

THE BUCHANAN TRUST
TRUSTEES REPORT AND FINANCIAL STATEMENTS
31 MARCH 2021

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THE BUCHANAN TRUST

TRUSTEE'S ANNUAL REPORT

CHARITY DETAILS

The Buchanan Trust ("the Charity") - Charity Commission No. 235867;
The Buchanan Trustee Company Ltd. ("the Trustee") - Companies House No. 9838277

REGISTERED ADDRESS

The Estate Office, North Farm, Bosbury, nr Ledbury, Herefordshire, HR8 1JY

Website: <http://www.buchanan-trust.org.uk/>

Estate Secretary: Mrs Katherine Norbury

TRUSTEE

The Buchanan Trustee Company Ltd

TRUST OFFICERS

Graham Ashcroft
Andrew Bower - Chairman - retired 30th April 2021
Robert Buchanan
Alan Cartwright – appointed 1st April 2020
James Greenwell – retired 30th April 2021
Karl Gilmore
Will Kirby – appointed 1st August 2020
Helen Thomas – Chairman - appointed 1st May 2021

PATRON

General Sir Adrian Bradshaw KCB OBE DL

AGENT AND ADVISORS

Land Agents

Knight Frank, registered office – 55 Baker Street, London, W1U 8AN

Solicitor

Willans LLP, 28 Imperial Square, Cheltenham, Gloucestershire GL50 1RH

Bankers

CAF Bank Ltd

Independent examiner

Hazlewoods LLP, Staverton Court, Staverton, Cheltenham, Gloucestershire

STRUCTURE, GOVERNANCE AND MANAGMENT

HISTORY

The Buchanan Trust was founded by indenture on 24 September 1918 for homeless war veterans by Robert Buchanan, a local benefactor who left the entire 700 acre estate in trust, in memory of his son Alan who fell in World War 1. His intention was to provide employment and housing for returning war veterans without homes or employment. The Trustees were given discretion to select "suitable men who have served at sea or overseas during the present (1914-1918) war."

THE BUCHANAN TRUST

TRUSTEE'S ANNUAL REPORT (Continued)

On 31 May 1932, some 14 years later, with a shortage of suitable applicants due to the passage of time, the class of beneficiaries was widened by a scheme approved by the Charity Commission. This effectively allowed the Trustees to let the farms to "any applicant who has served in any of His Majesty's Naval or Military or Air Forces, and, if no such applicant, who is in the opinion of the Trustee suitable, can be found, to one other suitable man who is in need of such assistance as the Charity can provide."

On 16th May 2016, using its Cy-près powers, the Charity Commission published a new Scheme modernising the charity and focussing the objects more directly on ex-military beneficiaries as the founder had originally intended.

On 26th May 2016 Herefordshire District Council handed over the management of the Trust to the new body of independent trustees.

OBJECTIVES

- (1) the prevention or relief of poverty of Military Beneficiaries and the promotion of efficiency of the armed forces, assisting with the resettlement of Military Beneficiaries and their readjustment to civilian life through any or all of the following means:
 - (a) the provision of agricultural and land-based employment opportunities;
 - (b) the provision of allotments;
 - (c) the provision of accommodation and support (including supported farm facilities);
 - (d) the provision of grants to individual or groups of Military Beneficiaries and to organisations and charities who relieve the needs of Military Beneficiaries in accordance with these objects; and
 - (e) the provision of employment related education and training opportunities.
- (2) Exceptionally (in accordance with Clauses 7(3) and 7(4) of this Scheme) the prevention or relief of poverty of Non-Military Beneficiaries.
- (3) The provision of Social Housing in the form of almshouses for the benefit of Military Beneficiaries and to be a Registered Provider.

PUBLIC BENEFIT

The Directors of the Trustee company believe that the charitable objects above collectively constitute the public benefit requirement placed on registered charities by the Charity Commission.

RECRUITMENT

The Board of Trustees is The Buchanan Trustee Company Ltd.

TRAINING

All new trust members are provided with an induction pack, which includes a copy of the constitution of the Trust and the Memorandum and Articles of the Limited Company. They are provided with a copy of the Charity Commission publication "The Essential Trustee CC3" and participate in farm visits to the estate as appropriate. CC3 includes a summary of a Trustee's duties and responsibilities.

THE BUCHANAN TRUST

TRUSTEE'S ANNUAL REPORT (Continued)

ORGANISATIONAL STRUCTURE

- a) The Directors of the Trustee company meet every two months to make decisions in relation to the running of the estate, and the management of the charity, the budget, the staff and the contractors.
- b) A Veterans Support Manager provides individual and group support, as well as the administration of the veteran's properties, organisation and training for the Beneficiaries.
- c) Land Agents, Knight Frank oversee the day to day management of the let farms on the estate; their duties include: maintenance and repair obligations, professional advice on land agency matters and rent reviews of the tenancies.

Property held;

Location	Acres	Type	Status
Aurals Cottage	0.17	Cottage	Let commercially - AST
Aurals Farm Cottage	1.68	2 Flats	Let to beneficiaries
Beaconhill Farm	102.60	Farmland	Let to beneficiary - FBT
Birchwood Farm	128.82	Mixed	Let commercially - FBT
Former site of Cotmeadow	0.34		Redundant site of cottage
Green Farm	118.98	Farmland	Let commercially - FBT
Green Farmhouse		Residential	Let to beneficiary
North Farm	68.90	Farmland	Let commercially - FBT
North Farmhouse	0.10	Cottage	Let to beneficiary
North Farm Almshouses		4 Almshouses	Under construction
Lower House Farm	113.62	Farmland	Let commercially - FBT
Orchard Farm	130.52	Mixed	Let to beneficiary - AHA 1986
Ponds Rest	0.30	Residential	Let to beneficiary
Tracks	1.30		
Woodlands	26.21		
Grand Total	<u>693.54</u>		

Returning the Estate to its Original Purpose

The Charity Commission insisted that any restructuring of the way the estate is let in future, should be designed to meet the Charity's objectives with the best possible outcome for larger numbers of ex-military beneficiaries, whilst using all the land and buildings to the best advantage to this end.

The Directors of the Trustee Company believe that the Charity's objectives are best achieved by managing the estate to achieve a profitable return from the farming enterprises. The funds from this and from external fund raising can be utilized to repair some of the farm buildings and convert/demolish others to create 30+ veterans almshouses, with access to parts of the estate for respite, recuperation and training. The stays would be short-term (6-18months in most cases) with a view to a successful transition to civilian life. The c.700 acres and the associated farm buildings will encompass a small community of veterans who can help support each other whilst providing employment opportunities including start-up workshops or small offices for those veterans establishing their own businesses.

It is difficult to predict an accurate timescale for the changes as they depend on lease expiries, retirement of existing tenants, planning consents, permitted developments and funding availability. However due to the way the estate is presently let, and the wish to behave fairly towards the existing tenants, several phases may be necessary.

THE BUCHANAN TRUST

TRUSTEE'S ANNUAL REPORT (Continued)

RISK MANAGEMENT

Risk Management forms a standard agenda item for all Board Meetings. A Risk Register has been established and is updated and reviewed annually.

Physical visits – All buildings are inspected regularly, insured and their values regularly reviewed. A planned schedule of works is drawn up on an annual basis.

Risk Assessments are carried out and reviewed annually, or sooner as required. A program of repairs to the Estate's many buildings has commenced and is under review.

ACHIEVEMENTS AND PERFORMANCE OF THE TRUST

The Directors of the Trustee Company and Veterans Support Manager have established local and national working relationships with:-

- Herefordshire Council;
- Bosbury Parish Council in relation to community consultation.
- The Royal British Legion, SSAFA, Hereford Veterans Support and the Cart Shed.
- Walking with the Wounded.
- Veterans Self Build Agency.
- Herefordshire Civilian Military Task Group.
- COBESO.
- Veterans Raffle.
- Saffer Cooper.
- Homes England and the Almshouse Association.

A far larger number of veterans are now beneficiaries of the Trust – mainly those residing on the estate but also those helped by the Trustee/Directors and Veterans Support Manager elsewhere, such as those who are in difficult relationships who are worried about becoming homeless but now know they are eligible to apply for our cottages.

We have commenced the construction of the first of several phases that will lead to a desired 30 plus almshouses for the military beneficiaries by re-modelling farmhouses, redundant agricultural buildings and some new build units.

The first project is the building of four new one and two-bedroom cottages for ex-military beneficiaries. Some of these units are DDA (people of reduced mobility) accessible and able to cater for the beneficiaries' families. The houses have been developed into a small courtyard cluster where the residents form a small community and can support each other in a safe and secure environment. This project has been made possible through funding support from Herefordshire County Council and Homes England through the Almshouse Consortium. Many other charitable donations have been made from local businesses, communities and the public.

FINANCES

The Trust was earlier divided into two funds in accordance with the requirements of the Charities SORP (Statement of Recommended Practice) and the 1918 Indenture. The capital of the Trust is held in the Capital (Restricted) Fund and the day to day transactions are recorded in the General (Unrestricted) Fund.

Accounting records had not previously distinguished the "restricted" and "unrestricted" parts of the fund since the creation of the Trust in 1918. The split between restricted and unrestricted funds in these statements is a best estimate based on the more recent records that are available to the Council.

THE BUCHANAN TRUST

TRUSTEE'S ANNUAL REPORT (Continued)

The Trust currently has funds awaiting use invested within a CAF Gold Account, the interest of which is transferred to the main CAF working account. In addition, Knight Frank as the land agent for the Trust holds a client account which funds the general maintenance costs that are undertaken. The level of funds available needs to cover any minor capital maintenance costs for maintaining and improving the estate.

Expenditure on the acquisition, creation or enhancement of fixed assets is capitalised and charged to the Capital Restricted Fund on an accruals basis provided that it yields benefits to the Trust for more than one year.

The Trust is currently pursuing major project opportunities, restructuring the estate and therefore restricted reserves will be used to fund the developments in 2020/21 and beyond.

RESERVES POLICY

The intention is to spend most reserves on developments to reorganise and enhance the properties on the estate whilst still retaining sufficient so as to provide for unforeseen needs/costs. The variable amounts spent on maintenance and repairs means there are occasional underspends and overspends.

PRINCIPAL FUNDING SOURCES

Prior to 2017 the main source of income comprised rental from the leases of six farms and three cottages owned by the Trust, together with interest from deposits. This money was used to pay for all costs associated with the running of the estate.

The number of cottages on the estate has increased and along with this so has the rental income, with a notable uplift this year from the letting of the former in hand farms. Our military beneficiaries pay their almshouse licence fees ("rent") as a mix of military pensions, housing benefit and income from employment.

The directors continue to explore new avenues of income in order to accelerate the programme of house building and other new facilities for veterans upon the estate.

INVESTMENT POLICY

In 2019 the Trustee decided to use the funds for the benefit of the more beneficiaries rather than sit on them with little prospect of decent returns from bank accounts or suitable low risk investments. Funds are currently in the CAF reserve account ready for the next phase of construction.

THE BUCHANAN TRUST

TRUSTEE'S ANNUAL REPORT (Continued)

ACCOUNTING AND REPORTING RESPONSIBILITIES

The Directors of the Trustee company are responsible for preparing a Trustees report and financial statements in accordance with the applicable law and United Kingdom Accounting standards (United Kingdom Generally Accepted Accounting Principles).

The law applicable to charities in England and Wales requires the charity's Trustee to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing the financial statements, the Trustee is 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Directors of the Trustee company are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity SORP and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors of the Trustee company are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approved by the Directors of the Trustee company and signed on their behalf by:-

Helen Thomas

H M Thomas DL , Chairman of the Board,

Date: 3-11-21

INDEPENDENT EXAMINERS' REPORT

TO THE TRUSTEE OF BUCHANAN TRUST

I report on the accounts of the Trust for the year ended 31 March 2021 which are set out on pages 7 to 16.

Respective responsibilities of trustees and examiner

The charity's Trustee is responsible for the preparation of the accounts. The charity's Trustee considers that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) or under Regulation 10(1)(a) to (c) of the Charities Accounts (Scotland) Regulations 2006 (the 2006 Regulations) and that an independent examination is needed. The charity is preparing accrued accounts and I am qualified to undertake the examination by being a qualified member of ICAEW.

It is my responsibility to:

- Examine the accounts under section 145 of the Charities Act 2011 and under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Act),
- To follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act,
- To state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general directions given by the Charity Commission and is in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as Trustee 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 next statement.

Independent examiner's statement

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

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the 2011 Act and section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations and,
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act and section 44(1)(b) of the 2005 Act and Regulation 8 of the 2006 Accounts Regulations,
- have not been met or,

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

Signature: 

Date: 17 - 11 - 2021

M Howard FCA
For and on behalf of Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
Gloucestershire
GL50 3AT

THE BUCHANAN TRUST

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 March 2021

	Note	Unrestricted Total 2021	Unrestricted Total 2020
INCOME			
Activities for generating funds - investment		100,758	349,165
Activities for charitable objectives- rental		38,027	40,763
Donation income		2,938	3,238
Wayleaves		-	300
Investment income		239	231
		<hr/>	<hr/>
TOTAL INCOME		141,962	393,697
		<hr/>	<hr/>
EXPENDITURE			
Total expenditure from all activities	3	81,844	506,537
		<hr/>	<hr/>
NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES ON INVESTMENTS		60,118	(112,840)
TOTAL FUNDS BROUGHT FORWARD		45,858	158,698
TOTAL FUNDS CARRIED FORWARD		<u>£ 105,976</u>	<u>£ 45,858</u>
		<hr/>	<hr/>

All activities are continuing.

THE BUCHANAN TRUST

BALANCE SHEET

31 March 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Intangible fixed assets (unrestricted)	5	-	22,874
Tangible fixed assets (unrestricted)	6	35,455	39,075
Investment property (restricted)	7	350,771	350,771
Tangible fixed assets (restricted)	7	952,953	562,659
		<hr/>	<hr/>
		1,339,179	975,379
CURRENT ASSETS			
CAF Gold account		225,930	494,715
CAF Current account		107	6,119
Knight Frank Barclays account		60,862	72,691
Debtors	8	42,219	10,390
		<hr/>	<hr/>
		329,118	583,915
CREDITORS - due within one year			
	9	(128,245)	(79,360)
		<hr/>	<hr/>
NET CURRENT ASSETS		200,873	504,555
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/>	<hr/>
		£ 1,540,052	£ 1,479,934
		<hr/>	<hr/>
FUNDS			
Restricted funds	10	1,434,076	1,434,076
Unrestricted funds	10	105,976	45,858
		<hr/>	<hr/>
		£1,540,052	£1,479,934
		<hr/>	<hr/>

The financial statements were approved by:

Hele Thomas

H M Thomas DL

Director of The Buchanan Trustee Company Limited

Date: 3-11-21

THE BUCHANAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

1 ACCOUNTING POLICIES

Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Trust constitutes a public benefit entity as defined by FRS 102.

The Trustee considers that there are no material uncertainties about the Trust's ability to continue as a going concern.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the Trustee has considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was not needed. The Trustee considers that there were no changes to the total funds as reported under the previous SORP, therefore no restatements are needed.

Income recognition

All incoming resources are included in the financial statements on an accruals basis. Investment income is deposit interest receivable on Trust cash balances invested originally with Herefordshire Council but from June 2016 in the cash account. The interest on the funds held by Herefordshire Council was calculated at transfer point using the average rate obtained on Herefordshire Council held funds. All other interest is paid as per the rate on the CAF Gold Account.

Expenditure recognition

All expenditure is accounted for on an accruals basis, and is included once there is a legal obligation to pay. Direct charitable expenditure relates to costs incurred in the pursuit of the charitable objects of the charity. Costs for the management of the estate are also included and have been calculated in accordance with the current basis in the Trust's policy document.

Governance costs

Governance costs include all costs incurred in running the charity, which cannot be directly allocated to the charity's projects or fundraising. As such, it includes costs incurred by the Trustee during the running of the charity.

Revaluation

The Estate property and land is included at a professional valuation.

THE BUCHANAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2021

Tangible fixed assets and depreciation

The Estate property and land is included at revaluation. Where an asset is due to be sold the asset is valued at open market value less 2% selling costs. No depreciation has been charged because the charge for depreciation and the accumulated depreciation would be immaterial due to the annual valuation policy.

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Freehold land and buildings	Nil
Office equipment	20% reducing balance
Motor vehicles	20% reducing balance
Plant and machinery	15% reducing balance / 20 years straight line

Investments

Fixed asset investments are stated at historical cost less provision for any diminution in value. Investment income is included in the Statement of Financial Activities on a receivable basis.

Taxation

The Trust is a registered charity, and is not liable to UK taxation on its income or gains

2 REMUNERATION AND EXPENSES

The Trust had one employee during the year (2020 - 2).

THE BUCHANAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2021

3 Resources Expended

	2020/21 Charitable objectives expenses £	2020/21 Generating funds expenses £	2020/21 Total expenses £	2019/20 Total expenses £
Direct Charitable Expenditure				
Farming expenditure (note 4)	-	-	-	305,561
Wages and salaries	9,830	-	9,830	49,848
Contracting	-	3,978	3,978	23,729
Council tax	984	523	1,507	3,789
Light and heat	956	346	1,302	1,527
Repairs and maintenance	21,850	7,195	29,045	60,504
Water charges	-	-	-	2,480
Telephone	501	-	501	1,079
Motor and tractor expenses	429	48	477	11,156
Other fees	-	-	-	417
Website and office costs	1,967	219	2,186	2,227
Bank charges	58	6	64	60
Insurance	3,989	443	4,432	6,514
Accountancy	3,483	387	3,870	2,692
Governance	1,895	211	2,106	5,297
Legal fees	1,710	9,662	11,372	27,420
Licences and subscriptions	749	83	832	665
Bad debts	-	1,509	1,509	-
Depreciation	3,257	362	3,619	4,014
(Profit)/loss on disposal of fixed asset	-	(480)	(480)	(2,442)
(Profit)/loss on disposal of intangible asset	-	5,694	5,694	-
	<hr/>	<hr/>	<hr/>	<hr/>
	51,658	30,186	81,844	506,537
	<hr/>	<hr/>	<hr/>	<hr/>

The Trustee received no remuneration payments in the year.

THE BUCHANAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2021

4

Farming income	2021	2020
	£	£
Cattle sales	-	276,361
Wool	-	273
Hay and straw	5,500	1,043
Grasskeep	-	3,958
Countryside stewardship scheme	7,147	10,123
Basic payment scheme	341	26,648
	<hr/>	<hr/>
	12,988	318,406
	<hr/>	<hr/>
 Farming expenditure	 2021	 2020
	£	£
Opening stock	-	213,744
Cattle purchases	-	48,040
Commissions payable	-	6,739
Feed	-	17,933
Fertiliser and spray	-	7,327
Veterinary and medicines	-	5,649
Haulage	-	3,678
Arable crop sundries	-	1,364
Livestock sundries	-	1,087
	<hr/>	<hr/>
	-	305,561
	<hr/>	<hr/>
 Gross profit/(loss)	 12,988	 12,845
	<hr/>	<hr/>

THE BUCHANAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2021

5 Intangible Assets – Capital Unrestricted Fund

	Entitlements £
Cost	
As at 1 April 2020	22,874
Disposals	(22,874)
	<hr/>
As at 31 March 2021	-
	<hr/>
Net book value	
As at 31 March 2021	-
	<hr/>
As at 31 March 2020	22,874
	<hr/>

6 Fixed Assets – Capital Unrestricted Fund

	Office equipment £	Plant and machinery £	Total £
Cost			
As at 1 April 2020	1,462	49,603	51,065
Additions	-	-	-
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
As at 31 March 2021	1,462	49,603	51,065
	<hr/>	<hr/>	<hr/>
Depreciation			
As at 1 April 2020	653	11,337	11,990
Charge	162	3,458	3,620
Eliminated on disposal	-	-	-
	<hr/>	<hr/>	<hr/>
As at 31 March 2021	815	14,795	15,610
	<hr/>	<hr/>	<hr/>
Net book value			
As at 31 March 2021	647	34,808	35,455
	<hr/>	<hr/>	<hr/>
As at 31 March 2020	809	38,266	39,075
	<hr/>	<hr/>	<hr/>

THE BUCHANAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2021

7 Fixed Assets – Capital Restricted Fund

	Investment property £	Freehold property £
Cost		
As at 1 April 2020	350,771	562,659
Additions	-	390,294
Disposals	-	-
	<hr/>	<hr/>
As at 31 March 2021	350,771	952,953
	<hr/>	<hr/>
Depreciation		
As at 1 April 2020	-	-
Charge	-	-
Eliminated on disposal	-	-
	<hr/>	<hr/>
As at 31 March 2021	-	-
	<hr/>	<hr/>
Net book value		
As at 31 March 2021	350,771	952,953
	<hr/>	<hr/>
As at 31 March 2020	350,771	562,659
	<hr/>	<hr/>

Freehold land and buildings and investment property above represent the agricultural properties used and/or leased by the charity. As described in the Trustee's Report, the charity is currently in the process of returning the properties to their original charitable purpose. As a result, a proportion of the land and buildings currently remains leased out on commercial terms and is therefore in the nature of 'investment properties'. However, given the current situation surrounding the charity's properties (as described in the Trustee's Report), the Trustee considers that any attempt to apportion the properties between 'freehold land and buildings' and 'investment properties' and subsequently revalue the investment portion, would be onerous and would not provide any meaningful information to users of the financial statements.

The properties are included at a previous valuation prepared on the following basis by George Thompson MRICS – land agent for financial year 12/13.

- a) Vacant Possession (VP) land at open market value less sale costs of 2%.
- b) Tenanted land at gross income less repairs and maintenance costs multiplied by Years Purchase of 7 for dairy farms and 6 for mixed, arable and stock working out as multipliers of 14.285 and 16.667 respectively. This methodology is recommended by Association of Chief Estates Surveyors rural division for the valuation of farms that are proposed to remain in agriculture as tenanted farms for the foreseeable future and are not for sale. This methodology is also recommended by the Audit Commission. The reason for the change in values is the increase in repairs and maintenance expenditure.
- c) Cottages, woodland and caravan site are valued on an open market basis less 2%.

Freehold property is included in the accounts at the revalued amount in 2012/13 and the decision has been taken to treat the revalued amount as deemed cost under SORP 2015.

THE BUCHANAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2021

8 Debtors - due within one year (Unrestricted)	2021	2020
Debtors	3,679	10,090
The Buchanan Trustee Company Ltd	540	-
Prepayments	-	300
Accrued income	38,000	-
	<hr/>	<hr/>
	£42,219	£10,390
	<hr/>	<hr/>
9 Creditors - due within one year (Unrestricted)	2021	2020
Creditors	71,551	39,790
Accruals	2,000	2,000
Deferred income	37,909	36,909
VAT	16,785	661
	<hr/>	<hr/>
	£128,245	£79,360
	<hr/>	<hr/>

10 Funds

Unrestricted funds comprise those funds, which the Trustee is free to use in accordance with the charitable objects.

	Restricted 2021	Unrestricted 2021	Total 2021	Total 2020
	£	£	£	£
Opening Balance	1,434,076	45,858	1,479,934	1,592,774
Gains on Disposal of Fixed Assets	-	-	-	-
Unrealised Gains/ Losses on Fixed Asset	-	-	-	-
Revaluation	-	-	-	-
Transfer re Capital Works	-	-	-	-
Surplus/ (Deficit) for Year	-	60,118	60,118	(112,840)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balance Carried Forward	1,434,076	105,976	1,540,052	1,479,934
	<hr/>	<hr/>	<hr/>	<hr/>

11 Ultimate Controlling Party

The ultimate controlling party is the body of Trustee.