

THE MERTOUN GARDENS TRUST

England & Wales · Charity number 1113423

Details

Status Registered

Legal form Charitable company

Company number [05747404](#)

Registered 2006-03-24

Register [View on the Charity Commission register](#)

Contact

Address Farrer & Co
65-66 Lincoln's Inn Fields
London
WC2A 3LH

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Activities

Objects: THE OBJECTS OF THE CHARITY ("THE OBJECTS") ARE:3.1 TO PROMOTE FOR THE PUBLIC BENEFIT THE PLANTING, MAINTENANCE, IMPROVEMENT AND PRESERVATION OF MERTOUN GARDENS AT ST BOSWELLS, MELROSE, ROXBURGHSHIRE ("THE GARDENS");3.2 TO ADVANCE THE EDUCATION OF THE PUBLIC, IN PARTICULAR IN RELATION TO THE HISTORY, DESIGN AND HORTICULTURAL SIGNIFICANCE OF THE GARDENS; AND3.3 SUCH OTHER CHARITABLE PURPOSES AS THE TRUSTEES SHALL THINK FIT.

Activities: 1. Opens Mertoun Gardens to the public; 2. Restores, improves and maintains Mertoun Gardens; 3. Acquires, restores, preserves and displays papers and artefacts relating to Mertoun Gardens; 4. Raises funds for the benefit of Mertoun Gardens; 5. Publicises and promotes Mertoun Gardens and produces publications and literature in order to achieve this.

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** General Charitable Purposes, Education/training, Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** MERTOUN GARDENS AT ST BOSWELLS, MELROSE, ROXBURGHSHIRE
- Scotland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£111,424	£166,555	-	-
2024-03-31	£117,541	£160,046	-	-
2023-03-31	£100,549	£140,881	-	-
2022-03-31	£97,863	£39,698	-	-
2021-03-31	£104,217	£158,395	-	-

Trustees

Name	Role	Appointed
Michael John Chantler	Chair	2006-03-17
Harriet Rosalind Dundas Campbell		2024-04-26
THE LORD HENRY ALEXANDER EGERTON		2006-03-17

THE MERTOUN GARDENS TRUST

England & Wales - Charity number 1113423

Accounts

Company Registration No. 05747404 (England and Wales)
Scottish Charity No SC039389
English Charity No 1113423

The Mertoun Gardens Trust

Unaudited financial statements
For the year ended 31 March 2025

The Mertoun Gardens Trust

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The Mertoun Gardens Trust

Report of the Trustees For the year ended 31 March 2025

The Trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the current statutory requirements, the Articles of Association and the 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) published on 1 January 2019.

The Trustees

The Trustees who served the charity during the year were as follows:

Lord Henry Alexander Egerton
Lady Alice Marian Fremantle
Michael John Chantler
Harriet Rosalind Dundas Campbell

Structure, governance and management

Legal Status

The Mertoun Gardens Trust is a private company limited by guarantee (company number 05747404) and a registered charity (charity number 1113423). The charity is also registered with the Office of the Scottish Charity Regulator (charity number SC039389).

It is governed by its memorandum and articles of association dated 16 March 2006. In the event of the charity being wound up, the liability of the members of the company is limited to £1 each.

The organisation's structure

The minimum number of Trustees is 3 and the maximum 10. Trustees must be a member of the company. Trustees can be appointed by the Board at any time and the appointment must be ratified at the following annual general meeting.

The Gardens are administered by a Gardens Committee which reports to the Trustees and to whom the day to day running and administration of the Gardens has been delegated by the Trustees.

How the Trustees are appointed and trained

The Trustees have been appointed on the basis of their skills, knowledge and experience of the current and future activities of the organisation, by agreement with existing Trustees. The Trustees recognise that new Trustees should be aware of the charity's charitable purposes, modus operandi and plans. Trustees are kept informed of developments in the law and accounting practices by their professional advisers.

The Mertoun Gardens Trust

Report of the Trustees (continued) For the year ended 31 March 2025

How decisions are made

Most decisions are taken by consensus agreement. Should it be necessary, an issue may be determined by a simple majority of the votes cast at a meeting, but a written resolution signed by all the Trustees is as valid as a resolution passed at a meeting. Except for the chairman of the meeting, who has a second or casting vote, every Trustee has one vote on each issue.

Risk management

The Trustees keep under review the main risks to which the charity is exposed. The Trustees meet regularly and review the policies and procedures established to help mitigate these risks as necessary. Day to day risks are mitigated by the policies and procedures established by the Trustees as implemented by the Gardens Committee and are reviewed on a regular basis.

Strategy and activities

Strategy of the charity

The strategy of the charity is:

- To promote for the public benefit the planting, maintenance, improvement and preservation of Mertoun Gardens at St Boswells, Melrose, Roxburghshire;
- To advance the education of the public, in particular in relation to the history, design and horticultural significance of the Gardens; and
- Such other charitable purpose as the Trustees shall think fit.

Objectives for the year

In addition to the ongoing planting, preservation and maintenance of the Gardens for the public benefit, the Trustees are committed to opening the Gardens to the widest possible audience. The Trustees have sought accordingly to ensure that admission charges to the Gardens are kept as low as reasonably possible and have explored means of widening the audience, including liaising with local schools to encourage organised school visits.

Investment policy

There are no restrictions on the charity's power to invest and the Trustees have adopted an investment strategy that seeks to balance the income needs of the charity with future capital growth. The Trustees have delegated the management of the investment portfolio to Waverton Investment Management who manage the portfolio on a discretionary basis and who report to and meet with the Trustees on a regular basis to review the performance of the portfolio and investment strategy.

The Mertoun Gardens Trust

Report of the Trustees (continued) For the year ended 31 March 2025

Achievements and performance

The Trustees confirm they have referred to the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and setting its plans for future years.

The Charity's significant activities are outlined in this report. In furtherance of their charitable objects, the Trustees maintain the Gardens and open them to the public generally and with special parties and guided tours being organised by arrangement. The Charity also undertakes activities related to the Gardens which have an educational emphasis.

In particular, the Charity has hosted a number of schools for visits to the Gardens under the supervision of the Royal Highlands Educational Trust, and has also run a work experience programme, through which colleges have sent students to the Gardens to gain experience in gardening and other practical work. Furthermore, the Trustees have obtained an extension of their lease until 31 January 2052 (from 31 March 2037), and have set up a website, the costs of which have been capitalised.

Financial review

Reserves and financial review

During the year the Trustees received incoming resources totalling £111,424 (2024: £117,541). Direct expenditure on the Gardens amounted to £140,654 (2024: £136,309) and general administration costs of £25,901 (2024: £23,737). This resulted in a net deficit for the year of £55,131 (2024: £42,505) before the gain on disposal of fixed assets of £0 (2024: £2,500), the gain on disposal of investments of £53,798 (2024: £88,482), the unrealised gains on investments and assets of £114,614 (2024: £159,779) and the loss on foreign exchange of £35 (2024: £286 gain). The Trustees are aware of the need to increase the income generating asset base in order to balance their books.

The Trustees have reviewed the reserves available to them and are satisfied that they are adequate to meet their short term needs. The investment portfolio is shown as a designated capital endowment. The intention of the Trustees is that the endowment should be able to generate sufficient income to meet the costs of the charity's operations.

Plans for future years

As stated, the Trustees wish to build up their endowment to ensure that sufficient income can be generated from the investment portfolio in order to meet the costs associated with operating the Gardens and opening the Gardens to the public. The Trustees wish to ensure the widest possible public access to the Gardens commensurate with their preservation and planting seasons.

The Mertoun Gardens Trust

Report of the Trustees (continued)

For the year ended 31 March 2025

Responsibilities of the Trustees

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements in the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant accounting information of which the charity's accountants are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant accounting information and to establish that the accountants are aware of that information.

Small company provisions

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

Signed on behalf of the board



Michael John Chantler

Trustee

3 November 2025

The Mertoun Gardens Trust

Company information

Registered charity name	The Mertoun Gardens Trust
Trustees	Lord Henry Egerton Lady Alice Marian Fremantle Michael John Chantler Harriet Rosalind Dundas Campbell
Gardens Committee	Her Grace the Duchess of Sutherland Harriet Bowes-Lyon Marchioness of Stafford
Secretary	J S Parsons
English charity number	1113423
OSCR charity number	SC039389
Company number	05747404
Registered office	66 Lincoln's Inn Fields London WC2A 3LH
Accountants	Jamie H Younger CA Saffery LLP Level 4, 9 Haymarket Square Edinburgh EH3 8RY
Investment Managers	Waverton Investment Management Limited 16 Babmaes Street London SW1Y 6AH
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH
Bankers	Bank of Scotland plc 8/9 The Square Kelso TD5 7HQ

The Mertoun Gardens Trust

Independent examiner's report to the trustees of The Mertoun Gardens Trust

I report to the Trustees on the examination of the accounts of the company for the year ended 31 March 2025 which are set out on pages 8 to 18.

Respective responsibilities of Trustees and examiner

As the Trustees of the Company (who are also the directors of the company for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 ("the 2005 Act"), the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006 ("the 2006 Act"). You are satisfied that the accounts of the Company are not required by charity or company law to be audited and have chosen instead to have an independent examination.

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Company's accounts carried out under section 44 (1) (c) of the 2005 Act and section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination I have followed the requirements of Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. 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 no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

Since the Company is required by company law to prepare its accounts on an accrual basis and is registered as a charity in Scotland your examiner must be a body listed in Regulation 11(2) of the Charities Accounts (Scotland) Regulations 2006 (as amended). I can confirm that I am qualified to undertake the examination because I am a registered member of The Institute of Chartered Accountants of Scotland which is one of the listed bodies.

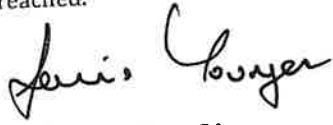
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept as required by section 386 of the 2006 Act and Regulation 4 of the 2006 Accounts Regulations; or
- 2 the accounts do not accord with those records with the accounting requirements of Regulation 8 of the Charities Accounts (Scotland) Regulations 2006; or
- 3 the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a "true and fair view which is not a matter considered as part of an independent examination; or
- 4 the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

The Mertoun Gardens Trust

Independent examiner's report to the trustees of The Mertoun Gardens Trust

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



**Jamie H Younger CA
Saffery LLP
Chartered Accountants**

3 November 2025

Level 4, 9 Haymarket Square

Edinburgh
EH3 8RY

The Mertoun Gardens Trust

Statement of financial activities incorporating the income and expenditure account
For the year ended 31 March 2025

	Notes	Endowment Fund 2025 £	Unrestricted Fund 2025 £	Total Funds 2025 £	Total Funds 2024 £
Income					
Donations		-	-	-	-
Investment income	2	-	-	-	-
Income from charitable activities	3	-	77,213	77,213	78,541
		-	34,211	34,211	39,000
Total income		-	111,424	111,424	117,541
Expenditure					
Expenditure on charitable activities	4	-	150,389	150,389	145,109
Other: investment management costs	6	-	16,166	16,166	14,937
Total expenditure		-	(166,555)	(166,555)	(160,046)
Net expenditure	7	-	(55,131)	(55,131)	(42,505)
Other recognised gains					
Gain on sale of fixed asset		-	-	-	2,500
Realised gains on investments		53,798	-	53,798	88,482
Unrealised (losses) / gains on investments		114,614	-	114,614	159,779
Foreign exchange (Loss) / gain		(35)	-	(35)	286
Net movement in funds		168,377	(55,131)	113,246	208,542
Gross transfer between funds		(65,000)	65,000	-	-
Total funds brought forward		3,370,293	64,753	3,435,046	3,226,504
Total funds carried forward		3,473,670	74,622	3,548,292	3,435,046

There are no other recognised gains or losses other than those shown in these accounts. All of the above amounts relate to continuing activities.

The notes on pages 11 to 18 form part of these financial statements.

The Mertoun Gardens Trust

Balance sheet
As at 31 March 2025

	Notes	£	2025 £	£	2024 £
Fixed assets					
Intangible assets	10		1,740		1,957
Tangible assets	11		29,075		38,112
Investments	12		3,476,075		3,383,169
			<u>3,506,890</u>		<u>3,423,238</u>
Current assets					
Stocks	13	1,802		1,366	
Debtors	14	7,938		6,889	
Cash at bank and in hand		40,261		11,243	
		<u>50,001</u>		<u>19,498</u>	
Creditors: amounts falling due within one year	15	(8,599)		(7,690)	
Net current assets			41,402		11,808
Total assets less current liabilities			<u>3,548,292</u>		<u>3,435,046</u>
Capital and reserves					
Unrestricted fund	17		74,622		64,753
Endowment fund	18		3,473,670		3,370,293
Total funds			<u>3,548,292</u>		<u>3,435,046</u>

The Mertoun Gardens Trust

**Balance sheet (continued)
As at 31 March 2025**

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps adequate accounting records which comply with Section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

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

The notes on pages 11 to 18 form part of these financial statements.

Approved by the Board for issue on 3 November 2025



Michael John Chantler
Trustee

Company Registration No. 05747404

The Mertoun Gardens Trust

Notes to the financial statements For the year ended 31 March 2025

1 Accounting policies

1.1 Basis for preparation

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

The Mertoun Gardens Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

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

1.2 Cash flow statement

The Trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

1.3 Donations, legacies and similar incoming resources

Donations, legacies and similar incoming resources are included in the year in which they are receivable, which is when the charity becomes entitled to the resource.

1.4 Patents

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Property improvements	10% - 20% straight line
Plant and machinery	10% - 15% straight line and 15% reducing balance
Motor vehicles	25% straight line

1 Accounting policies (continued)

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's Balance Sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Statement of Financial Activities, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through the Statement of Financial Activities, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the statement of financial activities.

De-recognition of financial assets

Financial assets are de-recognised only when the contractual rights to the cash flows from the asset expire, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through the Statement of Financial Activities. Changes in the fair value of derivatives are recognised in the Statement of Financial Activities as appropriate.

The Mertoun Gardens Trust

Notes to the financial statements (continued) For the year ended 31 March 2025

1 Accounting policies (continued)

De-recognition of financial liabilities

Financial liabilities are de-recognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.7 Investments

Investments are shown at market value.

1.8 Stock

Stock is valued at the lower of cost and net realisable value.

1.9 Expenditure

Expenditure is included on an accruals basis.

Costs of generating funds comprise those costs directly attributable to raising donations and grants.

Charitable expenditure comprises costs that are directly attributable to the furtherance of achieving the charities objectives.

Governance costs comprise costs that directly relate to the governance of the charity.

1.10 Pension costs

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.12 Unrestricted fund

These are funds which can be used in accordance with the charitable objectives at the discretion of the Trustees.

1.13 Endowment fund

The Trustees have designated, as an administrative allocation of unrestricted general funds, the investment portfolio on the basis that it is intended to form a capital endowment whose income is to be used for the general purposes of the Trust.

2 Investment income	2025 £	2024 £
Bank interest receivable	192	212
Income from investments	77,021	78,329
	<u>77,213</u>	<u>78,541</u>

All investment income received is deemed unrestricted.

The Mertoun Gardens Trust

**Notes to the financial statements (continued)
For the year ended 31 March 2025**

3 Income from charitable activities	2025	2024
	£	£
Admission charges	1,755	1,861
Garden sales	1,050	7,263
Contracting sales	13,694	12,452
Letting sales	17,712	17,424
	<u>34,211</u>	<u>39,000</u>

All income from charitable activities is deemed unrestricted.

4 Cost of charitable activities	2025	2024
	£	£
Labour costs	95,823	81,311
Heating and lighting	4,324	5,117
Seed, fertilisers, plants etc	2,020	1,676
Equipment maintenance and running expenses	7,560	3,910
Rates on gardeners' houses	1,782	1,782
Buildings maintenance	5,032	15,065
Administration	4,464	5,517
Insurance	3,930	3,087
Contractor services	1,083	4,437
Depreciation	14,419	14,190
Amortisation	217	217
Governance costs	9,735	8,800
	<u>150,389</u>	<u>145,109</u>

A full breakdown of governance costs is included in note 5.

5 Governance costs	2025	2024
	£	£
Accountancy fees	4,935	4,800
Legal fees	4,800	4,000
	<u>9,735</u>	<u>8,800</u>

6 Investment management costs	2025	2024
	£	£
Investment manager fees	<u>16,166</u>	<u>14,937</u>

The Mertoun Gardens Trust

**Notes to the financial statements (continued)
For the year ended 31 March 2025**

7	Net outgoing resources for the year	2025 £	2024 £
	Net outgoing resources are stated after charging:		
	Depreciation and amortisation of assets	14,636	14,407

8 Taxation

The company is a charity for the purposes of Section 505 ICTA 1988 and is exempt from taxation on the whole of its income.

9 Staff numbers

The average monthly headcount was as follows:

	2025	2024
Maintenance	4	3

No employee received emoluments of more than £60,000 during the year (2024: Nil).

No Trustee received remuneration during the year (2024: Nil).

10 Intangible fixed assets

	Website £
Cost	
At 1 April 2024 & at 31 March 2025	2,174
Amortisation	
At 1 April 2024	217
Charge for the year	217
At 31 March 2025	434
Net book value	
At 31 March 2025	1,740
At 31 March 2024	1,957

The Mertoun Gardens Trust

Notes to the financial statements (continued)
For the year ended 31 March 2025

11 Tangible fixed assets

	Improvements to property £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 April 2024	102,112	100,584	15,841	218,537
Additions	-	5,381	-	5,381
At 31 March 2025	<u>102,112</u>	<u>105,965</u>	<u>15,841</u>	<u>223,918</u>
Depreciation				
At 1 April 2024	90,176	74,407	15,841	180,424
Charge for the year	7,698	6,721	-	14,419
At 31 March 2025	<u>97,874</u>	<u>81,128</u>	<u>15,841</u>	<u>194,843</u>
Net book value				
At 31 March 2025	<u>4,238</u>	<u>24,838</u>	<u>-</u>	<u>29,075</u>
At 31 March 2024	<u>11,936</u>	<u>26,176</u>	<u>-</u>	<u>38,112</u>

12 Fixed asset investments

	2025 £	2024 £
Quoted Investments		
Market value as at 1 April 2024	3,329,524	2,971,271
Additions at cost	208,691	453,758
Unrealised gains	114,614	159,779
Disposals	(234,362)	(255,284)
Market value as at 31 March 2025	<u>3,418,467</u>	<u>3,329,524</u>
Unquoted Investments		
Value as at 1 April 2024 & 31 March 2025	<u>1</u>	<u>1</u>
Value of quoted and unquoted investments at 31 March 2025	<u>3,418,468</u>	<u>3,329,525</u>
Funds in bank held for investment	<u>57,607</u>	<u>53,644</u>
Investment value at 31 March 2025	<u>3,476,075</u>	<u>3,383,169</u>
Quoted investment cost as at 31 March 2025	<u>2,638,725</u>	<u>2,435,377</u>

The Mertoun Gardens Trust

**Notes to the financial statements (continued)
For the year ended 31 March 2025**

13 Stocks	2025	2024
	£	£
Stocks	1,802	1,366
	<u>1,802</u>	<u>1,366</u>
14 Debtors	2025	2024
	£	£
Other debtors	7,938	6,889
	<u>7,938</u>	<u>6,889</u>
15 Creditors: amounts falling due within one year	2025	2024
	£	£
Trade creditors	3,664	2,590
Other creditors	4,935	5,100
	<u>8,599</u>	<u>7,690</u>

16 Company Limited by guarantee

The charity is a company limited by guarantee. The liability of members is restricted to £1 each.

17 Unrestricted fund	Balance at 1 April 2024	Net income less expenses	Transfer from designated capital endowment	Balance at 31 March 2025
	£	£	£	£
General unrestricted fund	64,753	(55,131)	65,000	74,622
	<u>64,753</u>	<u>(55,131)</u>	<u>65,000</u>	<u>74,622</u>
18 Endowment fund	Balance at 1 April 2024	Transfer to unrestricted fund	Net movement	Balance at 31 March 2025
	£	£	£	£
Investments	3,370,293	(65,000)	168,377	3,473,670
	<u>3,370,293</u>	<u>(65,000)</u>	<u>168,377</u>	<u>3,473,670</u>

The Mertoun Gardens Trust

Notes to the financial statements (continued)

For the year ended 31 March 2025

19 Analysis of net assets (between designated and unrestricted funds)

	Fixed assets	Investments	Other net assets	Total
	£	£	£	£
Designated Fund	-	3,473,670	-	3,473,670
Unrestricted funds	31,032	2,405	41,185	74,622
	<u>31,032</u>	<u>3,476,075</u>	<u>41,185</u>	<u>3,548,292</u>

20 Related party relationships and transactions

Mertoun Gardens is leased from a Sutherland Family Settlement for a peppercorn sum and the lease expires on 31 January 2052.

The Mertoun Gardens Trust

**Statement of financial activities
For the year ended 31 March 2025**

	£	2025 £	£	2024 £
Incoming Resources				
Income from investments		77,021		78,329
Income from Mertoun Gardens:				
- Admission Charges	1,755		1,861	
- Garden Sales	1,050		7,263	
- Contracting charges	13,694		12,452	
- Letting income	17,712		17,424	
- Bank interest	192		212	
		<u>34,403</u>		<u>39,212</u>
		111,424		117,541
Direct Charitable Expenditure				
Expenditure on Mertoun Gardens:				
Seeds, fertilisers and plants	2,020		1,676	
Wages and salaries	95,823		81,311	
Heating and lighting	4,324		5,117	
Rates on gardener's cottage	1,782		1,782	
Equipment maintenance and running expenses	7,560		3,910	
Building maintenance	5,032		15,065	
Administration and sundry expenses	4,464		5,517	
Insurance	3,930		3,087	
Contractor services	1,083		4,437	
Depreciation	14,419		14,190	
Amortisation	217		217	
		<u>(140,654)</u>		<u>(136,309)</u>
		(29,230)		(18,768)
Other Expenditure				
Accountancy fees	4,935		4,800	
Legal fees	4,800		4,000	
Investment management charges	16,166		14,937	
		<u>(25,901)</u>		<u>(23,737)</u>
Deficit for the year carried forward		(55,131)		(42,505)

The Mertoun Gardens Trust

Statement of financial activities (continued)

For the year ended 31 March 2025

	2025	2024
	£	£
Deficit for the year brought forward	(55,131)	(42,505)
Fund balances brought forward	3,435,046	3,226,504
Realised gain on investments	53,798	88,482
Unrealised (losses) / gains on investment	114,614	159,779
Gain on sale of fixed assets	-	2,500
Exchange gains	(35)	286
Fund balances carried forward	<u>3,548,292</u>	<u>3,435,046</u>

Pages 19 and 20 do not form part of the statutory financial statements.

THE MERTOUN GARDENS TRUST

England & Wales - Charity number 1113423

Accounts

Company Registration No. 05747404 (England and Wales)
Scottish Charity No SC039389
English Charity No 1113423

The Mertoun Gardens Trust

Unaudited financial statements
For the year ended 31 March 2024

The Mertoun Gardens Trust

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The Mertoun Gardens Trust

Report of the Trustees

For the year ended 31 March 2024

The Trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the current statutory requirements, the Articles of Association and the 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) published on 1 January 2019.

The Trustees

The Trustees who served the charity during the year were as follows:

Lord Henry Alexander Egerton

Lady Alice Marian Fremantle

Michael John Chantler

Structure, governance and management

Legal Status

The Mertoun Gardens Trust is a private company limited by guarantee (company number 05747404) and a registered charity (charity number 1113423). The charity is also registered with the Office of the Scottish Charity Regulator (charity number SC039389).

It is governed by its memorandum and articles of association dated 16 March 2006. In the event of the charity being wound up, the liability of the members of the company is limited to £1 each.

The organisation's structure

The minimum number of Trustees is 3 and the maximum 10. Trustees must be a member of the company. Trustees can be appointed by the Board at any time and the appointment must be ratified at the following annual general meeting.

The Gardens are administered by a Gardens Committee which reports to the Trustees and to whom the day to day running and administration of the Gardens has been delegated by the Trustees.

How the Trustees are appointed and trained

The Trustees have been appointed on the basis of their skills, knowledge and experience of the current and future activities of the organisation, by agreement with existing Trustees. The Trustees recognise that new Trustees should be aware of the charity's charitable purposes, modus operandi and plans. Trustees are kept informed of developments in the law and accounting practices by their professional advisers.

The Mertoun Gardens Trust

Report of the Trustees (continued) For the year ended 31 March 2024

How decisions are made

Most decisions are taken by consensus agreement. Should it be necessary, an issue may be determined by a simple majority of the votes cast at a meeting, but a written resolution signed by all the Trustees is as valid as a resolution passed at a meeting. Except for the chairman of the meeting, who has a second or casting vote, every Trustee has one vote on each issue.

Risk management

The Trustees keep under review the main risks to which the charity is exposed. The Trustees meet regularly and review the policies and procedures established to help mitigate these risks as necessary. Day to day risks are mitigated by the policies and procedures established by the Trustees as implemented by the Gardens Committee and are reviewed on a regular basis.

Strategy and activities

Strategy of the charity

The strategy of the charity is:

- To promote for the public benefit the planting, maintenance, improvement and preservation of Mertoun Gardens at St Boswells, Melrose, Roxburghshire;
- To advance the education of the public, in particular in relation to the history, design and horticultural significance of the Gardens; and
- Such other charitable purpose as the Trustees shall think fit.

Objectives for the year

In addition to the ongoing planting, preservation and maintenance of the Gardens for the public benefit, the Trustees are committed to opening the Gardens to the widest possible audience. The Trustees have sought accordingly to ensure that admission charges to the Gardens are kept as low as reasonably possible and have explored means of widening the audience, including liaising with local schools to encourage organised school visits.

Investment policy

There are no restrictions on the charity's power to invest and the Trustees have adopted an investment strategy that seeks to balance the income needs of the charity with future capital growth. The Trustees have delegated the management of the investment portfolio to Waverton Investment Management who manage the portfolio on a discretionary basis and who report to and meet with the Trustees on a regular basis to review the performance of the portfolio and investment strategy.

The Mertoun Gardens Trust

Report of the Trustees (continued)

For the year ended 31 March 2024

Achievements and performance

The Trustees confirm they have referred to the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and setting its plans for future years.

The Charity's significant activities are outlined in this report. In furtherance of their charitable objects, the Trustees maintain the Gardens and open them to the public generally and with special parties and guided tours being organised by arrangement. The Charity also undertakes activities related to the Gardens which have an educational emphasis.

In particular, the Charity has hosted a number of schools for visits to the Gardens under the supervision of the Royal Highlands Educational Trust, and has also run a work experience programme, through which colleges have sent students to the Gardens to gain experience in gardening and other practical work. Furthermore, the Trustees have obtained an extension of their lease until 31 January 2052 (from 31 March 2037), and have set up a website, the costs of which have been capitalised.

Financial review

Reserves and financial review

During the year the Trustees received incoming resources totalling £117,541 (2023: £100,549). Direct expenditure on the Gardens amounted to £136,309 (2023: £125,466) and general administration costs of £23,737 (2023: £15,415). This resulted in a net deficit for the year of £42,505 (2023: £40,332) before the gain on disposal of fixed assets of £2,500 (2023: £nil), the gain on disposal of investments of £88,482 (2023: £161,946), the unrealised gains on investments and assets of £159,779 (2023: £191,579 loss) and the gain on foreign exchange of £286 (2023: £99). The Trustees are aware of the need to increase the income generating asset base in order to balance their books.

The Trustees have reviewed the reserves available to them and are satisfied that they are adequate to meet their short term needs. The investment portfolio is shown as a designated capital endowment. The intention of the Trustees is that the endowment should be able to generate sufficient income to meet the costs of the charity's operations.

Plans for future years

As stated, the Trustees wish to build up their endowment to ensure that sufficient income can be generated from the investment portfolio in order to meet the costs associated with operating the Gardens and opening the Gardens to the public. The Trustees wish to ensure the widest possible public access to the Gardens commensurate with their preservation and planting seasons.

The Mertoun Gardens Trust

**Report of the Trustees (continued)
For the year ended 31 March 2024**

Responsibilities of the Trustees

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements in the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant accounting information of which the charity's accountants are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant accounting information and to establish that the accountants are aware of that information.

Small company provisions

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

Signed on behalf of the board



.....
Michael John Chantler

Trustee

.....
17.12.2024

The Mertoun Gardens Trust

Company information

Registered charity name	The Mertoun Gardens Trust
Trustees	Lord Henry Egerton Lady Alice Marian Fremantle Michael John Chantler Harriet Rosalind Dundas Campbell
Gardens Committee	Her Grace the Duchess of Sutherland Evelyn, Duchess of Sutherland Harriet Bowes-Lyon Marchioness of Stafford
Secretary	James Galbraith
English charity number	1113423
OSCR charity number	SC039389
Company number	05747404
Registered office	66 Lincoln's Inn Fields London WC2A 3LH
Accountants	Jamie H Younger CA Saffery LLP Edinburgh Quay 133 Fountainbridge Edinburgh EH3 9BA
Investment Managers	Waverton Investment Management Limited 16 Babmaes Street London SW1Y 6AH
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH
Bankers	Bank of Scotland plc 8/9 The Square Kelso TD5 7HQ

The Mertoun Gardens Trust

Independent examiner's report to the trustees of The Mertoun Gardens Trust

I report to the Trustees on the examination of the accounts of the company for the year ended 31 March 2024 which are set out on pages 8 to 18.

Respective responsibilities of Trustees and examiner

As the Trustees of the Company (who are also the directors of the company for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 ("the 2005 Act"), the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006 ("the 2006 Act"). You are satisfied that the accounts of the Company are not required by charity or company law to be audited and have chosen instead to have an independent examination.

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Company's accounts carried out under section 44 (1) (c) of the 2005 Act and section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination I have followed the requirements of Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. 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 no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

Since the Company is required by company law to prepare its accounts on an accrual basis and is registered as a charity in Scotland your examiner must be a body listed in Regulation 11(2) of the Charities Accounts (Scotland) Regulations 2006 (as amended). I can confirm that I am qualified to undertake the examination because I am a registered member of The Institute of Chartered Accountants of Scotland which is one of the listed bodies.

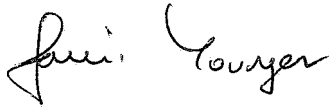
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept as required by section 386 of the 2006 Act and Regulation 4 of the 2006 Accounts Regulations; or
- 2 the accounts do not accord with those records with the accounting requirements of Regulation 8 of the Charities Accounts (Scotland) Regulations 2006; or
- 3 the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a "true and fair view which is not a matter considered as part of an independent examination; or
- 4 the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

The Mertoun Gardens Trust

Independent examiner's report to the trustees of The Mertoun Gardens Trust

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



**Jamie H Younger CA
Saffery LLP
Chartered Accountants**

18 December 2024

.....
Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9BA

The Mertoun Gardens Trust

**Statement of financial activities incorporating the income and expenditure account
For the year ended 31 March 2024**

	Notes	Endowment Fund 2024 £	Unrestricted Fund 2024 £	Total Funds 2024 £	Total Funds 2023 £
Income					
Donations		-	-	-	-
Investment income	2	-	78,541	78,541	67,229
Income from charitable activities	3	-	39,000	39,000	33,320
Total income		-	117,541	117,541	100,549
Expenditure					
Expenditure on charitable activities	4	-	145,109	145,109	125,466
Other: investment management costs	6	-	14,937	14,937	15,415
Total expenditure		-	(160,046)	(160,046)	(140,881)
Net expenditure	7	-	(42,505)	(42,505)	(40,332)
Other recognised gains					
Gain on sale of fixed asset		-	2,500	2,500	-
Realised gains on investments		88,482	-	88,482	161,946
Unrealised (losses) / gains on investments		159,779	-	159,779	(191,579)
Foreign exchange gain		286	-	286	99
Net movement in funds		248,547	(40,005)	208,542	(69,874)
Gross transfer between funds		(50,000)	50,000	-	-
Total funds brought forward		3,171,746	54,758	3,226,504	3,296,378
Total funds carried forward		3,370,293	64,753	3,435,046	3,226,504

There are no other recognised gains or losses other than those shown in these accounts. All of the above amounts relate to continuing activities.

The notes on pages 11 to 18 form part of these financial statements.

The Mertoun Gardens Trust

**Balance sheet
As at 31 March 2024**

	Notes	£	2024 £	£	2023 £
Fixed assets					
Intangible assets	10		1,957		2,174
Tangible assets	11		38,112		36,578
Investments	12		3,383,169		3,141,580
			<u>3,423,238</u>		<u>3,180,332</u>
Current assets					
Stocks	13	1,366		1,180	
Debtors	14	6,889		5,861	
Cash at bank and in hand		11,243		45,359	
		<u>19,498</u>		<u>52,400</u>	
Creditors: amounts falling due within one year	15	(7,690)		(6,228)	
Net current assets			<u>11,808</u>		<u>46,172</u>
Total assets less current liabilities			<u>3,435,046</u>		<u>3,226,504</u>
Capital and reserves					
Unrestricted fund	17		64,753		54,758
Endowment fund	18		3,370,293		3,171,746
Total funds			<u>3,435,046</u>		<u>3,226,504</u>

The Mertoun Gardens Trust

**Balance sheet (continued)
As at 31 March 2024**

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps adequate accounting records which comply with Section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

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

The notes on pages 11 to 18 form part of these financial statements.

Approved by the Board for issue on 17.12.2024



Michael John Chantler
Trustee

Company Registration No. 05747404

The Mertoun Gardens Trust

Notes to the financial statements For the year ended 31 March 2024

1 Accounting policies

1.1 Basis for preparation

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

The Mertoun Gardens Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

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

1.2 Cash flow statement

The Trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

1.3 Donations, legacies and similar incoming resources

Donations, legacies and similar incoming resources are included in the year in which they are receivable, which is when the charity becomes entitled to the resource.

1.4 Patents

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Property improvements	10% - 20% straight line
Plant and machinery	10% - 15% straight line and 15% reducing balance
Motor vehicles	25% straight line

1 Accounting policies (continued)

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's Balance Sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Statement of Financial Activities, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through the Statement of Financial Activities, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the statement of financial activities.

De-recognition of financial assets

Financial assets are de-recognised only when the contractual rights to the cash flows from the asset expire, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through the Statement of Financial Activities. Changes in the fair value of derivatives are recognised in the Statement of Financial Activities as appropriate.

The Mertoun Gardens Trust

Notes to the financial statements (continued)

For the year ended 31 March 2024

1 Accounting policies (continued)

De-recognition of financial liabilities

Financial liabilities are de-recognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.7 Investments

Investments are shown at market value.

1.8 Stock

Stock is valued at the lower of cost and net realisable value.

1.9 Expenditure

Expenditure is included on an accruals basis.

Costs of generating funds comprise those costs directly attributable to raising donations and grants.

Charitable expenditure comprises costs that are directly attributable to the furtherance of achieving the charities objectives.

Governance costs comprise costs that directly relate to the governance of the charity.

1.10 Pension costs

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.12 Unrestricted fund

These are funds which can be used in accordance with the charitable objectives at the discretion of the Trustees.

1.13 Endowment fund

The Trustees have designated, as an administrative allocation of unrestricted general funds, the investment portfolio on the basis that it is intended to form a capital endowment whose income is to be used for the general purposes of the Trust.

2 Investment income	2024	2023
	£	£
Bank interest receivable	212	53
Income from investments	78,329	67,176
	<u>78,541</u>	<u>67,229</u>

All investment income received is deemed unrestricted.

The Mertoun Gardens Trust

Notes to the financial statements (continued)

For the year ended 31 March 2024

3 Income from charitable activities	2024	2023
	£	£
Admission charges	1,861	2,226
Garden sales	7,263	2,400
Contracting sales	12,452	11,982
Letting sales	17,424	16,712
	<u>39,000</u>	<u>33,320</u>

All income from charitable activities is deemed unrestricted.

4 Cost of charitable activities	2024	2023
	£	£
Labour costs	81,311	64,525
Heating and lighting	5,117	4,163
Seed, fertilisers, plants etc	1,676	1,017
Equipment maintenance and running expenses	3,910	3,394
Rates on gardeners' houses	1,782	1,697
Buildings maintenance	15,065	3,507
Administration	5,517	9,732
Insurance	3,087	3,287
Contractor services	4,437	8,390
Depreciation	14,190	15,637
Amortisation	217	-
Governance costs	8,800	10,117
	<u>145,109</u>	<u>125,466</u>

A full breakdown of governance costs is included in note 5.

5 Governance costs	2024	2023
	£	£
Accountancy fees	4,800	4,550
Legal fees	4,000	5,567
	<u>8,800</u>	<u>10,117</u>

6 Investment management costs	2024	2023
	£	£
Investment manager fees	<u>14,937</u>	<u>15,415</u>

The Mertoun Gardens Trust

Notes to the financial statements (continued) For the year ended 31 March 2024

7	Net outgoing resources for the year	2024	2023
		£	£
	Net outgoing resources are stated after charging:		
	Depreciation and amortisation of assets	14,407	15,637
		<u> </u>	<u> </u>

8 Taxation

The company is a charity for the purposes of Section 505 ICTA 1988 and is exempt from taxation on the whole of its income.

9 Staff numbers

The average monthly headcount was as follows:

	2024	2023
Maintenance	3	3
	<u> </u>	<u> </u>

No employee received emoluments of more than £60,000 during the year (2023: Nil).

No Trustee received remuneration during the year (2023: Nil).

10 Intangible fixed assets

	Website
	£
Cost	
At 1 April 2023 & at 31 March 2024	2,174
	<u> </u>
Amortisation	
At 1 April 2023	-
Charge for the year	217
	<u> </u>
At 31 March 2024	217
	<u> </u>
Net book value	
At 31 March 2024	1,957
	<u> </u>
At 31 March 2023	2,174
	<u> </u>

The Mertoun Gardens Trust

Notes to the financial statements (continued)

For the year ended 31 March 2024

11 Tangible fixed assets

	Improvements to property	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2023	102,112	87,359	15,841	205,312
Additions	-	15,724	-	15,724
Disposals	-	(2,500)	-	(2,500)
At 31 March 2024	<u>102,112</u>	<u>100,584</u>	<u>15,841</u>	<u>218,537</u>
Depreciation				
At 1 April 2023	80,409	72,483	15,841	168,733
On disposals	-	(2,500)	-	(2,500)
Charge for the year	9,766	4,424	-	14,190
At 31 March 2024	<u>90,176</u>	<u>74,407</u>	<u>15,841</u>	<u>180,423</u>
Net book value				
At 31 March 2024	<u>11,936</u>	<u>26,176</u>	<u>-</u>	<u>38,112</u>
At 31 March 2023	<u>21,702</u>	<u>14,876</u>	<u>-</u>	<u>36,578</u>

12 Fixed asset investments

	2024	2023
	£	£
Quoted Investments		
Market value as at 1 April 2023	2,971,271	3,118,613
Additions at cost	453,758	355,102
Unrealised (losses) / gains	159,779	(191,579)
Disposals	(255,284)	(310,866)
Market value as at 31 March 2024	<u>3,329,524</u>	<u>2,971,270</u>
Unquoted Investments		
Value as at 1 April 2023 & 31 March 2024	<u>1</u>	<u>1</u>
Value of quoted and unquoted investments at 31 March 2024	<u>3,329,525</u>	<u>2,971,271</u>
Funds in bank held for investment	<u>53,644</u>	<u>168,683</u>
Investment value at 31 March 2024	<u>3,383,169</u>	<u>3,139,954</u>
Quoted investment cost as at 31 March 2024	<u>2,435,377</u>	<u>2,421,144</u>

The Mertoun Gardens Trust

Notes to the financial statements (continued)

For the year ended 31 March 2024

13	Stocks	2024	2023
		£	£
	Stocks	1,366	1,180
14	Debtors	2024	2023
		£	£
	Trade debtors	-	1,041
	Other debtors	6,889	4,820
		6,889	5,861
15	Creditors: amounts falling due within one year	2024	2023
		£	£
	Trade creditors	2,590	1,303
	Other creditors	5,100	4,925
		7,690	6,228

16 Company Limited by guarantee

The charity is a company limited by guarantee. The liability of members is restricted to £1 each.

17	Unrestricted fund	Balance at 1 April 2023	Net income less expenses	Transfer from designated capital endowment	Balance at 31 March 2024
		£	£	£	£
	General unrestricted fund	54,758	(40,005)	50,000	64,753
		54,758	(40,005)	50,000	64,753
18	Endowment fund	Balance at 1 April 2023	Transfer to unrestricted fund	Net movement	Balance at 31 March 2024
		£	£	£	£
	Investments	3,171,746	(50,000)	248,547	3,370,293
		3,171,746	(50,000)	248,547	3,370,293

The Mertoun Gardens Trust

Notes to the financial statements (continued) For the year ended 31 March 2024

19 Analysis of net assets (between designated and unrestricted funds)

	Fixed assets £	Investments £	Other net assets £	Total 31 March 2024 £
Designated Fund	-	3,370,293	-	3,370,293
Unrestricted funds	40,069	12,876	11,808	64,753
	<u>40,069</u>	<u>3,383,169</u>	<u>11,808</u>	<u>3,435,046</u>

20 Related party relationships and transactions

Mertoun Gardens is leased from a Sutherland Family Settlement for a peppercorn sum and the lease expires on 31 January 2052.

The Mertoun Gardens Trust

**Statement of financial activities
For the year ended 31 March 2024**

	£	2024 £	£	2023 £
Incoming Resources				
Income from investments		78,329		67,176
Income from Mertoun Gardens:				
- Admission Charges	1,861		2,226	
- Garden Sales	7,263		2,400	
- Contracting charges	12,452		11,982	
- Letting income	17,424		16,712	
- Bank interest	212		53	
		<u>39,212</u>		<u>33,373</u>
		117,541		100,549
Direct Charitable Expenditure				
Expenditure on Mertoun Gardens:				
Seeds, fertilisers and plants	1,676		1,017	
Wages and salaries	81,311		64,525	
Heating and lighting	5,117		4,163	
Rates on gardener's cottage	1,782		1,697	
Equipment maintenance and running expenses	3,910		3,394	
Building maintenance	15,065		3,507	
Administration and sundry expenses	5,517		9,732	
Insurance	3,087		3,287	
Contractor services	4,437		8,390	
Depreciation	14,190		15,637	
Amortisation	217		-	
		<u>(136,309)</u>		<u>(115,349)</u>
		(18,768)		(14,800)
Other Expenditure				
Accountancy fees	4,800		4,550	
Legal fees	4,000		5,567	
Investment management charges	14,937		15,415	
		<u>(23,737)</u>		<u>(25,540)</u>
Deficit for the year carried forward		(42,505)		(40,340)

The Mertoun Gardens Trust

**Statement of financial activities (continued)
For the year ended 31 March 2024**

	£	2024 £	£	2023 £
Deficit for the year brought forward		(42,505)		(40,340)
Fund balances brought forward		3,226,504		3,296,378
Realised gain on investments		88,482		161,946
Unrealised (losses) / gains on investment		159,779		(191,579)
Gain on sale of fixed assets		2,500		-
Exchange gains		286		99
Fund balances carried forward		<u>3,435,046</u>		<u>3,226,504</u>

Pages 19 and 20 do not form part of the statutory financial statements.

THE MERTOUN GARDENS TRUST

England & Wales - Charity number 1113423

Accounts

Company Registration No. 05747404 (England and Wales)
Scottish Charity No SC039389
English Charity No 1113423

The Mertoun Gardens Trust

**Unaudited financial statements
For the year ended 31 March 2023**



The Mertoun Gardens Trust

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The Mertoun Gardens Trust

Report of the Trustees

For the year ended 31 March 2023

The Trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the current statutory requirements, the Articles of Association and the 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) published on 1 January 2019.

The Trustees

The Trustees who served the charity during the year were as follows:

Lord Henry Alexander Egerton
Lady Alice Marian Fremantle
Michael John Chantler

Structure, governance and management

Legal Status

The Mertoun Gardens Trust is a private company limited by guarantee (company number 05747404) and a registered charity (charity number 1113423). The charity is also registered with the Office of the Scottish Charity Regulator (charity number SC039389).

It is governed by its memorandum and articles of association dated 16 March 2006. In the event of the charity being wound up, the liability of the members of the company is limited to £1 each.

The organisation's structure

The minimum number of Trustees is 3 and the maximum 10. Trustees must be a member of the company. Trustees can be appointed by the Board at any time and the appointment must be ratified at the following annual general meeting.

The Gardens are administered by a Gardens Committee which reports to the Trustees and to whom the day to day running and administration of the Gardens has been delegated by the Trustees.

How the Trustees are appointed and trained

The Trustees have been appointed on the basis of their skills, knowledge and experience of the current and future activities of the organisation, by agreement with existing Trustees. The Trustees recognise that new Trustees should be aware of the charity's charitable purposes, modus operandi and plans. Trustees are kept informed of developments in the law and accounting practices by their professional advisers.

The Mertoun Gardens Trust

Report of the Trustees (continued) For the year ended 31 March 2023

How decisions are made

Most decisions are taken by consensus agreement. Should it be necessary, an issue may be determined by a simple majority of the votes cast at a meeting, but a written resolution signed by all the Trustees is as valid as a resolution passed at a meeting. Except for the chairman of the meeting, who has a second or casting vote, every Trustee has one vote on each issue.

Risk management

The Trustees keep under review the main risks to which the charity is exposed. The Trustees meet regularly and review the policies and procedures established to help mitigate these risks as necessary. Day to day risks are mitigated by the policies and procedures established by the Trustees as implemented by the Gardens Committee and are reviewed on a regular basis.

Strategy and activities

Strategy of the charity

The strategy of the charity is:

- To promote for the public benefit the planting, maintenance, improvement and preservation of Mertoun Gardens at St Boswells, Melrose, Roxburghshire;
- To advance the education of the public, in particular in relation to the history, design and horticultural significance of the Gardens; and
- Such other charitable purpose as the Trustees shall think fit.

Objectives for the year

In addition to the ongoing planting, preservation and maintenance of the Gardens for the public benefit, the Trustees are committed to opening the Gardens to the widest possible audience. The Trustees have sought accordingly to ensure that admission charges to the Gardens are kept as low as reasonably possible and have explored means of widening the audience, including liaising with local schools to encourage organised school visits.

Investment policy

There are no restrictions on the charity's power to invest and the Trustees have adopted an investment strategy that seeks to balance the income needs of the charity with future capital growth. The Trustees have delegated the management of the investment portfolio to Waverton Investment Management who manage the portfolio on a discretionary basis and who report to and meet with the Trustees on a regular basis to review the performance of the portfolio and investment strategy.

The Mertoun Gardens Trust

Report of the Trustees (continued) For the year ended 31 March 2023

Achievements and performance

The Trustees confirm they have referred to the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and setting its plans for future years.

The Charity's significant activities are outlined in this report. In furtherance of their charitable objects, the Trustees maintain the Gardens and open them to the public generally and with special parties and guided tours being organised by arrangement. The Charity also undertakes activities related to the Gardens which have an educational emphasis.

In particular, the Charity has hosted a number of schools for visits to the Gardens under the supervision of the Royal Highlands Educational Trust, and has also run a work experience programme, through which colleges have sent students to the Gardens to gain experience in gardening and other practical work. Furthermore, the Trustees have obtained an extension of their lease until 31 January 2052 (from 31 March 2037), and have set up a website, the costs of which have been capitalised.

Financial review

Reserves and financial review

During the year the Trustees received incoming resources totalling £100,549 (2022: £97,863). Direct expenditure on the Gardens amounted to £125,466 (2022: £121,553) and general administration costs of £15,415 (2022: £16,008). This resulted in a net deficit for the year of £40,332 (2022: £39,698) before the gain on disposal of fixed assets of £nil (2022: £333), the gain on disposal of investments of £161,946 (2022: £154,622), the unrealised losses on investments and assets of £191,579 (2022: £120,548 gain) and the gain on foreign exchange of £99 (2022: £444). The Trustees are aware of the need to increase the income generating asset base in order to balance their books.

The Trustees have reviewed the reserves available to them and are satisfied that they are adequate to meet their short term needs. The investment portfolio is shown as a designated capital endowment. The intention of the Trustees is that the endowment should be able to generate sufficient income to meet the costs of the charity's operations.

Plans for future years

As stated, the Trustees wish to build up their endowment to ensure that sufficient income can be generated from the investment portfolio in order to meet the costs associated with operating the Gardens and opening the Gardens to the public. The Trustees wish to ensure the widest possible public access to the Gardens commensurate with their preservation and planting seasons.

The Mertoun Gardens Trust

**Report of the Trustees (continued)
For the year ended 31 March 2023**

Responsibilities of the Trustees

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements in the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant accounting information of which the charity's accountants are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant accounting information and to establish that the accountants are aware of that information.

Small company provisions

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

Signed on behalf of the board



Michael John Chantler

Trustee

22 December 2022

The Mertoun Gardens Trust

Company information

Registered charity name	The Mertoun Gardens Trust
Trustees	Lord Henry Egerton Lady Alice Marian Fremantle Michael John Chantler
Gardens Committee	Her Grace the Duchess of Sutherland Evelyn, Duchess of Sutherland Harriet Bowes-Lyon Marchioness of Stafford
Secretary	James Galbraith
English charity number	1113423
OSCR charity number	SC039389
Company number	05747404
Registered office	66 Lincoln's Inn Fields London WC2A 3LH
Accountants	Jamie H Younger CA Saffery LLP Edinburgh Quay 133 Fountainbridge Edinburgh EH3 9BA
Investment Managers	Waverton Investment Management Limited 16 Babmaes Street London SW1Y 6AH
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH
Bankers	Bank of Scotland plc 8/9 The Square Kelso TD5 7HQ

The Mertoun Gardens Trust

Independent examiner's report to the trustees of The Mertoun Gardens Trust

I report to the Trustees on the examination of the accounts of the company for the year ended 31 March 2023 which are set out on pages 8 to 18.

Respective responsibilities of Trustees and examiner

As the Trustees of the Company (who are also the directors of the company for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 ("the 2005 Act"), the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006 ("the 2006 Act"). You are satisfied that the accounts of the Company are not required by charity or company law to be audited and have chosen instead to have an independent examination.

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Company's accounts carried out under section 44 (1) (c) of the 2005 Act and section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination I have followed the requirements of Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. 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 no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

Since the Company is required by company law to prepare its accounts on an accrual basis and is registered as a charity in Scotland your examiner must be a body listed in Regulation 11(2) of the Charities Accounts (Scotland) Regulations 2006 (as amended). I can confirm that I am qualified to undertake the examination because I am a registered member of The Institute of Chartered Accountants of Scotland which is one of the listed bodies.

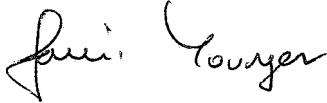
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept as required by section 386 of the 2006 Act and Regulation 4 of the 2006 Accounts Regulations; or
- 2 the accounts do not accord with those records with the accounting requirements of Regulation 8 of the Charities Accounts (Scotland) Regulations 2006; or
- 3 the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a "true and fair view which is not a matter considered as part of an independent examination; or
- 4 the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

The Mertoun Gardens Trust

Independent examiner's report to the trustees of The Mertoun Gardens Trust

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



Jamie H Younger CA
Saffery LLP
Chartered Accountants

22 December 2023

.....
Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9BA

The Mertoun Gardens Trust

Statement of financial activities incorporating the income and expenditure account
For the year ended 31 March 2023

	Notes	Endowment Fund 2023 £	Unrestricted Fund 2023 £	Total Funds 2023 £	Total Funds 2022 £
Income					
Donations		-	-	-	-
Investment income	2	-	67,229	67,229	60,007
Income from charitable activities	3	-	33,320	33,320	37,856
Total income		-	100,549	100,549	97,863
Expenditure					
Expenditure on charitable activities	4	-	125,466	125,466	121,553
Other: investment management costs	6	-	15,415	15,415	16,008
Total expenditure		-	(140,881)	(140,881)	(137,561)
Net expenditure	7	-	(40,332)	(140,881)	(39,698)
Other recognised gains					
Gain on sale of fixed asset		-	-	-	333
Realised gains on investments		161,946	-	161,946	154,622
Unrealised (losses) / gains on investments		(191,579)	-	(191,579)	120,548
Foreign exchange gain		99	-	99	444
Net movement in funds		(29,534)	(40,332)	(69,874)	236,249
Gross transfer between funds		-	-	-	-
Total funds brought forward		3,201,280	95,098	3,296,378	3,060,129
Total funds carried forward		3,171,746	54,766	3,226,504	3,296,378

There are no other recognised gains or losses other than those shown in these accounts. All of the above amounts relate to continuing activities.

The notes on pages 11 to 18 form part of these financial statements.

The Mertoun Gardens Trust

**Balance sheet
As at 31 March 2023**

	Notes	£	2023 £	£	2022 £
Fixed assets					
Intangible assets	9		2,174		-
Tangible assets	11		36,578		52,217
Investments	12		3,141,580		3,212,492
			<u>3,180,332</u>		<u>3,264,709</u>
Current assets					
Stocks	13	1,180		563	
Debtors	14	5,861		3,477	
Cash at bank and in hand		45,359		34,048	
			<u>52,400</u>	<u>38,088</u>	
Creditors: amounts falling due within one year	15	(6,228)		(6,419)	
Net current assets			<u>46,172</u>		<u>31,669</u>
Total assets less current liabilities			<u>3,226,504</u>		<u>3,296,378</u>
Capital and reserves					
Unrestricted fund	17		54,758		95,098
Endowment fund	18		3,171,746		3,201,280
Total funds			<u>3,226,504</u>		<u>3,296,378</u>

The Mertoun Gardens Trust

Balance sheet (continued)

As at 31 March 2023

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps adequate accounting records which comply with Section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

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

The notes on pages 11 to 18 form part of these financial statements.

Approved by the Board for issue on 30 November 2023



Michael John Chantler
Trustee

Company Registration No. 05747404

The Mertoun Gardens Trust

Notes to the financial statements For the year ended 31 March 2023

1 Accounting policies

1.1 Basis for preparation

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

The Mertoun Gardens Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

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

1.2 Cash flow statement

The Trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

1.3 Donations, legacies and similar incoming resources

Donations, legacies and similar incoming resources are included in the year in which they are receivable, which is when the charity becomes entitled to the resource.

1.4 Patents

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Property improvements	10% - 20% straight line
Plant and machinery	10% - 15% straight line and 15% reducing balance
Motor vehicles	25% straight line

1 Accounting policies (continued)

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's Balance Sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Statement of Financial Activities, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through the Statement of Financial Activities, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the statement of financial activities.

De-recognition of financial assets

Financial assets are de-recognised only when the contractual rights to the cash flows from the asset expire, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through the Statement of Financial Activities. Changes in the fair value of derivatives are recognised in the Statement of Financial Activities as appropriate.

The Mertoun Gardens Trust

Notes to the financial statements (continued)

For the year ended 31 March 2023

1 Accounting policies (continued)

De-recognition of financial liabilities

Financial liabilities are de-recognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.7 Investments

Investments are shown at market value.

1.8 Stock

Stock is valued at the lower of cost and net realisable value.

1.9 Expenditure

Expenditure is included on an accruals basis.

Costs of generating funds comprise those costs directly attributable to raising donations and grants.

Charitable expenditure comprises costs that are directly attributable to the furtherance of achieving the charities objectives.

Governance costs comprise costs that directly relate to the governance of the charity.

1.10 Pension costs

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.12 Unrestricted fund

These are funds which can be used in accordance with the charitable objectives at the discretion of the Trustees.

1.13 Endowment fund

The Trustees have designated, as an administrative allocation of unrestricted general funds, the investment portfolio on the basis that it is intended to form a capital endowment whose income is to be used for the general purposes of the Trust.

2 Investment income	2023	2022
	£	£
Bank interest receivable	53	4
Income from investments	67,176	60,003
	<u>67,229</u>	<u>60,007</u>

All investment income received is deemed unrestricted.

The Mertoun Gardens Trust

Notes to the financial statements (continued)
For the year ended 31 March 2023

3	Income from charitable activities	2023	2022
		£	£
	Admission charges	2,226	1,669
	Garden sales	2,400	7,070
	Contracting sales	11,982	13,233
	Letting sales	16,712	15,884
		<u>33,320</u>	<u>37,856</u>

All income from charitable activities is deemed unrestricted.

4	Cost of charitable activities	2023	2022
		£	£
	Labour costs	64,525	63,550
	Heating and lighting	4,163	3,488
	Seed, fertilisers, plants etc	1,017	1,305
	Equipment maintenance and running expenses	3,394	4,186
	Rates on gardeners' houses	1,697	1,648
	Buildings maintenance	3,507	15,490
	Administration	9,732	6,463
	Insurance	3,287	2,751
	Contractor services	8,390	1,857
	Depreciation	15,637	12,515
	Governance costs	10,117	8,300
		<u>125,466</u>	<u>121,553</u>

A full breakdown of governance costs is included in note 5.

5	Governance costs	2023	2022
		£	£
	Accountancy fees	4,550	4,300
	Legal fees	5,567	4,000
		<u>10,117</u>	<u>8,300</u>

The Mertoun Gardens Trust

Notes to the financial statements (continued)
For the year ended 31 March 2023

6	Investment management costs	2023	2022
		£	£
	Investment manager fees	15,415	16,008
		<u> </u>	<u> </u>

7	Net outgoing resources for the year	2023	2022
		£	£
	Net outgoing resources are stated after charging: Depreciation of tangible assets	15,637	12,515
		<u> </u>	<u> </u>

8 Taxation

The company is a charity for the purposes of Section 505 ICTA 1988 and is exempt from taxation on the whole of its income.

9 Intangible fixed assets

		Website
		£
	Cost	
	At 1 April 2022	-
	Additions	2,174
	At 31 March 2023	<u>2,174</u>
	Net book value	
	At 31 March 2023	<u>2,174</u>
	At 31 March 2022	<u>-</u>

10 Staff numbers

The average monthly headcount was as follows:

	2023	2022
Maintenance	3	3
	<u> </u>	<u> </u>

No employee received emoluments of more than £60,000 during the year (2022: Nil).

No Trustee received remuneration during the year (2022: Nil).

The Mertoun Gardens Trust

Notes to the financial statements (continued)
For the year ended 31 March 2023

11 Tangible fixed assets	Improvements to property £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 April 2022 & at 31 March 2023	102,112	87,360	15,841	205,313
Depreciation				
At 1 April 2022	70,643	66,612	15,841	153,096
Charge for the year	9,766	5,871	-	15,637
At 31 March 2023	80,410	72,483	15,841	168,733
Net book value				
At 31 March 2023	21,702	14,876	-	36,578
At 31 March 2022	31,469	20,748	-	52,217
12 Fixed asset investments			2023 £	2022 £
Quoted Investments				
Market value as at 1 April 2022			3,118,613	2,897,417
Additions at cost			355,102	445,151
Unrealised (losses) / gains			(191,579)	120,548
Disposals			(310,866)	(344,503)
Market value as at 31 March 2023			2,971,270	3,118,613
Unquoted Investments				
Value as at 1 April 2022 & 31 March 2023			1	1
Value of quoted and unquoted investments at 31 March 2023			2,971,271	3,118,614
Funds in bank held for investment			170,309	92,351
Investment value at 31 March 2023			3,141,580	3,210,965
Quoted investment cost as at 31 March 2023			2,435,377	2,421,144
13 Stocks			2023 £	2022 £
Stocks			1,180	563

The Mertoun Gardens Trust

Notes to the financial statements (continued)
For the year ended 31 March 2023

14 Debtors	2023	2022
	£	£
Trade debtors	1,041	-
Other debtors	4,820	3,477
	<u>5,861</u>	<u>3,477</u>

15 Creditors: amounts falling due within one year	2023	2022
	£	£
Trade creditors	1,303	1,669
Other creditors	4,925	4,750
	<u>6,228</u>	<u>6,419</u>

16 Company Limited by guarantee

The charity is a company limited by guarantee. The liability of members is restricted to £1 each.

17 Unrestricted fund	Balance at 1 April 2022	Net income less expenses	Transfer to designated capital endowment	Balance at 31 March 2023
	£	£	£	£
General unrestricted fund	95,098	(40,332)	-	54,766
	<u>95,098</u>	<u>(40,332)</u>	<u>-</u>	<u>54,766</u>

18 Endowment fund	Balance at 1 April 2022	Designated income	Net movement	Balance at 31 March 2023
	£	£	£	£
Investments	3,201,280	-	(29,534)	3,171,746
	<u>3,201,280</u>	<u>-</u>	<u>(29,534)</u>	<u>3,171,746</u>

The Mertoun Gardens Trust

**Notes to the financial statements (continued)
For the year ended 31 March 2023**

19 Analysis of net assets (between designated and unrestricted funds)

	Tangible fixed assets	Investments	Other net assets	Total assets
	£	£	£	31 March 2023 £
Designated Fund	-	3,171,746	-	3,171,746
Unrestricted funds	36,578	-	18,180	54,758
	<u>36,578</u>	<u>3,171,746</u>	<u>18,180</u>	<u>3,226,504</u>

20 Related party relationships and transactions

Mertoun Gardens is leased from a Sutherland Family Settlement for a peppercorn sum and the lease expires on 31 January 2052.

THE MERTOUN GARDENS TRUST

England & Wales - Charity number 1113423

Accounts

Company Registration No. 05747404 (England and Wales)

Scottish Charity No SC039389

English Charity No 1113423

The Mertoun Gardens Trust

**Unaudited financial statements
For the year ended 31 March 2022**

Saffery Champness
CHARTERED ACCOUNTANTS

The Mertoun Gardens Trust

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The Mertoun Gardens Trust

Report of the Trustees

For the year ended 31 March 2022

The Trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the current statutory requirements, the Articles of Association and the 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) published on 1 January 2019.

The Trustees

The Trustees who served the charity during the year were as follows:

Lord Henry Alexander Egerton

Lady Alice Marian Fremantle

Michael John Chantler

Structure, governance and management

Legal Status

The Mertoun Gardens Trust is a private company limited by guarantee (company number 05747404) and a registered charity (charity number 1113423). The charity is also registered with the Office of the Scottish Charity Regulator (charity number SC039389).

It is governed by its memorandum and articles of association dated 16 March 2006. In the event of the charity being wound up, the liability of the members of the company is limited to £1 each.

The organisation's structure

The minimum number of Trustees is 3 and the maximum 10. Trustees must be a member of the company. Trustees can be appointed by the Board at any time and the appointment must be ratified at the following annual general meeting.

The Gardens are administered by a Gardens Committee which reports to the Trustees and to whom the day to day running and administration of the Gardens has been delegated by the Trustees.

How the Trustees are appointed and trained

The Trustees have been appointed on the basis of their skills, knowledge and experience of the current and future activities of the organisation, by agreement with existing Trustees. The Trustees recognise that new Trustees should be aware of the charity's charitable purposes, modus operandi and plans. Trustees are kept informed of developments in the law and accounting practices by their professional advisers.

The Mertoun Gardens Trust

Report of the Trustees (continued) For the year ended 31 March 2022

How decisions are made

Most decisions are taken by consensus agreement. Should it be necessary, an issue may be determined by a simple majority of the votes cast at a meeting, but a written resolution signed by all the Trustees is as valid as a resolution passed at a meeting. Except for the chairman of the meeting, who has a second or casting vote, every Trustee has one vote on each issue.

Risk management

The Trustees keep under review the main risks to which the charity is exposed. The Trustees meet regularly and review the policies and procedures established to help mitigate these risks as necessary. Day to day risks are mitigated by the policies and procedures established by the Trustees as implemented by the Gardens Committee and are reviewed on a regular basis.

Strategy and activities

Strategy of the charity

The strategy of the charity is:

- To promote for the public benefit the planting, maintenance, improvement and preservation of Mertoun Gardens at St Boswells, Melrose, Roxburghshire;
- To advance the education of the public, in particular in relation to the history, design and horticultural significance of the Gardens; and
- Such other charitable purpose as the Trustees shall think fit.

Objectives for the year

In addition to the ongoing planting, preservation and maintenance of the Gardens for the public benefit, the Trustees are committed to opening the Gardens to the widest possible audience. The Trustees have sought accordingly to ensure that admission charges to the Gardens are kept as low as reasonably possible and have explored means of widening the audience, including liaising with local schools to encourage organised school visits.

Investment policy

There are no restrictions on the charity's power to invest and the Trustees have adopted an investment strategy that seeks to balance the income needs of the charity with future capital growth. The Trustees have delegated the management of the investment portfolio to Waverton Investment Management who manage the portfolio on a discretionary basis and who report to and meet with the Trustees on a regular basis to review the performance of the portfolio and investment strategy.

The Mertoun Gardens Trust

Report of the Trustees (continued) For the year ended 31 March 2022

Achievements and performance

The Trustees confirm they have referred to the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and setting its plans for future years.

The Charity's significant activities are outlined in this report. In furtherance of their charitable objects, the Trustees maintain the Gardens and open them to the public generally and with special parties and guided tours being organised by arrangement. The Charity also undertakes activities related to the Gardens which have an educational emphasis.

In particular, the Charity has hosted a number of schools for visits to the Gardens under the supervision of the Royal Highlands Educational Trust, and has also run a work experience programme, through which colleges have sent students to the Gardens to gain experience in gardening and other practical work.

Financial review

Reserves and financial review

During the year the Trustees received incoming resources totalling £97,863 (2021: £104,217). Direct expenditure on the Gardens amounted to £121,553 (2021: £143,343) and general administration costs of £16,008 (2021: £15,052). This resulted in a net deficit for the year of £39,698 (2021: £54,178) before the gain on disposal of fixed assets of £333 (2021: £nil), the gain on disposal of investments of £154,622 (2021: £137,343), the unrealised gain on investments and assets of £120,548 (2021: £214,247 losses) and the gain on foreign exchange of £444 (2021: £nil). The Trustees are aware of the need to increase the income generating asset base in order to balance their books.

The Trustees have reviewed the reserves available to them and are satisfied that they are adequate to meet their short term needs. The investment portfolio is shown as a designated capital endowment. The intention of the Trustees is that the endowment should be able to generate sufficient income to meet the costs of the charity's operations.

Plans for future years

As stated, the Trustees wish to build up their endowment to ensure that sufficient income can be generated from the investment portfolio in order to meet the costs associated with operating the Gardens and opening the Gardens to the public. The Trustees wish to ensure the widest possible public access to the Gardens commensurate with their preservation and planting seasons.

The Mertoun Gardens Trust

**Report of the Trustees (continued)
For the year ended 31 March 2022**

Responsibilities of the Trustees

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements in the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


In so far as the Trustees are aware:

- there is no relevant accounting information of which the charity's accountants are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant accounting information and to establish that the accountants are aware of that information.

Small company provisions

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

Signed on behalf of the board


.....
Michael John Chantler
Trustee
..... 1/12/2022

The Mertoun Gardens Trust

Company information

Registered charity name	The Mertoun Gardens Trust
Trustees	Lord Henry Egerton Lady Alice Marian Fremantle Michael John Chantler
Gardens Committee	Her Grace the Duchess of Sutherland Evelyn, Duchess of Sutherland Harriet Bowes-Lyon Barbara, Marchioness of Stafford
Secretary	James Galbraith
English charity number	1113423
OSCR charity number	SC039389
Company number	05747404
Registered office	66 Lincoln's Inn Fields London WC2A 3LH
Accountants	Jamie H Younger CA Saffery Champness LLP Edinburgh Quay 133 Fountainbridge Edinburgh EH3 9BA
Investment Managers	Waverton Investment Management Limited 16 Babmaes Street London SW1Y 6AH
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH
Bankers	Bank of Scotland plc 8/9 The Square Kelso TD5 7HQ

The Mertoun Gardens Trust

Independent examiner's report to the trustees of The Mertoun Gardens Trust

I report to the Trustees on the examination of the accounts of the company for the year ended 31 March 2022 which are set out on pages 8 to 19.

Respective responsibilities of Trustees and examiner

As the Trustees of the Company (who are also the directors of the company for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 ("the 2005 Act"), the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006 ("the 2006 Act"). You are satisfied that the accounts of the Company are not required by charity or company law to be audited and have chosen instead to have an independent examination.

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Company's accounts carried out under section 44 (1) (c) of the 2005 Act and section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination I have followed the requirements of Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. 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 no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

Since the Company is required by company law to prepare its accounts on an accrual basis and is registered as a charity in Scotland your examiner must be a body listed in Regulation 11(2) of the Charities Accounts (Scotland) Regulations 2006 (as amended). I can confirm that I am qualified to undertake the examination because I am a registered member of The Institute of Chartered Accountants of Scotland which is one of the listed bodies.

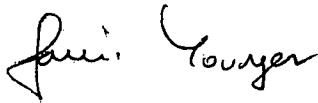
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept as required by section 386 of the 2006 Act and Regulation 4 of the 2006 Accounts Regulations; or
- 2 the accounts do not accord with those records with the accounting requirements of Regulation 8 of the Charities Accounts (Scotland) Regulations 2006; or
- 3 the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a "true and fair view which is not a matter considered as part of an independent examination; or
- 4 the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

The Mertoun Gardens Trust

Independent examiner's report to the trustees of The Mertoun Gardens Trust

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



**Jamie H Younger CA
Saffery Champness LLP
Chartered Accountants**

13 December 2022

**Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9BA**

The Mertoun Gardens Trust

Statement of financial activities incorporating the income and expenditure account
For the year ended 31 March 2022

	Notes	Endowment Fund 2022 £	Unrestricted Fund 2022 £	Total Funds 2022 £	Total Funds 2021 £
Income					
Donations		-	-	-	15,100
Investment income	2	-	60,007	60,007	60,169
Income from charitable activities	3	-	37,856	37,856	28,948
Total income		-	97,863	97,863	104,217
Expenditure					
Expenditure on charitable activities	4	-	121,553	121,553	143,343
Other: investment management costs	6	8,004	8,004	16,008	15,052
Total expenditure		(8,004)	(129,557)	(137,561)	(158,395)
Net expenditure	7	(8,004)	(31,694)	(39,698)	(54,178)
Other recognised gains					
Gain on sale of fixed asset		-	333	333	-
Realised gains on investments		154,622	-	154,622	137,343
Unrealised gains on investments		120,548	-	120,548	214,247
Foreign exchange gain		444	-	444	-
Net movement in funds		267,610	(31,361)	236,249	297,412
Gross transfer between funds		-	-	-	-
Total funds brought forward		2,933,670	126,459	3,060,129	2,762,717
Total funds carried forward		3,201,280	95,098	3,296,378	3,060,129

There are no other recognised gains or losses other than those shown in these accounts. All of the above amounts relate to continuing activities.

The notes on pages 11 to 19 form part of these financial statements.

The Mertoun Gardens Trust

Balance sheet
As at 31 March 2022

	Notes	£	2022 £	£	2021 £
Fixed assets					
Tangible assets	10		52,217		58,709
Investments	11		3,212,492		2,983,832
			<u>3,264,709</u>		<u>3,042,541</u>
Current assets					
Stocks	12	563		930	
Debtors	13	3,477		7,991	
Cash at bank and in hand		34,048		23,191	
			<u>38,088</u>	<u>32,112</u>	
Creditors: amounts falling due within one year	14	(6,419)		(14,524)	
Net current assets			<u>31,669</u>		<u>17,588</u>
Total assets less current liabilities			<u>3,296,378</u>		<u>3,060,129</u>
Capital and reserves					
Unrestricted fund	16		95,098		126,459
Endowment fund	17		3,201,280		2,933,670
Total funds			<u>3,296,378</u>		<u>3,060,129</u>

The Mertoun Gardens Trust

Balance sheet (continued)

As at 31 March 2022

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps adequate accounting records which comply with Section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

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

The notes on pages 11 to 19 form part of these financial statements.

Approved by the Board for issue on ...1/12/2022


.....
Michael John Chantler
Trustee

Company Registration No. 05747404

The Mertoun Gardens Trust

**Notes to the financial statements
For the year ended 31 March 2022**

1 Accounting policies

1.1 Basis for preparation

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

The Mertoun Gardens Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

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

1.2 Cash flow statement

The Trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

1.3 Donations, legacies and similar incoming resources

Donations, legacies and similar incoming resources are included in the year in which they are receivable, which is when the charity becomes entitled to the resource.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Property improvements	10% - 20% straight line
Plant and machinery	10% - 15% straight line and 15% reducing balance
Motor vehicles	25% straight line

The Mertoun Gardens Trust

Notes to the financial statements (continued)

For the year ended 31 March 2022

1 Accounting policies (continued)

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's Balance Sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Statement of Financial Activities, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through the Statement of Financial Activities, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the statement of financial activities.

De-recognition of financial assets

Financial assets are de-recognised only when the contractual rights to the cash flows from the asset expire, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through the Statement of Financial Activities. Changes in the fair value of derivatives are recognised in the Statement of Financial Activities as appropriate.

The Mertoun Gardens Trust

Notes to the financial statements (continued)

For the year ended 31 March 2022

1 Accounting policies (continued)

De-recognition of financial liabilities

Financial liabilities are de-recognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.6 Investments

Investments are shown at market value.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Expenditure

Expenditure is included on an accruals basis.

Costs of generating funds comprise those costs directly attributable to raising donations and grants.

Charitable expenditure comprises costs that are directly attributable to the furtherance of achieving the charities objectives.

Governance costs comprise costs that directly relate to the governance of the charity.

1.9 Pension costs

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.11 Unrestricted fund

These are funds which can be used in accordance with the charitable objectives at the discretion of the Trustees.

1.12 Endowment fund

The Trustees have designated, as an administrative allocation of unrestricted general funds, the investment portfolio on the basis that it is intended to form a capital endowment whose income is to be used for the general purposes of the Trust.

The Mertoun Gardens Trust

Notes to the financial statements (continued)

For the year ended 31 March 2022

2	Investment income	2022	2021
		£	£
	Bank interest receivable	4	5
	Income from investments	60,003	60,164
		<u>60,007</u>	<u>60,169</u>

All investment income received is deemed unrestricted.

3	Income from charitable activities	2022	2021
		£	£
	Admission charges	1,669	-
	Garden sales	7,070	1,400
	Contracting sales	13,233	11,768
	Letting sales	15,884	15,780
		<u>37,856</u>	<u>28,948</u>

All income from charitable activities is deemed unrestricted.

4	Cost of charitable activities	2022	2021
		£	£
	Labour costs	63,550	61,706
	Heating and lighting	3,488	2,455
	Seed, fertilisers, plants etc	1,305	985
	Equipment maintenance and running expenses	4,186	4,506
	Rates on gardeners' houses	1,648	1,648
	Buildings maintenance	15,490	40,339
	Administration	6,463	4,638
	Insurance	2,751	2,216
	Contractor services	1,857	3,501
	Depreciation	12,515	13,224
	Governance costs	8,300	8,125
		<u>121,553</u>	<u>143,343</u>

A full breakdown of governance costs is included in note 5.

The Mertoun Gardens Trust

Notes to the financial statements (continued)
For the year ended 31 March 2022

5	Governance costs	2022	2021
		£	£
	Accountancy fees	4,300	4,125
	Legal fees	4,000	4,000
		<u>8,300</u>	<u>8,125</u>

6	Investment management costs	2022	2021
		£	£
	Investment manager fees	16,008	15,052
		<u>16,008</u>	<u>15,052</u>

7	Net outgoing resources for the year	2022	2021
		£	£
	Net outgoing resources are stated after charging:		
	Depreciation of tangible assets	12,515	13,224
		<u>12,515</u>	<u>13,224</u>

8 Taxation

The company is a charity for the purposes of Section 505 ICTA 1988 and is exempt from taxation on the whole of its income.

9 Staff numbers

The average monthly headcount was as follows:

	2022	2021
Maintenance	<u>3</u>	<u>3</u>

No employee received emoluments of more than £60,000 during the year (2021: Nil).

No Trustee received remuneration during the year (2021: Nil).

The Mertoun Gardens Trust

Notes to the financial statements (continued)
For the year ended 31 March 2022

10 Tangible fixed assets

	Improvements to property £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 April 2021	102,112	83,783	15,841	201,736
Additions	-	6,427	-	6,427
Disposals	-	(2,850)	-	(2,850)
At 31 March 2022	<u>102,112</u>	<u>87,360</u>	<u>15,841</u>	<u>205,313</u>
Depreciation				
At 1 April 2021	60,877	66,310	15,840	143,027
On disposals	-	(2,445)	-	(2,445)
Charge for the year	9,766	2,747	1	12,514
At 31 March 2022	<u>70,643</u>	<u>66,612</u>	<u>15,841</u>	<u>153,096</u>
Net book value				
At 31 March 2022	<u>31,469</u>	<u>20,748</u>	<u>-</u>	<u>52,217</u>
At 31 March 2021	<u>41,235</u>	<u>17,473</u>	<u>1</u>	<u>58,709</u>
Additions				
Husqvarna R316TSX		5,575		
Stihl FS 460 C-EM		789		
Rakes		63		
		<u>6,427</u>		

The Mertoun Gardens Trust

Notes to the financial statements (continued)

For the year ended 31 March 2022

11 Fixed asset investments

	2022	2021
	£	£
Quoted Investments		
Market value as at 1 April 2021	2,897,417	2,412,524
Additions at cost	445,151	677,895
Unrealised gains	120,548	214,247
Disposals	(344,503)	(407,249)
Market value as at 31 March 2022	<u>3,118,613</u>	<u>2,897,417</u>
Unquoted Investments		
Value as at 1 April 2021 & 31 March 2022	<u>1</u>	<u>1</u>
Value of quoted and unquoted investments at 31 March 2022	3,118,614	2,897,418
Funds in bank held for investment	<u>93,878</u>	<u>86,414</u>
Investment value at 31 March 2022	<u><u>3,212,492</u></u>	<u><u>2,983,832</u></u>
Quoted investment cost as at 31 March 2022	<u><u>2,435,377</u></u>	<u><u>2,421,144</u></u>

12 Stocks	2022	2021
	£	£
Stocks	<u>563</u>	<u>930</u>

13 Debtors	2022	2021
	£	£
Other debtors	<u>3,477</u>	<u>7,991</u>

The Mertoun Gardens Trust

Notes to the financial statements (continued)

For the year ended 31 March 2022

14 Creditors: amounts falling due within one year	2022	2021
	£	£
Trade creditors	1,669	8,949
Other creditors	4,750	5,575
	<u>6,419</u>	<u>14,524</u>

15 Company Limited by guarantee

The charity is a company limited by guarantee. The liability of members is restricted to £1 each.

16 Unrestricted fund	Balance at 1 April 2021	Net income less expenses	Transfer to designated capital endowment	Balance at 31 March 2022
	£	£	£	£
General unrestricted fund	126,459	(31,361)	-	95,098
	<u>126,459</u>	<u>(31,361)</u>	<u>-</u>	<u>95,098</u>

17 Endowment fund	Balance at 1 April 2021	Designated income	Net movement	Balance at 31 March 2022
	£	£	£	£
Investments	2,933,670	-	267,610	3,201,280
	<u>2,933,670</u>	<u>-</u>	<u>267,610</u>	<u>3,201,280</u>

The Mertoun Gardens Trust

Notes to the financial statements (continued)

For the year ended 31 March 2022

18 Analysis of net assets (between designated and unrestricted funds)

	Tangible fixed assets £	Investments £	Other net assets 31 March 2022 £	Total 31 March 2022 £
Restricted funds	-	3,201,280	-	3,201,280
Unrestricted funds	52,217	11,212	31,669	95,098
	<u>52,217</u>	<u>3,212,492</u>	<u>31,669</u>	<u>3,296,378</u>

19 Related party relationships and transactions

Mertoun Gardens is leased from a Sutherland Family Settlement for a peppercorn sum and the lease expires on 31 March 2037.

Michael John Chantler, one of the Trustees, was a partner in Farrer & Co LLP until his retirement on 30 April 2014. He continued to be a consultant until this arrangement ceased on 6 April 2021. Farrer & Co LLP provides legal and administrative support to the charity. During the year Farrer & Co LLP supplied services to the charity amounting to £4,000 (2021: £4,000) relating to advice given in connection with general charitable advice and administrative support.

The Mertoun Gardens Trust

Statement of financial activities
For the year ended 31 March 2022

	£	2022 £	£	2021 £
Incoming Resources				
Donations		-		15,100
Income from investments		60,003		60,164
Income from Mertoun Gardens:				
- Admission Charges	1,669		-	
- Garden Sales	7,070		1,400	
- Contracting charges	13,233		11,768	
- Letting income	15,884		15,780	
- Bank interest	4		5	
		<u>37,860</u>		<u>28,953</u>
		97,863		104,217
Direct Charitable Expenditure				
Expenditure on Mertoun Gardens:				
Seeds, fertilisers and plants	1,305		985	
Wages and salaries	63,550		61,706	
Heating and lighting	3,488		2,455	
Rates on gardener's cottage	1,648		1,648	
Equipment maintenance and running expenses	4,186		4,506	
Building maintenance	15,490		40,339	
Administration and sundry expenses	6,463		4,638	
Insurance	2,751		2,216	
Contractor services	1,857		3,501	
Depreciation	12,515		13,224	
		<u>(113,253)</u>		<u>(135,218)</u>
		(15,390)		(31,001)
Other Expenditure				
Accountancy fees	4,300		4,125	
Legal fees	4,000		4,000	
Investment management charges	16,008		15,052	
		<u>(24,308)</u>		<u>(23,177)</u>
Deficit for the year carried forward		(39,698)		(54,178)

The Mertoun Gardens Trust

Statement of financial activities (continued)
For the year ended 31 March 2022

	2022	2021
	£	£
Deficit for the year brought forward	(39,698)	(54,178)
Fund balances brought forward	3,060,129	2,762,717
Realised gain on investments	154,622	137,343
Unrealised gain on investment	120,548	214,247
Gain on sale of fixed assets	333	-
Exchange gains	444	-
Fund balances carried forward	<u>3,296,378</u>	<u>3,060,129</u>

Pages 20 and 21 do not form part of the statutory financial statements.

THE MERTOUN GARDENS TRUST

England & Wales - Charity number 1113423

Accounts

Company Registration No. 05747404 (England and Wales)
Scottish Charity No SC039389
English Charity No 1113423

The Mertoun Gardens Trust

**Unaudited financial statements
For the year ended 31 March 2021**

CHARITY COMMISSION
FIRST CONTACT

- 4 JAN 2022

ACCOUNTS
RECEIVED

Saffery Champness
CHARTERED ACCOUNTANTS

The Mertoun Gardens Trust

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The Mertoun Gardens Trust

Report of the Trustees

For the year ended 31 March 2021

The Trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the current statutory requirements, the Articles of Association and the 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) published on 16 July 2014.

The Trustees

The Trustees who served the charity during the year were as follows:

Lord Henry Alexander Egerton

Lady Alice Marian Fremantle

Michael John Chantler

Structure, governance and management

Legal Status

The Mertoun Gardens Trust is a private company limited by guarantee (company number 05747404) and a registered charity (charity number 1113423). The charity is also registered with the Office of the Scottish Charity Regulator (charity number SC039389).

It is governed by its memorandum and articles of association dated 16 March 2006. In the event of the charity being wound up, the liability of the members of the company is limited to £1 each.

The organisation's structure

The minimum number of Trustees is 3 and the maximum 10. Trustees must be a member of the company. Trustees can be appointed by the Board at any time and the appointment must be ratified at the following annual general meeting.

- The Gardens are administered by a Gardens Committee which reports to the Trustees and to whom the day to day running and administration of the Gardens has been delegated by the Trustees.

How the Trustees are appointed and trained

The Trustees have been appointed on the basis of their skills, knowledge and experience of the current and future activities of the organisation, by agreement with existing Trustees. The Trustees recognise that new Trustees should be aware of the charity's charitable purposes, modus operandi and plans. Trustees are kept informed of developments in the law and accounting practices by their professional advisers.

The Mertoun Gardens Trust

Report of the Trustees (continued) For the year ended 31 March 2021

How decisions are made

Most decisions are taken by consensus agreement. Should it be necessary, an issue may be determined by a simple majority of the votes cast at a meeting, but a written resolution signed by all the Trustees is as valid as a resolution passed at a meeting. Except for the chairman of the meeting, who has a second or casting vote, every Trustee has one vote on each issue.

Risk management

The Trustees keep under review the main risks to which the charity is exposed. The Trustees meet regularly and review the policies and procedures established to help mitigate these risks as necessary. Day to day risks are mitigated by the policies and procedures established by the Trustees as implemented by the Gardens Committee and are reviewed on a regular basis.

Strategy and activities

Strategy of the charity

The strategy of the charity is:

- To promote for the public benefit the planting, maintenance, improvement and preservation of Mertoun Gardens at St Boswells, Melrose, Roxburghshire;
- To advance the education of the public, in particular in relation to the history, design and horticultural significance of the Gardens; and
- Such other charitable purpose as the Trustees shall think fit.

Objectives for the year

In addition to the ongoing planting, preservation and maintenance of the Gardens for the public benefit, the Trustees are committed to opening the Gardens to the widest possible audience. The Trustees have sought accordingly to ensure that admission charges to the Gardens are kept as low as reasonably possible and have explored means of widening the audience, including liaising with local schools to encourage organised school visits.

Investment policy

There are no restrictions on the charity's power to invest and the Trustees have adopted an investment strategy that seeks to balance the income needs of the charity with future capital growth. The Trustees have delegated the management of the investment portfolio to Waverton Investment Management who manage the portfolio on a discretionary basis and who report to and meet with the Trustees on a regular basis to review the performance of the portfolio and investment strategy.

The Mertoun Gardens Trust

Report of the Trustees (continued) For the year ended 31 March 2021

Achievements and performance

The Trustees confirm they have referred to the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and setting its plans for future years.

The Charity's significant activities are outlined in this report. In furtherance of their charitable objects, the Trustees maintain the Gardens and open them to the public generally and with special parties and guided tours being organised by arrangement. The Charity also undertakes activities related to the Gardens which have an educational emphasis.

In particular, the Charity has hosted a number of schools for visits to the Gardens under the supervision of the Royal Highlands Educational Trust, and has also run a work experience programme, through which colleges have sent students to the Gardens to gain experience in gardening and other practical work.

Financial review

Reserves and financial review

During the year the Trustees received incoming resources totalling £104,217 (2020: £99,258). Direct expenditure on the Gardens amounted to £143,343 (2020: £118,273) and general administration costs of £15,052 (2020: £15,748). This resulted in a net deficit for the year of £54,178 (2020: £24,763) before the gain on disposal of fixed assets of £nil (2020: £nil) and the gain on disposal of investments of £137,343 (2020: £107,335) and unrealised gain on investments and assets of £214,247 (2020: £94,091 losses). The Trustees are aware of the need to increase the income generating asset base in order to balance their books.

The Trustees have reviewed the reserves available to them and are satisfied that they are adequate to meet their short term needs. The investment portfolio is shown as a designated capital endowment. The intention of the Trustees is that the endowment should be able to generate sufficient income to meet the costs of the charity's operations.

Plans for future years

As stated, the Trustees wish to build up their endowment to ensure that sufficient income can be generated from the investment portfolio in order to meet the costs associated with operating the Gardens and opening the Gardens to the public. The Trustees wish to ensure the widest possible public access to the Gardens commensurate with their preservation and planting seasons.

Responsibilities of the Trustees

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that year.

The Mertoun Gardens Trust

**Report of the Trustees (continued)
For the year ended 31 March 2021**

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements in the going concern basis unless it is inappropriate to presume that the charity will continue in business

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant accounting information of which the charity's accountants are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant accounting information and to establish that the accountants are aware of that information.

Small company provisions

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

Signed on behalf of the board



Michael John Chantler

Trustee

1 December 2021

The Mertoun Gardens Trust

Company information

Registered charity name	The Mertoun Gardens Trust
Trustees	Lord Henry Egerton Lady Alice Marian Fremantle Michael John Chantler
Gardens Committee	Her Grace the Duchess of Sutherland Evelyn, Duchess of Sutherland Harriet Bowes-Lyon
Secretary	James Galbraith
English charity number	1113423
OSCR charity number	SC039389
Company number	05747404
Registered office	66 Lincoln's Inn Fields London WC2A 3LH
Accountants	Jamie H Younger CA Saffery Champness LLP Edinburgh Quay 133 Fountainbridge Edinburgh EH3 9BA
Investment Managers	Waverton Investment Management Limited 16 Babmaes Street London SW1Y 6AH
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH
Bankers	Bank of Scotland plc 8/9 The Square Kelso TD5 7HQ

The Mertoun Gardens Trust

Independent examiner's report to the trustees of The Mertoun Gardens Trust

I report to the Trustees on the examination of the accounts of the company for the year ended 31 March 2021 which are set out on pages 8 to 19.

Respective responsibilities of Trustees and examiner

As the Trustees of the Company (who are also the directors of the company for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 ("the 2005 Act"), the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006 ("the 2006 Act"). You are satisfied that the accounts of the Company are not required by charity or company law to be audited and have chosen instead to have an independent examination.

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Company's accounts carried out under section 44 (1) (c) of the 2005 Act and section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination I have followed the requirements of Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. 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 no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

Since the Company is required by company law to prepare its accounts on an accrual basis and is registered as a charity in Scotland your examiner must be a body listed in Regulation 11(2) of the Charities Accounts (Scotland) Regulations 2006 (as amended). I can confirm that I am qualified to undertake the examination because I am a registered member of The Institute of Chartered Accountants of Scotland which is one of the listed bodies.

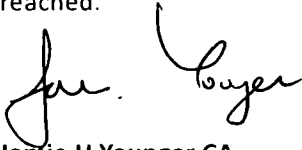
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept as required by section 386 of the 2006 Act and Regulation 4 of the 2006 Accounts Regulations; or
- 2 the accounts do not accord with those records with the accounting requirements of Regulation 8 of the Charities Accounts (Scotland) Regulations 2006; or
- 3 the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a "true and fair view which is not a matter considered as part of an independent examination; or
- 4 the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

The Mertoun Gardens Trust

Independent examiner's report to the trustees of The Mertoun Gardens Trust

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



Jamie H Younger CA
Saffery Champness LLP
Chartered Accountants

14 December 2021

Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9BA

The Mertoun Gardens Trust

**Statement of financial activities incorporating the income and expenditure account
For the year ended 31 March 2021**

	Notes	Endowment Fund 2021 £	Unrestricted Fund 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income					
Donations		-	15,100	15,100	-
Investment income	2	-	60,169	60,169	66,269
Income from charitable activities	3	-	28,948	28,948	32,989
Total income		-	104,217	104,217	99,258
Expenditure					
Expenditure on charitable activities	4	-	143,343	143,343	118,273
Other: investment management costs	6	7,526	7,526	15,052	15,748
Total expenditure		(7,526)	(150,869)	(158,395)	(134,021)
Net expenditure	7	(7,526)	(46,652)	(54,178)	(34,763)
Other recognised gains/(losses)					
Gain on sale of fixed asset		-	-	-	-
Realised gains on investments		137,343	-	137,343	107,335
Unrealised gains/(losses) on investments		214,247	-	214,247	(94,091)
Net movement in funds		344,064	(46,652)	297,412	(21,519)
Gross transfer between funds		-	-	-	-
Total funds brought forward		2,589,606	173,111	2,762,717	2,784,236
Total funds carried forward		2,933,670	126,459	3,060,129	2,762,717

There are no other recognised gains or losses other than those shown in these accounts. All of the above amounts relate to continuing activities.

The notes on pages 11 to 19 form part of these financial statements.

The Mertoun Gardens Trust

Balance sheet
As at 31 March 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	10		58,709		71,933
Investments	11		2,983,832		2,670,498
			<u>3,042,541</u>		<u>2,742,431</u>
Current assets					
Stocks	12	930		1,645	
Debtors	13	7,991		5,496	
Cash at bank and in hand		23,191		21,574	
			<u>32,112</u>	<u>28,715</u>	
Creditors: amounts falling due within one year	14	(14,524)		(8,429)	
Net current assets			<u>17,588</u>		<u>20,286</u>
Total assets less current liabilities			<u>3,060,129</u>		<u>2,762,717</u>
Capital and reserves					
Unrestricted fund	16		126,459		173,111
Endowment fund	17		2,933,670		2,589,606
Total funds			<u>3,060,129</u>		<u>2,762,717</u>

The Mertoun Gardens Trust

Balance sheet (continued)

As at 31 March 2021

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps adequate accounting records which comply with Section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

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

The notes on pages 11 to 19 form part of these financial statements.

Approved by the Board for issue on 1 December 2021



Michael John Chantler

Trustee

Company Registration No. 05747404

The Mertoun Gardens Trust

Notes to the financial statements For the year ended 31 March 2021

1 Accounting policies

1.1 Basis for preparation

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

The Mertoun Gardens Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

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

1.2 Cash flow statement

The Trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

1.3 Donations, legacies and similar incoming resources

Donations, legacies and similar incoming resources are included in the year in which they are receivable, which is when the charity becomes entitled to the resource.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Property improvements	10% - 20% straight line
Plant and machinery	10% - 15% straight line and 15% reducing balance
Motor vehicles	25% straight line

1 Accounting policies (continued)

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's Balance Sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Statement of Financial Activities, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through the Statement of Financial Activities, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the statement of financial activities.

De-recognition of financial assets

Financial assets are de-recognised only when the contractual rights to the cash flows from the asset expire, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through the Statement of Financial Activities. Changes in the fair value of derivatives are recognised in the Statement of Financial Activities as appropriate.

The Mertoun Gardens Trust

Notes to the financial statements (continued)

For the year ended 31 March 2021

1 Accounting policies (continued)

De-recognition of financial liabilities

Financial liabilities are de-recognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.6 Investments

Investments are shown at market value.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Expenditure

Expenditure is included on an accruals basis.

Costs of generating funds comprise those costs directly attributable to raising donations and grants.

Charitable expenditure comprises costs that are directly attributable to the furtherance of achieving the charities objectives.

Governance costs comprise costs that directly relate to the governance of the charity.

1.9 Pension costs

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.10 Unrestricted fund

These are funds which can be used in accordance with the charitable objectives at the discretion of the Trustees.

1.11 Endowment fund

The Trustees have designated, as an administrative allocation of unrestricted general funds, the investment portfolio on the basis that it is intended to form a capital endowment whose income is to be used for the general purposes of the Trust.

2 Investment income	2021	2020
	£	£
Bank interest receivable	5	7
Income from investments	60,164	66,262
	<u>60,169</u>	<u>66,269</u>

All investment income received is deemed unrestricted.

The Mertoun Gardens Trust

Notes to the financial statements (continued)
For the year ended 31 March 2021

3	Income from charitable activities	2021	2020
		£	£
	Admission charges	-	2,653
	Garden sales	1,400	4,835
	Contracting sales	11,768	9,749
	Letting sales	15,780	15,752
		<u>28,948</u>	<u>32,989</u>

All income from charitable activities is deemed unrestricted.

4	Cost of charitable activities	2021	2020
		£	£
	Labour costs	61,706	59,404
	Heating and lighting	2,455	2,570
	Seed, fertilisers, plants etc	985	1,842
	Equipment maintenance and running expenses	4,506	5,976
	Rates on gardeners' houses	1,648	1,571
	Buildings maintenance	40,339	15,776
	Administration	4,638	4,961
	Insurance	2,216	2,362
	Contractor services	3,501	1,797
	Depreciation	13,224	13,989
	Governance costs	8,125	8,025
		<u>143,343</u>	<u>118,273</u>

A full breakdown of governance costs is included in note 5.

5	Governance costs	2021	2020
		£	£
	Accountancy fees	4,125	4,025
	Legal fees	4,000	4,000
		<u>8,125</u>	<u>8,025</u>

The Mertoun Gardens Trust

Notes to the financial statements (continued)
For the year ended 31 March 2021

6	Investment management costs	2021	2020
		£	£
	Investment manager fees	15,052	15,748
		<u> </u>	<u> </u>

7	Net outgoing resources for the year	2021	2020
		£	£
	Net outgoing resources are stated after charging:		
	Depreciation of tangible assets	13,224	13,989
		<u> </u>	<u> </u>

8 Taxation

The company is a charity for the purposes of Section 505 ICTA 1988 and is exempt from taxation on the whole of its income.

9 Staff numbers

The average monthly headcount was as follows:

	2021	2020
Maintenance	3	3
	<u> </u>	<u> </u>

No employee received emoluments of more than £60,000 during the year (2020: Nil).

No Trustee received remuneration during the year (2020: Nil).

The Mertoun Gardens Trust

Notes to the financial statements (continued)
For the year ended 31 March 2021

10 Tangible fixed assets

	Improvements to property £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 April 2020 & at 31 March 2021	102,112	83,783	15,841	201,736
Depreciation				
At 1 April 2020	51,111	63,516	15,176	129,803
Charge for the year	9,766	2,794	664	13,224
At 31 March 2021	60,877	66,310	15,840	143,027
Net book value				
At 31 March 2021	41,235	17,473	1	58,709
At 31 March 2020	51,001	20,267	665	71,933

The Mertoun Gardens Trust

Notes to the financial statements (continued)
For the year ended 31 March 2021

11 Fixed asset investments

	2021	2020
	£	£
Quoted Investments		
Market value as at 1 April 2020	2,412,524	2,501,155
Additions at cost	677,895	409,172
Realised gains	214,247	13,244
Disposals	(407,249)	(511,048)
	<u>2,897,417</u>	<u>2,412,523</u>
Market value as at 31 March 2021	2,897,417	2,412,523
Unquoted Investments		
Value as at 1 April 2020 & 31 March 2021	<u>1</u>	<u>1</u>
Value of quoted and unquoted investments at 31 March 2021	2,897,418	2,412,524
Funds in bank held for investment	<u>86,414</u>	<u>257,974</u>
Investment value at 31 March 2021	<u>2,983,832</u>	<u>2,670,498</u>
Quoted investment cost as at 31 March 2021	<u>2,421,144</u>	<u>2,322,070</u>

12 Stocks

	2021	2020
	£	£

Stocks	<u>930</u>	<u>1,645</u>
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13 Debtors

	2021	2020
	£	£

Other debtors	<u>7,991</u>	<u>5,496</u>
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The Mertoun Gardens Trust

Notes to the financial statements (continued)
For the year ended 31 March 2021

14 Creditors: amounts falling due within one year	2021	2020
	£	£
Trade creditors	8,949	4,004
Other creditors	5,575	4,425
	<u>14,524</u>	<u>8,429</u>

15 Company Limited by guarantee

The charity is a company limited by guarantee. The liability of members is restricted to £1 each.

16 Unrestricted fund	Balance at 1 April 2020	Net income less expenses	Transfer to designated capital endowment	Balance at 31 March 2021
	£	£	£	£
General unrestricted fund	173,111	(46,652)	-	126,459
	<u>173,111</u>	<u>(46,652)</u>	<u>-</u>	<u>126,459</u>

17 Endowment fund	Balance at 1 April 2020	Designated income	Net movement	Balance at 31 March 2021
	£	£	£	£
Investments	2,589,606	-	344,064	2,933,670
	<u>2,589,606</u>	<u>-</u>	<u>344,064</u>	<u>2,933,670</u>

The Mertoun Gardens Trust

Notes to the financial statements (continued)
For the year ended 31 March 2021

18 Analysis of net assets (between designated and unrestricted funds)

	Tangible fixed assets £	Investments £	Other net assets 31 March 2021 £	Total assets 31 March 2021 £
Restricted funds	-	2,933,670	-	2,933,670
Unrestricted funds	58,709	50,162	17,588	126,459
	<u>58,709</u>	<u>2,983,832</u>	<u>17,588</u>	<u>3,060,129</u>

19 Related party relationships and transactions

Mertoun Gardens is leased from a Sutherland Family Settlement for a peppercorn sum and the lease expires on 31 March 2037.

Michael John Chantler, one of the Trustees, was a partner in Farrer & Co LLP until his retirement on 30 April 2014 and he continued in the period of these accounts as a consultant. Farrer & Co LLP provides legal and administrative support to the charity. During the year Farrer & Co LLP supplied services to the charity amounting to £4,000 (2020: £4,000) relating to advice given in connection with general charitable advice and administrative support.

The Mertoun Gardens Trust

Statement of financial activities
For the year ended 31 March 2021

	£	2021 £	£	2020 £
Incoming Resources				
Donations		15,100		-
Income from investments		60,164		66,262
Income from Mertoun Gardens:				
- Admission Charges	-		2,653	
- Garden Sales	1,400		4,835	
- Contracting charges	11,768		9,749	
- Letting income	15,780		15,752	
- Bank interest	5		7	
		<u>28,953</u>		<u>32,996</u>
		104,217		99,258
Direct Charitable Expenditure				
Expenditure on Mertoun Gardens:				
Seeds, fertilisers and plants	985		1,842	
Wages and salaries	61,706		59,404	
Heating and lighting	2,455		2,570	
Rates on gardener's cottage	1,648		1,571	
Equipment maintenance and running expenses	4,506		5,976	
Building maintenance	40,339		15,776	
Administration and sundry expenses	4,638		4,961	
Insurance	2,216		2,362	
Contractor services	3,501		1,797	
Depreciation	13,224		13,989	
		<u>(135,218)</u>		<u>(110,248)</u>
		(31,001)		(10,990)
Other Expenditure				
Accountancy fees	4,125		4,025	
Legal fees	4,000		4,000	
Investment management charges	15,052		15,748	
		<u>(23,177)</u>		<u>(23,773)</u>
(Deficit) for the year carried forward		(54,178)		(34,763)

The Mertoun Gardens Trust

Statement of financial activities (continued)
For the year ended 31 March 2021

	2021	2020
	£	£
Deficit for the year brought forward	(54,178)	(34,763)
Fund balances brought forward	2,762,717	2,784,236
Realised gain on investments	137,343	107,335
Unrealised gain/(loss) on investment	214,247	(94,091)
Fund balances carried forward	<u>3,060,129</u>	<u>2,762,717</u>

Pages 20 and 21 do not form part of the statutory financial statements.