding Policy**

The Partnership has a very limited ability to give fund raising assistance and considers each application on its relative merits and in conjunction with the objectives of the Partnership. Funds are only made available in the context of prior funding availability to ensure that the Partnership is not placed in a restricted financial position.

#### **Risk Assessment**

The Directors have examined the major business and operational risks, which the Partnership faces, and have established systems to enable regular reports to be produced so that the necessary steps may be taken to lessen these risks. In particular, the Partnership has a policy of holding reserves in separately designated bank accounts, held with recognised deposit takers.

#### **Directors**

The Directors of the company during the period are shown on page 1. 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 the Partnership's employees with supervision.

The Partnership has a policy of maintaining a small reserve of unrestricted funds to cover shortfalls caused by the uncertain nature of grant payments. The Partnership also maintains a restricted fund, sufficient to cover redundancy payments at any time and has agreed to develop a contingency fund which would be used at the discretion of the Directors, to cover unforeseen core expenses and project costs.

In accordance with the Articles of Association, James Pringle, having served two terms, will stand down.

THE SOUTHERN UPLANDS PARTNERSHIP  
DIRECTORS' REPORT  
31ST MARCH 2006

**Taxation**

The company is a registered charity (Number SC029475) and is not liable to Corporation Tax.

**Auditors**

Deans Accountants and Business Advisors Limited, acted as Auditors during the year and a resolution for their re-appointment will be submitted at the Annual General Meeting.

**Directors' Responsibilities**

We are required under company law to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements we are required to:-

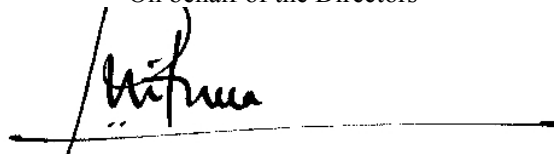
- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

The directors confirm that so far as they are aware, there is no relevant audit information of which the company's auditors are unaware. They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Directors



J & H Mitchell W.S.  
Secretary

51 Atholl Road,  
Pitlochry,  
PH16 5BU.  
6<sup>th</sup> May 2006

# THE SOUTHERN UPLANDS PARTNERSHIP INDEPENDENT AUDITORS' REPORT

We have audited the financial statements of The Southern Uplands Partnership for the year ended 31<sup>st</sup> March 2006, which comprise the Statement Of Financial Activities, Balance Sheet and related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective Responsibilities of Directors and Auditors**

As described on page 3, the Company's Directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

## **Basis of Opinion**

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

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

## **Opinion**

In our opinion the information given in the directors' report for the financial year ended 31<sup>st</sup> March 2006 is consistent with the financial statements. The financial statements give a true and fair view, in accordance with United Kingdom generally accepted accounting practices applicable to smaller entities, of the state of the company's affairs as at 31<sup>st</sup> March 2006 and of its surplus for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



Deans Accountants and Business Advisors Limited  
Registered Auditor,

1 Melgund Place,  
HAWICK.  
5<sup>th</sup> May 2006

THE SOUTHERN UPLANDS PARTNERSHIP  
STATEMENT OF FINANCIAL ACTIVITIES  
YEAR ENDED 31ST MARCH 2006

		<u>2006</u>		<u>2005</u>	
	<u>Note</u>	<u>Unrestricted Funds</u> £	<u>Restricted Funds</u> £	<u>Total Funds</u> £	<u>Total Funds</u> £
<b><u>INCOMING RESOURCES</u></b>					
<b>Incoming resources from generated funds</b>					
Subscriptions		4,673	-	4,673	2,421
Investment Income	3	2,664	338	3,002	1,877
<b>Incoming resources from charitable activities</b>					
Grants receivable	2	-	514,302	514,302	568,580
<b>Other Incoming resources</b>					
	-	-	-		
<b>Total Incoming Resources</b>		<u>7,337</u>	<u>514,640</u>	<u>521,977</u>	<u>572,878</u>
<b><u>RESOURCES EXPENDED</u></b>					
<b>Costs of generating funds</b>					
- Costs of generating voluntary income	4,5	-	34,915	34,915	32,266
- Costs of Goods Sold and Other Costs	4,5	-	18,970	18,970	17,654
Charitable Activities	4,5	-	336,925	336,925	489,617
Governance Costs	4,5	-	19,322	19,322	18,006
<b>Total Resources Expended</b>		<u>-</u>	<u>410,132</u>	<u>410,132</u>	<u>557,543</u>
<b>Net Incoming Resources Before Transfers</b>		<u>7,337</u>	<u>104,508</u>	<u>111,845</u>	<u>15,335</u>
Transfers Between Funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Movement in Funds</b>		<u>7,337</u>	<u>104,508</u>	<u>111,845</u>	<u>15,335</u>
Fund balance at 1 <sup>st</sup> April 2004		<u>18,060</u>	<u>54,931</u>	<u>72,991</u>	
Fund balance at 31 <sup>st</sup> March 2005		<u>25,397</u>	<u>159,439</u>	<u>184,836</u>	

THE SOUTHERN UPLANDS PARTNERSHIP  
BALANCE SHEET  
AS AT 31ST MARCH 2006

	<u>Note</u>	<u>2006</u>		<u>2005</u>	
		£	£	£	£
<b><u>Fixed Assets</u></b>					
Tangible Assets	6		3,064		4,085
			<hr/>		<hr/>
			3,064		4,085
<b><u>Current Assets</u></b>					
Debtors	7	179		30,209	
Cash at bank and in hand		185,351		102,126	
		<hr/>		<hr/>	
		185,530		132,335	
<b><u>Creditors:</u></b> amounts falling due within one year	8	(3,758)		(63,429)	
		<hr/>		<hr/>	
<b>Net Current Assets</b>			181,772		68,906
			<hr/>	<hr/>	
<b>Total Assets less Current Liabilities</b>			184,836		72,991
			<hr/>	<hr/>	
<b><u>Capital and Reserves</u></b>					
Unrestricted Funds	9		25,045		18,060
Restricted Funds	10		159,791		54,931
			<hr/>	<hr/>	
			184,836		72,991
			<hr/>	<hr/>	

Approved by the Board of Directors on 6<sup>th</sup> May 2006 and signed on its behalf by:-

Sir Michael Strang Steel, Bt. CBE.

..... DIRECTOR

# THE SOUTHERN UPLANDS PARTNERSHIP NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST MARCH 2006

## 1. **Accounting Policies**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

### **Accounting Convention**

The financial statements have been prepared in accordance with applicable accounting standards. The financial statements also comply with the Statement of Recommended Practice for Charity Accounts approved by the Accounting Standards Board in October 2005.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Sections 246 to 247 of the Companies Act 1985 for small companies.

### **Depreciation**

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:-

Furniture and Equipment	25% reducing balance
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### **Voluntary Income and Fundraising Expenditure**

Voluntary income represents amounts received and recorded at offices and projects during the year. Except in the case of charity shops and fundraising events such as fetes and galas, no costs of fundraising have been netted against voluntary income.

Fundraising expenditure represents the direct costs of fundraising and includes the salaries and other direct costs of fundraising staff. Publicity costs directly related to fundraising are included in the fundraising costs.

### **Fees, Contributions and Grants**

These comprise amounts receivable during the year.

### **Investment Income**

Investment income is recognised in the accounts when it is received.

### **Pension Costs**

The company operates a defined contribution scheme on behalf of five employees. An independent advisor administers the scheme funds. Contributions are charged to the Profit and Loss Account as they become payable.

### **Value Added Tax**

As the majority of The Southern Uplands Partnership's activities are classified as exempt or non-business activities for the purposes of value added tax, The Southern Uplands Partnership is unable to reclaim all the value added tax which it suffers on its purchases. Expenditure in these financial statements is therefore shown inclusive of value added tax.

THE SOUTHERN UPLANDS PARTNERSHIP  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED 31ST MARCH 2006

	<u>Restricted Funds</u> £	<b>2006</b> £	2005 £
<b>2. <u>Grants</u></b>			
Grants	514,302	514,302	568,580

	<u>Unrestricted Funds</u> £	<u>Restricted Funds</u> £	<b>2006</b> £	2005 £
<b>3. <u>Investment Income</u></b>				
Interest Received	2,664	338	3,002	1,877

<b>4. <u>Directors and Employees</u></b>				
Staff costs, including directors' remuneration, were as follows:			<b>2006</b> £	2005 £
Wages and Salaries			104,590	93,847
Social Security Costs			10,237	8,728
Other Pension Costs			6,061	3,588
			<u>120,888</u>	<u>106,163</u>

The average number of staff employed by the charity during the year was as follows:

	<b>2006</b>	2005
	<b>Number</b>	Number
Management	1	1
Project Staff	5	4
	<u>6</u>	<u>5</u>
Director's emoluments £Nil (2005 : £ Nil)		
	<b>2006</b>	2005
	£	£
Employee pension contributions under defined contribution schemes	6,061	3,588
	<u>6,061</u>	<u>3,588</u>

**THE SOUTHERN UPLANDS PARTNERSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST MARCH 2006**

**5. Total Resources Expended**

	<b>Project Costs £</b>	<b>Support Costs £</b>	<b>Other Expenditure £</b>	<b>2006 £</b>	<b>2005 £</b>
Wages and salaries	58,400	15,396	30,794	104,590	93,847
Pension costs	-	2,021	4,040	6,061	3,588
Social security costs	5,579	1,552	3,106	10,237	8,728
Project costs	255,682	-	-	247,346	418,239
Rent, rates, heat and light	1,155	5,920	-	7,075	6,107
Repairs	-	296	-	296	133
Telephone	282	2,310	-	2,592	4,888
Publications	-	845	-	845	348
Insurance	181	517	-	698	820
Travel	9,135	5,310	-	14,445	14,385
Audit Fees	-	-	352	352	352
Accountancy and Bookkeeping Fees	-	748	-	748	881
Depreciation	1,021	-	-	1,021	1,361
Legal Fees	-	-	-	-	456
Conference and Meetings	5,490	-	-	5,490	3,410
	336,925	34,915	38,292	410,132	557,543

Other expenditure includes fundraising and publicity costs and management and administration costs.

	<b>Fundraising Management and and Publicity Administration Total £ £ £</b>		
Wages and Salaries	15,397	15,397	30,794
Social Security Costs	1,553	1,553	3,106
Pension Costs	2,020	2,020	4,040
Audit Fees	-	352	352
	18,970	19,322	38,292

**Net outgoing resources before transfers**

The net outgoing resources before transfers is stated after charging	<b>2006 £</b>	<b>2005 £</b>
Depreciation	1,021	1,361
Auditors' Remuneration	352	352
Auditors' Non-Audit Work	748	881
	2,121	2,594



THE SOUTHERN UPLANDS PARTNERSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST MARCH 2006

**6. Tangible Fixed Assets**

	<b><u>Furniture and Equipment</u></b>	<b><u>Total</u></b>
<b><u>Cost</u></b>	£	£
As at 31 <sup>st</sup> March 2005	10,262	10,262
Additions	-	-
	<hr/>	<hr/>
As at 31 <sup>st</sup> March 2006	10,262	10,262
	<hr/>	<hr/>
<b><u>Depreciation</u></b>		
As at 31 <sup>st</sup> March 2005	6,177	6,177
Charge for year	1,021	1,361
	<hr/>	<hr/>
As at 31 <sup>st</sup> March 2006	7,198	6,177
	<hr/>	<hr/>
<b><u>Net Book Value</u></b>		
As at 31 <sup>st</sup> March 2005	4,085	4,085
	<hr/>	<hr/>
As at 31 <sup>st</sup> March 2006	3,064	4,085
	<hr/>	<hr/>
<b>7. <u>Debtors:</u></b>		
	<b><u>2006</u></b>	<b><u>2005</u></b>
<b>Amounts falling due within one year</b>	£	£
Trade Debtors	-	30,209
Sundry Debtors	179	-
	<hr/>	<hr/>
	179	30,209
	<hr/>	<hr/>
<b>8. <u>Creditors:</u></b>		
	<b><u>2006</u></b>	<b><u>2005</u></b>
<b>Amounts falling due within one year</b>	£	£
Other Creditors	2,916	62,592
Accruals	842	837
	<hr/>	<hr/>
	3,758	63,429
	<hr/>	<hr/>

THE SOUTHERN UPLANDS PARTNERSHIP  
 NOTES TO THE FINANCIAL STATEMENTS  
 31ST MARCH 2006

9. **Unrestricted Funds**

	<b>1<sup>st</sup> April 2005</b>	<b>Incoming</b>	<b>Outgoing</b>	<b>31<sup>st</sup> March 2006</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General purpose fund	18,060	7,337	(352)	25,045

The directors have identified £5,280 of the unrestricted fund as being a provision for any possible future redundancy expenses.

10. **Restricted Funds**

	<b>1<sup>st</sup> April 2005</b>	<b>Incoming</b>	<b>Outgoing</b>	<b>31<sup>st</sup> March 2006</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Project costs	54,931	514,640	(409,600)	159,791

11. **Analysis of net assets between funds**

	<b><u>Unrestricted Funds</u></b>	<b><u>Restricted Funds</u></b>	<b><u>Total</u></b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fund balances at 31<sup>st</sup> March 2006 are represented by:-</b>			
Tangible assets	-	3,064	3,064
Net current assets	25,045	156,727	181,772
<b>Total net assets</b>	<b>25,045</b>	<b>159,791</b>	<b>184,836</b>

12. **Taxation**

All of the charity's income is applied for charitable purposes and therefore the charity is exempt from corporation tax.

**SOUTHERN UPLANDS PARTNERSHIP  
APPENDICES TO FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31ST MARCH 2006**

REGISTERED IN SCOTLAND NUMBER SC 200827  
SCOTTISH CHARITY NUMBER SC 029475

**CONTENTS**

**The following pages do not form part of the statutory financial statements.**

	<b><u>Appendix</u></b>
Income Analysis	1

THE SOUTHERN UPLANDS PARTNERSHIP  
 INCOME ANALYSIS  
 FOR THE YEAR ENDED 31ST MARCH 2006

	£
	<u>2006</u>
<b>Income</b>	
Communities on the Edge	30,220
Southern Uplands Partnership	85,102
Red Squirrels	119,281
Nature Based Tourism	1,300
Tweed Trails	213,772
Biodiversity on the Edge	19,248
SUW	8,702
Local Food	10,000
Mountain Hares	1,300
Rural Skills	13,287
Renewable Energy	2,000
News Letter	1,500
Other	<u>7,430</u>
	<u>513,142</u>

THE SOUTHERN UPLANDS PARTNERSHIP  
INCOME ANALYSIS  
FOR THE YEAR ENDED 31ST MARCH 2006

	<u>Communities On The Edge</u>
	£
	<u>2006</u>
<b>Income</b>	
Roxburgh Estates	750
Scottish Executive	14,284
Scottish Borders Council Leader + D & A Estates	3,176
Scottish Enterprise Borders	1,500
Carnegie UK Trust	1,500
Buccleuch Group	7,500
ALVO	1,500
	<u>10</u>
	<u>30,220</u>
	<u>Southern Uplands Partnership</u>
	£
	<u>2006</u>
<b>Income</b>	
South Lanarkshire Council	5,500
Dumfries & Galloway Council	11,250
Esmee Fairbairn	13,000
Scottish Borders Council	10,000
SNH	24,050
RSPB	1,746
Other	<u>19,556</u>
	<u>85,102</u>
	<u>Red Squirrels</u>
	£
	<u>2006</u>
<b>Income</b>	
Cohen Foundation	2,000
Heritage Lottery Fund	19,850
Scottish Executive	17,500
Scottish Borders Council Leader + Gannochy Trust	6,562
SNH	5,000
Prince of Wales Trust	27,245
Forestry Commission	1,000
Other	3,656
	<u>36,468</u>
	<u>119,281</u>

	<b><u>Nature Based Tourism</u></b>
	<b>£</b>
	<b><u>2006</u></b>
<b>Income</b>	
Dumfries & Galloway Council	1,000
Natural Capital	<u>300</u>
	<u>1,300</u>
	<b><u>Tweed Trails</u></b>
	<b>£</b>
	<b><u>2006</u></b>
<b>Income</b>	
Scottish Executive (ERDF)	116,334
Heritage Lottery Fund	91,177
SNH	5,000
Visit Scotland	<u>1,261</u>
	<u>213,772</u>
	<b><u>Biodiversity on the Edge</u></b>
	<b>£</b>
	<b><u>2006</u></b>
<b>Income</b>	
Scottish Executive	13,820
Scottish Borders Council Leader +	1,753
SNH	1,075
RSPB	2,000
Scottish Borders Council	<u>600</u>
	<u>19,248</u>
	<b><u>Southern Upland Way</u></b>
	<b>£</b>
	<b><u>2006</u></b>
<b>Income</b>	
Dumfries & Galloway Leader +	3,426
Scottish Borders Council Leader +	2,317
SNH	1,000
Dumfries & Galloway Council	1,500
Other	<u>459</u>
	<u>8,702</u>
	<b><u>Local Food</u></b>
	<b>£</b>
	<b><u>2006</u></b>
<b>Income</b>	
Scottish Enterprise Dumfries & Galloway	<u>10,000</u>
	<u>10,000</u>

	<b><u>Mountain Hare</u></b>
	£
	<b><u>2006</u></b>
<b>Income</b>	
SNH	1,300
	<u>1,300</u>
	<b><u>Rural Skills</u></b>
	£
	<b><u>2006</u></b>
<b>Income</b>	
Scottish Borders Council Leader +	4,287
South Lanarkshire Council	4,000
Scottish Enterprise Borders	<u>5,000</u>
	<u>13,287</u>
	<b><u>Renewable Energy</u></b>
	£
	<b><u>2006</u></b>
<b>Income</b>	
Dumfries & Galloway Council	<u>2,000</u>
	<u>2,000</u>
	<b><u>News Letter</u></b>
	£
	<b><u>2006</u></b>
<b>Income</b>	
Forestry Commission	<u>1,500</u>
	<u>1,500</u>
	<b><u>Other</u></b>
	£
	<b><u>2006</u></b>
<b>Income</b>	
Scottish Borders Council	7,200
Other	<u>230</u>
	<u>7,430</u>