Company registration number SC112755 (Scotland)

Charity registration number SC017846 (Scotland)

# SOLWAY HERITAGE

## ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2026

# SOLWAY HERITAGE

## LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|---|---|
| **Trustees** | Mr C M Mitchell MBE - Chairman<br>Mr M B Robertson<br>Mr J W Dent |
| **Secretary** | Sheila Adams |
| **Charity number (Scotland)** | SC017846 |
| **Company number** | SC112755 |
| **Registered office** | C/O Fieldview<br>Shieldhill<br>Lockerbie<br>DG11 1SF |
| **Independent examiner** | John Simpson<br>Montpelier Professional (Galloway) Limited<br>1 Dashwood Square<br>Newton Stewart<br>DG8 6EQ |
| **Bankers** | Bank of Scotland<br>91 High Street<br>Dumfries<br>DG1 2BN |
| **Solicitors** | McJerrow & Stevenson<br>55 High Street<br>Lockerbie<br>Dumfriesshire<br>DG11 2JJ |

## SOLWAY HERITAGE

## CONTENTS

# SOLWAY HERITAGE

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

## *FOR THE YEAR ENDED 31 MARCH 2026*

The Trustees present their annual report and financial statements for the year ended 31 March 2026.

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 Company's mission is to conserve, interpret and promote the natural, built and cultural heritage of Dumfries and Galloway primarily, although the Company can work in other areas.
The Charity's objectives are:

Objective 1 - to secure the sustainable use, management and enjoyment of the natural and man-made heritage, in particular the heritage of Dumfries and Galloway.

Objective 2 – to conserve and enhance buildings or artefacts of architectural or historic interest, particularly in Dumfries and Galloway.

Objective 3 – to conserve and enhance landscape and wildlife resources, particularly in Dumfries and Galloway.

Objective 4 – to interpret and encourage informed public access to the built, natural and cultural heritage, particularly of Dumfries and Galloway.

The organisation has always provided a very cost-effective model in assisting community projects through the management of the Landfill Communities Fund until March 2017, when the Fund managed by Solway Heritage closed.

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*

As described in detail in previous years' Annual Reports, the organisation has been largely inactive since 2012, due to lack of resources, particularly since the closure of the Landfill Communities Fund in Scotland in 2017. The only activity during 2025/26 has been the completion of the legal process of transferring ownership of the Category A listed property owned by Solway Heritage – Cruck Cottage, Shieldhill Road, Torthorwald, DG1 3PS - to Cruck Cottage Heritage, a Scottish Charitable Incorporated Organisation (SCIO), registered with the Office of the Scottish Charity Regulator (OSCR) on 28th June 2022 (SC051820). The title deeds were registered by Land Register of Scotland in Cruck Cottage Heritage's favour on 19th May 2025, with a date of entry of 27th March 2025. Remaining assets were donated to Cruck Cottage Heritage in line with the Memorandum and Articles of Association, in order to further develop as a Museum this unique thatched Cottage, the only remaining example of its kind in the south of Scotland, continuing the legacy for many years to come.

**Financial review**

*Reserves policy*

Company finances are closely monitored at Board meetings. The Company does not hold any investment funds. The Trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to any major risks.

**Plans for future periods**

Permission was granted from OSCR to begin the process of formally winding up and a Resolution passed at an Extraordinary General Meeting on 23rd February 2026 to wind up the Company. An application to strike off was submitted to Companies House at the beginning of March 2026.

Directors would like to place on record their thanks to everyone who has been involved in some way with Solway Heritage over the last 38 years – the many Directors, employees, funders, partners and stakeholders. The Company achieved an enormous amount and played a major role in the region by developing and delivering projects in line with its mission to 'conserve, interpret and promote the natural, built and culture heritage of Dumfries and Galloway'. It is intended that a legacy document will be provided to Dumfries and Galloway Archives Service.

**Structure, governance and management**

The Company was incorporated on 15th August 1988 as a Company limited by guarantee without share capital. The Company registration number is SC112755. It was set up in 1988 by the then Regional Council and four District Councils covering the area, in conjunction with the Scottish Civic Trust and the Architectural Heritage Society of Scotland. It is a registered charity with the charity registration number SC017846, and this has been accepted by the Inland Revenue. The charity is governed by its Memorandum and Articles of Association.

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:

Mr C M Mitchell MBE - Chairman

Mr M B Robertson

Mr J W Dent

*Recruitment and appointment of trustees*

The Company has a membership structure and is run by a Board of Directors. The Board of Directors should comprise representatives of its founding member bodies, who were: Dumfries and Galloway Council; NatureScot; The Scottish Wildlife Trust; The Scottish Civic Trust; The Architectural Heritage Society of Scotland. Directors can be nominated by the various membership bodies. Directors can also be co-opted by the Board in an independent capacity and three Independent members currently make up the Board.

The day-to-day running of the organisation is sub-contracted, on a self-employed basis, to the former Operations Manager, who is also Company Secretary. She undertakes the statutory and administrative duties necessary for the running of the organisation. She is also the point of contact between Solway Heritage and Cruck Cottage Heritage, attending monthly meetings, and doing any administrative work required.

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.

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

.......................... Martin Robertson

Mr M B Robertson

Date: ..........02/06/2026..........

# SOLWAY HERITAGE

## INDEPENDENT EXAMINER'S REPORT
## TO THE TRUSTEES OF SOLWAY HERITAGE

I report on the financial statements of the Charity for the year ended 31 March 2026, which are set out on pages 4 to 12.

**Respective responsibilities of Trustees and examiner**

The charity trustees (who are also the directors of Solway Heritage 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

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.

J Simpson

**John Simpson FCA**
Chartered Accountants Ireland
Montpelier Professional (Galloway) Limited
1 Dashwood Square
Newton Stewart
DG8 6EQ
Date: 8/6/26

## SOLWAY HERITAGE

### STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

***FOR THE YEAR ENDED 31 MARCH 2026***

| | Notes | Unrestricted funds 2026 £ | Restricted funds 2026 £ | Total 2026 £ | Unrestricted funds 2025 £ | Restricted funds 2025 £ | Total 2025 £ |
|---|---|---|---|---|---|---|---|
| **Income from:** | | | | | | | |
| Investments | 3 | 95 | - | 95 | 272 | - | 272 |
| **Total income** | | 95 | - | 95 | 272 | - | 272 |
| **Expenditure on:** | | | | | | | |
| Charitable activities | 4 | 13,000 | 7,170 | 20,170 | 2,648 | 2,821 | 5,469 |
| **Total expenditure** | | 13,000 | 7,170 | 20,170 | 2,648 | 2,821 | 5,469 |
| **Net expenditure and movement in funds** | | (12,905) | (7,170) | (20,075) | (2,376) | (2,821) | (5,197) |
| **Reconciliation of funds:** | | | | | | | |
| Fund balances at 1 April 2025 | | 12,905 | 7,170 | 20,075 | 15,281 | 9,991 | 25,272 |
| **Fund balances at 31 March 2026** | | - | - | - | 12,905 | 7,170 | 20,075 |

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

## SOLWAY HERITAGE

## BALANCE SHEET

### *AS AT 31 MARCH 2026*

| | Notes | 2026 £ | 2026 £ | 2025 £ | 2025 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 9 | | - | | 1 |
| **Current assets** | | | | | |
| Cash at bank and in hand | | - | | 20,504 | |
| **Creditors: amounts falling due within one year** | 10 | - | | (430) | |
| **Net current assets** | | | - | | 20,074 |
| **Total assets less current liabilities** | | | - | | 20,075 |
| **The funds of the Charity** | | | | | |
| Restricted income funds | 11 | | - | | 7,170 |
| Unrestricted funds | 12 | | - | | 12,905 |
| | | | - | | 20,075 |

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 March 2026.

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 02/06/2026

Mr M B Robertson

## NOTES TO THE FINANCIAL STATEMENTS
### *FOR THE YEAR ENDED 31 MARCH 2026*

**1 Accounting policies**

**Charity information**

Solway Heritage is a private company limited by guarantee incorporated in Scotland. The registered office is C/O Fieldview, Shieldhill, Lockerbie, DG11 1SF.

**1.1 Basis of preparation**

The financial statements have been prepared in accordance with the Charity's Memorandum and Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". 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 applying FRS 102 Update Bulletin 1 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. 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.

**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.

**1.5 Expenditure**

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

**1 Accounting policies** **(Continued)**

**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 |
| Plant and equipment | Nil |

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.

**1.10 Retirement benefits**

**Pensions**

During a previous period the company had undertaken to make contributions to the Local Government Pension Scheme on behalf of its employees. The assets of the scheme were held separately from those of the charitable company. The pension scheme liabilities were measured using a projected unit method. On leaving date of the final remaining employee of the company, the company ceased to make further contributions in respect of its employees and Dumfries and Galloway Council agreed to act as guarantor for any further liabilities owed by the company in respect of any deficit outstanding. The guarantee provided by the Council in respect of the outstanding deficit was shown within the 2012 resources expended.

**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 investments**

| | Unrestricted funds 2026 | Unrestricted funds 2025 |
|---|---|---|
| | £ | £ |
| Interest receivable | 95 | 272 |

## 4 Expenditure on charitable activities

| | Running costs of charity 2026 £ | Running costs of charity 2025 £ |
|---|---|---|
| **Direct costs** | | |
| Insurance | 2,077 | 1,991 |
| Project expenditure | 7,855 | 750 |
| Legal costs | 7,847 | 80 |
| | 17,779 | 2,821 |
| **Share of support and governance costs (see note 5)** | | |
| Support | 1,971 | 2,151 |
| Governance | 420 | 497 |
| | 20,170 | 5,469 |
| **Analysis by fund** | | |
| Unrestricted funds | 13,000 | 2,648 |
| Restricted funds | 7,170 | 2,821 |
| | 20,170 | 5,469 |

Project expenditure includes a donation of £7,732 to Cruck Cottage Heritage, on the winding up of Solway Heritage.

## 5 Support costs allocated to activities

| | Running costs of charity 2026 £ | Total 2025 £ |
|---|---|---|
| Financial & management costs | 1,971 | 2,151 |
| Governance | 420 | 497 |

| **Governance costs comprise:** | 2026 £ | 2025 £ |
|---|---|---|
| Accountancy | 386 | 416 |
| Financial & management costs | 34 | 81 |
| | 420 | 497 |

## 6 Trustees

None of the trustees (or any persons connected with them) received any remuneration or other benefits of employment during the year, neither were they reimbursed expenses during the year.

The charity has trustee liability insurance in place.

## 7 Employees

The average monthly number of employees during the year was:

| | 2026 Number | 2025 Number |
|---|---|---|
| Total | - | - |

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

## 8 Taxation

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

## 9 Tangible fixed assets

| | Plant and equipment £ |
|---|---|
| **Cost** | |
| At 1 April 2025 | 738 |
| At 31 March 2026 | 738 |
| **Depreciation and impairment** | |
| At 1 April 2025 | 738 |
| At 31 March 2026 | 738 |
| **Carrying amount** | |
| At 31 March 2025 | - |

Freehold properties are held for heritage preservation purposes, and all other fixed assets are held for use in fulfilling the company's operating objectives. The freehold property held is Cruck Cottage at Torthorwald.

Cruck Cottage, a Category A listed building, was donated to the Company on the understanding that it would be completely renovated. The cost of renovation was met by grant and donation, and has been written off in previous years. The day-to-day management and maintenance of the property is undertaken on a voluntary basis by Cruck Cottage Heritage. The property at Cruck Cottage was valued by Allied Surveyors (Scotland) plc on 14th November 2008 on an open market value basis at £25,000. It is unlikely in the current economic climate and with the restrictions imposed on the building by its listed status, that the property would realise this value. This was reflected in the Accounts for 2010/11 when the value of the property was adjusted to £1. Cruck Cottage was donated to Cruck Cottage Heritage, a SCIO, during the year.

## 10 Creditors: amounts falling due within one year

| | 2026 £ | 2025 £ |
|---|---|---|
| Accruals and deferred income | - | 430 |

## 11 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 April 2025 £ | Resources expended £ | At 31 March 2026 £ |
|---|---|---|---|
| Cruck Cottage | 5,938 | (5,938) | - |
| Roof Thatching | 1,232 | (1,232) | - |
| | 7,170 | (7,170) | - |

| **Previous year:** | At 1 April 2024 £ | Resources expended £ | At 31 March 2025 £ |
|---|---|---|---|
| Cruck Cottage | 8,009 | (2,071) | 5,938 |
| Roof Thatching | 1,982 | (750) | 1,232 |
| | 9,991 | (2,821) | 7,170 |

Cruck Cottage
Solway Heritage was eligible to apply for a Small Business Support Grant from Dumfries and Galloway Council for Cruck Cottage based on its rates relief. This grant is being restricted for use at Cruck Cottage to mitigate the loss of income during the Covid-19 lockdown and subsequent restrictions on opening.

Roof Thatching Fund
A grant was received for the rethatching and replacement of roof timbers at Cruck Cottage. However when exposed during the work, the roof timbers were in good condition and were to be reused. The balance of the grant is therefore being held in restricted funds to be spent on future repair works at Cruck Cottage.

## 12 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 April 2025 £ | Incoming resources £ | Resources expended £ | At 31 March 2026 £ |
|---|---|---|---|---|
| General funds | 12,905 | 95 | (13,000) | - |

**12 Unrestricted funds** **(Continued)**

| Previous year: | At 1 April 2024 | Incoming resources | Resources expended | At 31 March 2025 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| General funds | 15,281 | 272 | (2,648) | 12,905 |

**13 Analysis of net assets between funds**

| | Unrestricted funds 2026 | Restricted funds 2026 | Total 2026 |
|---|---|---|---|
| | £ | £ | £ |
| **At 31 March 2026:** | | | |
| | - | - | - |

| | Unrestricted funds 2025 | Restricted funds 2025 | Total 2025 |
|---|---|---|---|
| | £ | £ | £ |
| **At 31 March 2025:** | | | |
| Tangible assets | 1 | - | 1 |
| Current assets/(liabilities) | 12,904 | 7,170 | 20,074 |
| | 12,905 | 7,170 | 20,075 |

**14 Related Party Transactions**

There are currently no Directors representing organisations which fund Solway Heritage or its projects. Where this is the case, transactions with these organisations are closely monitored and are conducted at arms length.

There were no other reportable related party transactions.

**15 Going Concern**

The company has sufficient monies to meet it's commitments but is intending to wind up 31 March 2026.