Charity Registration No. SC037381

Company Registration No. SC307282 (Scotland)

PORT WILLIAM COMMUNITY DEVELOPMENT TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2025

PORT WILLIAM COMMUNITY DEVELOPMENT TRUST
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Miss M McKnight Mr E W Robinson Mrs N J Smith E Nicholson	 (Appointed 23 September 2025)
Secretary	Mrs A P Morgan	
Country of incorporation	United Kingdom (Scotland)	SC307282
Charity registration	Scotland	
Registered office	Greenmantle Main Street Mochrum Newton Stewart DG8 9LY	
Independent examiner	John Simpson FCA Montpelier Professional (Galloway) Limited 1 Dashwood Square Newton Stewart DG8 6EQ	

PORT WILLIAM COMMUNITY DEVELOPMENT TRUST
(A COMPANY LIMITED BY GUARANTEE)
CONTENTS

	Page
Trustees' report	1 - 3
Independent examiner's report	4
Statement of financial activities	5
Balance sheet	6
Notes to the financial statements	7 - 15

PORT WILLIAM COMMUNITY DEVELOPMENT TRUST
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 OCTOBER 2025

The Trustees present their annual report and financial statements for the year ended 31 October 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document, the Companies Act 2006 the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)".

Objectives and activities

The Charity's objects are to promote rural regeneration for public benefit, following principles of sustainable development, where sustainable development means development which meets the needs of the present without compromising the ability of future generations to meet their own needs, in areas of social and economic deprivation within the Community by all or any of the following means:

- To relieve unemployment
- To develop and promote training among residents with reference to developing skills
- To preserve the historical, architectural and constructional heritage
- To provide facilities for development of recreational and other leisure time activities for the public at large

- To preserve, restore and improve the natural and built environment in the Port William area through the provision/maintenance and improvement of public open spaces and other public amenities and other environmental and regeneration projects

Already we are on target with our activities, having developed a Community Youth Centre and multi-sport area with flood lighting.
The trustees are reviewing the objectives with the assistance of Third Sector Dumfries and Galloway.

Public benefit

The trustees have referred to the guidance contained in the Office of the Scottish Charity Regulator's general guidance on public benefit when reviewing their objectives and in planning their future activities. In particular, the trustees consider how planned activities will contribute to the objectives they have set.

Achievements and performance

Significant activities and achievements against objectives

PWCDT has seen a significant amount of change in the financial year 2024/25. Previous Chair, Dr. Mike Cooper, stood down at the end of the previous financial year alongside Paul Carrigan who carried out the role of treasurer for an extended period with over 18 years involved in PWCDT as a trustee. Ed Robinson took on the role of Chair in September 2024 with Arlene Morgan stepping into the role of treasurer (previously Secretary) and Emily Nicholson agreeing to take on the role of Secretary in Arlene's place.
Initial trustee meetings focused on ways to increase use of the facility. Without a Youth Group, there were no regular activities occurring on the MUGA each week. A youth football night for kids aged 5-14 was established on a Monday night during school term. Split over two sessions with younger players on before older children in the second hour, this initiative has been hugely popular often bringing in up to 40 children each Monday night. The night is run by volunteers meaning that all revenue generated goes directly to PWCDT. We also have a netball group who hire the facility through the summer months.
The trust has received support funding from fellow community groups in Port William and the surrounding area which have donated monies towards football and netball equipment. The Trust invested in new football nets, netball hoops, footballs, netballs and bibs.

Financial review

The financial statements have been prepared in accordance with current statutory requirements and the charities memorandum and Articles of Association. The charity had a deficit of £8,724 during the year (2024: £8,693 deficit).

Fund Accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of any purposes of the Trust.

Designated funds form part of the unrestricted funds and represent funds earmarked by the Trust for particular purposes. The Trustees have the power to re-designate such funds within unrestricted funds.

Restricted funds are subject to restrictions imposed by donors as to the purposes to which the funds may be applied.

Going concern

Although there are uncertainties regarding the finances of the charity, the trustees believe that it is appropriate for the financial statements to be prepared on a going concern basis. Further information is provided at note 18 of these financial statements.

Reserves policy

The trustees have set a target to build its free reserves (unrestricted funds which have not been designated for a specific use or included in fixed assets) to a level equivalent to three months running costs for the organisation, estimated to be approximately £250-£300 per month.

At the year end the charitable company was in deficit of such funds by £2,591. The trustees are exploring ways of rectifying the position in the future.

Investment policy

Under the memorandum and articles of association, the charity has the power to invest any money that the company does not immediately require in any investments, securities or properties. As there are few funds for long-term investment the Directors, having regard to liquidity requirements of operating the charity and to the reserves policy, have operated a policy of keeping available funds in an interest bearing account.

Major risks

The annual strategic review and forward planning event considers the risks to which the charity is exposed and identifies what needs to be in place to manage these risks through the year. The risks faced by the company fall into two categories, internal and external and are further broken down into strategic & reputational risks, operational risks, compliance risks and financial risks

The internall risks are minimised by the implementation of procedures for authorisation of transactions and projects and to ensure consistent quality of delivery far all operational aspects of the company.

The external risks relate largely to the continued funding of the company. However an encouraging development is the continued support from both private and public sectors, which should ensure the long-term financial stability company.

The directors have assessed the major risks to which the charity is exposed and are satisfied that the systems are in place to mitigate exposure to the major risks and have now produced a risk register.

Plans for future periods

On the back of the fantastic success of the Monday night football sessions, there has been an expression of interest from one of our previous youth workers who is keen to start up the Port William Youth Group again. We are hopeful that this will commence coinciding with the start of the new school term Aug/Sept 2026. This will provide regular income for the trust and ensure its ongoing viability. We are also receiving positive feedback and assistance from the Third Sector with regards the constitution, and although not complete, there has been progress made and there is an expectation that this will be completed soon. This will ensure that the objectives are reflected in the committee's aims and abilities and ensure the future of the trust and facility. Once updated and finalised, we will be in a stronger position to apply for funding, essential to the running of the facility.

Structure, governance and management

The Charity is a company limited by guarantee, Port William Community Development Trust was formed as a charitable company limited by guarantee when the unincorporated association, Port William Regeneration Association, was dissolved on 7 February 2003. The entire assets of the former association were transferred to the new company.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

G P McKenzie	(Resigned 30 June 2025)
Miss M McKnight	
Mr E W Robinson	
Mrs N J Smith	
E Nicholson	(Appointed 23 September 2025)

Recruitment and appointment of trustees

The company comprises of ordinary members, aged 18 and over (who have the right to attend the AGM and any EGM and have powers under these articles and the Act, who elect people to serve as Directors and take decisions in relation to any changes in the articles), junior members and associate members.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisational structure

The Directors hold regular quarterly meetings between each AGM, set the strategy and policy of the company, supervise activities and are responsible for monitoring its financial position.

The Trustees' report was approved by the Board of Trustees.

Mrs A P Morgan
Secretary
Date: 1st Oct. 2026

PORT WILLIAM COMMUNITY DEVELOPMENT TRUST
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF PORT WILLIAM COMMUNITY DEVELOPMENT TRUST

I report on the financial statements of the Charity for the year ended 31 October 2025, which are set out on pages 5 to 15.

Respective responsibilities of Trustees and examiner

The charity trustees (who are also the directors of Port William Community Development Trust for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.The Charity Trustees consider that the audit requirement of Regulation 10(1)(a)-(c) of the Charities Accounts (Scotland) Regulations 2006 does not apply.

It is my responsibility to examine the financial statements as required under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. 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 the course of my examination, no matter has come to my attention other than that disclosed below

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 Charities and Trustee Investment (Scotland) Act 2005 and Regulation 4 of the Charities Accounts (Scotland) Regulations 2006, and
   - to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the Charities Accounts (Scotland) Regulations 2006

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Without qualifying my report, I draw attention to Note 18 in the financial statements, which dictates that the charity has negative free reserves of £2,591 at the year end. This condition indicates the existence of a material uncertainty which may cast significant doubt on the charity's ability to continue as a going concern. The charity's continuation is dependent on ensuring that the forecast financial outcome to 31 December 2027 is met.

J Simpson

John Simpson FCA
Chartered Accountants Ireland
Montpelier Professional (Galloway) Limited
1 Dashwood Square
Newton Stewart
DG8 6EQ
Date: 13/10/26

PORT WILLIAM COMMUNITY DEVELOPMENT TRUST
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 OCTOBER 2025

	Notes	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Income from:							
Donations and legacies	3	1,516	-	1,516	275	500	775
Charitable activities	4	1,355	-	1,355	1,194	-	1,194
Other trading activities	5	-	-	-	460	-	460
Total income		2,871	-	2,871	1,929	500	2,429
Expenditure on:							
Charitable activities	6	5,560	6,035	11,595	4,922	6,200	11,122
Total expenditure		5,560	6,035	11,595	4,922	6,200	11,122
Net expenditure		(2,689)	(6,035)	(8,724)	(2,993)	(5,700)	(8,693)
Transfers between funds		-	-	-	8,912	(8,912)	-
Net movement in funds	8	(2,689)	(6,035)	(8,724)	5,919	(14,612)	(8,693)
Reconciliation of funds:							
Fund balances at 1 November 2024		6,440	60,370	66,810	521	74,982	75,503
Fund balances at 31 October 2025		3,751	54,335	58,086	6,440	60,370	66,810

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

PORT WILLIAM COMMUNITY DEVELOPMENT TRUST
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET

AS AT 31 OCTOBER 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible assets	**12**		51,134		57,456
Current assets					
Cash at bank and in hand		9,002		10,054	
Creditors: amounts falling due within one year	**13**	(2,050)		(700)	
Net current assets			6,952		9,354
Total assets less current liabilities			58,086		66,810
The funds of the Charity					
Restricted income funds	**14**		54,335		60,370
Unrestricted funds	**15**		3,751		6,440
			58,086		66,810

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 October 2025.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 24th Sept 2026

.....
Mr E W Robinson
Trustee

.....
Mrs A P Morgan
Trustee

1 Accounting policies

Charity information

Port William Community Development Trust is a private company limited by guarantee incorporated in Scotland. The registered office is Greenmantle, Main Street, Mochrum, Newton Stewart, DG8 9LY.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the Charity's governing document, the Companies Act 2006 the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)". The Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities not to prepare a statement of cash flows.

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

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

We would however draw your attention to note 17 of the financial statements

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1 Accounting policies **(Continued)**

1.5 Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Nil & 4% Straight line
Equipment	20% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

Derecognition of financial liabilities

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

1 Accounting policies **(Continued)**

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

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

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

3 Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Donations and gifts	1,516	-	1,516	275	500	775
Donations and gifts						
Wigtown Community Shop	200	-	200	-	500	500
James Gordon	-	-	-	250	-	250
Tap Dance	-	-	-	25	-	25
Machars Ecology	250	-	250	-	-	-
Port William Community	500	-	500	-	-	-
Port William Community Shop	100	-	100	-	-	-
Carscreugh Fund	466	-	466	-	-	-
	1,516	-	1,516	275	500	775
Grants						
	-	-	-	-	-	-

4 Income from charitable activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Charitable activities		
Community Youth Centre	1,355	1,194

5 Income from other trading activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Fundraising events	-	460

6 Expenditure on charitable activities

	Running of youth centre 2025 £	Running of youth centre 2024 £
Direct costs		
Youth centre expenses	55	165
Repairs & renewals	99	225
	154	390
Share of support and governance costs (see note 7)		
Support	10,091	9,842
Governance	1,350	890
	11,595	11,122
Analysis by fund		
Unrestricted funds	5,560	4,922
Restricted funds	6,035	6,200
	11,595	11,122

7 Support costs allocated to activities

	Running of youth centre 2025 £	Total 2024 £
Depreciation	7,621	7,692
Advertising	-	25
Electricity	845	516
Insurance	1,521	1,445
Sundry	104	164
Governance	1,350	890
	11,441	10,732

Governance costs comprise:	2025 £	2024 £
Accountancy	1,350	890
	1,350	890

8 Net movement in funds

	2025 £	2024 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the independent examination of the charity's financial statements	1,350	890
Depreciation of owned tangible fixed assets	7,621	7,692

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

During the year no Trustee had expenses reimbursed (2024 nil).

The charity has Trustees Indemnity Insurance in place.

10 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

10 Employees (Continued)

Remuneration of key management personnel
The charity considers that its key management personnel comprise of the trustees with no remuneration being paid to them (2024: NIL)

11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

12 Tangible fixed assets

	Freehold land and buildings	Equipment	Total
	£	£	£
Cost			
At 1 November 2024	156,370	23,201	179,571
Additions	-	1,299	1,299
At 31 October 2025	156,370	24,500	180,870
Depreciation and impairment			
At 1 November 2024	105,544	16,571	122,115
Depreciation charged in the year	6,035	1,586	7,621
At 31 October 2025	111,579	18,157	129,736
Carrying amount			
At 31 October 2025	44,791	6,343	51,134
At 31 October 2024	50,826	6,630	57,456

13 Creditors: amounts falling due within one year

	2025	2024
	£	£
Accruals and deferred income	2,050	700

14 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 November 2024	Incoming resources	Resources expended	Transfers	At 31 October 2025
	£	£	£	£	£
Youth Worker salaries	2,383	-	-	-	2,383
Capital building	50,826	-	(6,035)	-	44,791
Community Development Fund	7,161	-	-	-	7,161
	60,370	-	(6,035)	-	54,335

Previous year:	At 1 November 2023	Incoming resources	Resources expended	Transfers	At 31 October 2024
	£	£	£	£	£
Youth Worker salaries	2,548	-	(165)	-	2,383
Capital building	56,861	-	(6,035)	-	50,826
Summer activities	6,544	-	-	(6,544)	-
Community Development Fund	7,161	-	-	-	7,161
Youth groups	908	500	-	(1,408)	-
Future developments	960	-	-	(960)	-
	74,982	500	(6,200)	(8,912)	60,370

Youth Workers Salaries -To cover the salaries of the youth workers.

Capital Building - This is the net book value of the building used by the charity.

Community Development Fund - To develop the village.

15 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 November 2024	Incoming resources	Resources expended	Transfers	At 31 October 2025
	£	£	£	£	£
General funds	6,440	2,871	(5,560)	-	3,751

Previous year:	At 1 November 2023	Incoming resources	Resources expended	Transfers	At 31 October 2024
	£	£	£	£	£
General funds	521	1,929	(4,922)	8,912	6,440

16 Analysis of net assets between funds

	Unrestricted funds 2025	Restricted funds 2025	Total 2025
	£	£	£
At 31 October 2025:			
Tangible assets	6,342	44,792	51,134
Current assets/(liabilities)	(2,591)	9,543	6,952
	3,751	54,335	58,086

	Unrestricted funds 2024	Restricted funds 2024	Total 2024
	£	£	£
At 31 October 2024:			
Tangible assets	6,630	50,826	57,456
Current assets/(liabilities)	(190)	9,544	9,354
	6,440	60,370	66,810

17 Related party transactions

The company is under the control of the Trustees.

During the year the Charity received £250 from Machars Ecology which is the business owned and run by the chair.

18 Going concern

At the year end the charity had a deficit of its free reserves of £2,591. A cashflow forecast has been prepared indicating that between September 2026 and December 2027 the figure is expected to improve by approximately £1,600. The trustees acknowledge that the finances of the charity are in a precarious position, with little headway, however they do believe that it is appropriate that the accounts are prepared on a going concern basis.