

Registered number: 02101229
Charity numbers: 296766 & SC039480

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BALCARRES HERITAGE TRUST LIMITED
(A company limited by guarantee)

COUNCIL MEMBERS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2022

BALCARRES HERITAGE TRUST LIMITED

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BALCARRES HERITAGE TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS COUNCIL MEMBERS AND ADVISERS FOR THE YEAR ENDED 5 APRIL 2022

Council members	Lord Balniel N J Barker The Hon R J E Elliott S P Weil The Earl of Woolton Dr W Zachs
Company registered number	02101229
Charity registered numbers	296766 and SC039480
Registered office	50 Broadway Westminster London SW1H 0BL
Company secretary	Broadway Secretaries Limited
Independent auditors	EQ Accountants LLP Chartered Accountants 14 City Quay Dundee DD1 3JA
Bankers	Royal Bank of Scotland 23/25 Rosslyn Street Kirkcaldy Fife KY1 3HW
Solicitors	Charles Russell Speechlys 5 Fleet Place London EC4M 7RD
Investment Managers	James Hambro & Partners LLP 45 Pall Mall London SW1Y 5JG

BALCARRES HERITAGE TRUST LIMITED

COUNCIL MEMBERS' REPORT FOR THE YEAR ENDED 5 APRIL 2022

The council members present their annual report together with the audited financial statements of the charitable company for the year 6 April 2021 to 5 April 2022. The Annual report serves the purposes of both a council members' report and a directors' report under company law. The council members confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the charitable company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

a. Achievements and performance

The year to April 2022 was a difficult one for the Charity as the freedom of movement due to the Covid pandemic significantly curtailed its ability to deliver on its objectives. Despite this both the National Library of Scotland and the National Gallery of Scotland continued to maintain and care for many of the Charity's assets and collections.

On the 27th April the National Library of Scotland reopened their doors to the public which allowed for consultation of the Charity's manuscripts and collections, however, on a reduced capacity system. Despite this there was significant activity and interest in the Charity's loans. Dr Luke Gartlan, Senior Lecturer in the School of Art History at the University of St Andrews wrote a lengthy paper 'The Lindsay Family and the Visual Networks of the Crimean War' following consultation of the nineteenth-century materials as part of his investigation into the early history of photography and photographers in Britain.

Other students and academics to consult with the Charity's manuscript collections included Andrew Lownie, an independent writer and literary agent, who consulted the correspondence of Sir Ronald Lindsay and David Lindsay, 27th Earl of Crawford & Balcarres, and the unpublished memoir of Sir Ronald Lindsay as part of his research towards a joint biography of the Duke and Duchess of Windsor in the years following the Abdication Crisis.

Heather Heckman-McKenna, PhD Candidate in English at the University of Missouri, examined women's diaries in the eighteenth and nineteenth-century Personal Papers series of the Charity's collection as part of a wider research project on women's literary cultures and the creation of 'family' manuscripts in Britain during the eighteenth-century.

Olivia Baskerville, a PhD Candidate in English at the School of Advanced Study, University of London, and member of the European Research Council 'Cultivate MSS' project, consulted the papers of David Lindsay, 27th Earl of Crawford & Balcarres, for her research into the relationship between public collections, the National Art Collections Fund, and the market for medieval manuscripts in Edwardian Britain.

Professor Emeritus Greg Clingham, an independent writer and editor, visited the NLS to conduct joint research with Edward Hudson into the art and writing of Lady Anne Barnard, with particular reference to her time at the Cape of Good Hope, South Africa.

Kathryn Comper, a PhD Candidate in History at the University of Edinburgh, consulted records relating to Lady Anna Mackenzie, Countess of Balcarres and Countess of Argyll, for her doctoral dissertation entitled 'Church Discipline and the Godly Community in Scotland, 1660- 1685'.

There was further engagement with the Charity's printed collections on deposit in the NLS. The 'later' (post-1700) English Ballads have been accessible through the Digital Gallery on the NLS website since 2012. Statistics for the number of hits received indicate that there is still a healthy level of interest in this material: the figures for April 2021-31 March 2022 show a total of 17,256 'pageviews'.

The Crawford Miscellaneous Broad-sides went live on the Library's Digital Gallery in late 2018. During the reporting period there were a further 4,135 pageviews of the collection. The images are also available via the

BALCARRES HERITAGE TRUST LIMITED

COUNCIL MEMBERS' REPORT (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2022

(continued)

Europeana website (Europeana being the EU's digital platform for cultural heritage) as part of the NLS's contribution to Europeana's Rise of Literary project which ran from 2017 to 2019.

The digital versions of the late 19th- and early 20th-century printed catalogues of the Crawford collections had 3,963 pageviews during this period.

The Charity would like to express their gratitude to both Dr Graham Hogg, Curator, Rare Books, Maps & Music Collection and Dr Heidi Egginton, Curator, Archives & Manuscript Collections for their wonderful efforts and commitment to the Charity's Loan deposits.

In the early part of the year the Charity was approached by the directors of the 2021 East Neuk Music Festival that was to be a virtual online festival due to the complications regarding Covid. They asked if Sean Shibe, one of the world's greatest lute players could be filmed playing extracts from the Balcarres Lute Book, the most important 17th Century collection of lute music from Scotland. Sean was filmed in the original sixteenth-century part of the house and the performance was warmly received by all who saw it.

There were very few visitors to Balcarres House and gardens in the year and so the focus was on maintaining the fabric in good order. However, the Charity faced great difficulty in securing contractors and property repairs were significantly under budget due to this and also the cancellation of a project to repair a large area of roof. This work will be moved forward to the next year.

b. Future developments

It is anticipated that the second stage of the roof repairs will be completed.

Bookings for house and garden visits have begun to return to normal levels and it is expected that the Charity will be recruiting a Head Gardener to fill the role that was vacated in October 2021.

The Charity will continue to actively engage in academic collaboration with both the National Galleries of Scotland and also the National Library of Scotland.

Achievements and performance

Financial review

a. Going concern

After making appropriate enquiries, the council members have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

BALCARRES HERITAGE TRUST LIMITED

COUNCIL MEMBERS' REPORT (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2022

b. Reserves policy

There is no reserves policy as the Trustees believe it is not necessary to have free cash reserves available. This is due to the high levels of cash maintained in the endowment fund.

All incoming resources of the charity are included in the unrestricted general fund for the year. The principal sources of income arise from investment income in respect of dividends, rental income and from donations. Total incoming resources of £199,226 have been received in the year.

Total resources expended in the year are £245,989. These are primarily included in unrestricted general funds, except for investment management fees, which form part of the expendable endowment fund. Costs of generating funds also include the direct costs associated with let property held for investment purposes in the year. Costs of charitable activities of £193,422 include the costs of running and preserving Balcarres House and certain other properties used in furtherance of the charity's objectives.

The charity's investment policy is to hold funds in a medium risk strategy and in order to achieve a balance of income and capital growth but free from the imposition of moral or ethical constraints. At the year end the investment portfolio reported unrealised gains of £238,017. This balance is included in the charity's expendable endowment fund. Overall the net movement in funds was a increase of £274,015 resulting in unrestricted funds of £748,681 and expendable endowment funds of £6,841,652 at the year end.

BALCARRES HERITAGE TRUST LIMITED

COUNCIL MEMBERS' REPORT (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2022

c. Review of Investment Portfolio Activity & Performance Provided by James Hambro & Partners LLP 6th April 2021 to 5th April 2022

Investment Total Return Performance

- Balcarres Heritage Trust: +5.9%*
 - Benchmark: IA Mixed Investment 40 – 85% Shares Sector: +5.0%**
 - Historic performance comparator: ARC Sterling Steady Growth Private Client Index: +4.6%***
- * Source for The Balcarres Heritage Trust: Symphony (JH&P internally audited performance calculator).
- ** Source for IA Mixed Investment 40 – 85% Shares Sector performance: Financial Express, September 2022. The IA Mixed Investment 40 – 85 Shares Sector is an index compiled by the Investment Association that monitors the performance of investment funds that have between 40 – 85% invested in company shares (equities).
- *** Source for ARC Sterling Steady Growth Private Client Index performance: Suggestus (powered by ARC), September 2022.
- All performance is quoted in sterling, total return terms.

Given global circumstances and events, the Trust made reasonable progress during the year under review. Strong returns were achieved in the nine months to the end of 2021 as the market rotated back into quality and growth companies which are typically businesses which deliver strong operational performance and underlying value. To 31st December 2021, the Trust returned 11.6%.

However, the Trust, and financial markets generally, had a difficult start to 2022. Concerns over higher inflation and rising interest rates were followed by the conflict in Ukraine. As such, some of the Trust's holdings de-rated in valuation terms. At the same time, the Trust also had a low exposure to commodities. This was challenging relative to wider equity markets, not least because crude oil finished February 2021 at \$100 per barrel and the oil price was over 50% higher than a year earlier.

In terms of positioning, the Trust closed the period under review with 65.7% of its assets invested in Equities. The remainder was made up of 12.5% in Alternatives, 4.9% in Gold, 8.8% in Fixed Interest, 5.7% in Cash and 2.4% in Multi Asset Investments (Rires).

Within the equities, the major changes were a reduction in Asian and Japanese exposure. China has been a problematic market in which to invest given both the dramatic clampdowns by the Chinese government and Beijing's new regulatory crackdown which aims to curb the market power of tech giants. For this reason, Alibaba was sold. Likewise, a growth-orientated Japanese equity fund, CC Japan Alpha, was also removed. Conversely, US exposure remains the Trust's backbone, reflecting how the US leads innovation in many of the world's sectors.

The Trust continues to be invested on a bottom-up basis with a business-owner mindset. No business is immune from the economic cycle, but investments are focused on companies with resilience in terms of their industry, business model and balance sheets. This allows businesses to remain arbiters of their own destiny should the immediate environment be a challenge for all.

An example of such a business is Union Pacific which was added to the Trust in November 2021. America's largest rail franchise, Union Pacific operates in an oligopolistic industry that has consolidated into three regional duopolies. Barriers to entry are high given regulation, capital requirements and network effects. Railroads provide an essential transportation option which is often the cheapest or only viable option for long distance freight delivery giving significant pricing power. Focus over recent years on improved service together with pressure on companies to reduce carbon emissions should allow continued share gain from trucks which are the majority of overall North American transportation spend. The cyclical backdrop for volumes remains positive while any re-shoring of supply chains amidst geopolitical concerns would be a long-term support to demand. Union Pacific benefits from strong and aligned management with scope to grow margins through automation and technology improvements while allocating capital to shareholders' benefit.

In terms of outlook, the central view remains that the global economy will grow this year, more slowly than in 2021 but still above its long-term trend rate. However, the risks are to the downside for growth and to the upside for inflation, possibly leading to stagflation in the short to medium-term.

It is hard to see markets gaining significant ground until there is some de-escalation to the war in Ukraine. For the rest of the year, the question is then the trajectory of inflation and how rapidly and high interest rates will need to rise, particularly in the US. Much will depend on what happens to energy prices and supply chain constraints.

James Hambro & Partners LLP
September 2022

BALCARRES HERITAGE TRUST LIMITED

COUNCIL MEMBERS' REPORT (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2022

Structure, governance and management

a. Constitution

The company, which is a recognised charity in Scotland and in England and Wales, is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 18/02/1987. Each member guarantees the charity's liabilities to the extent of £100 in the event of the charity winding up.

The charity, which is a recognised charity in Scotland, is constituted under a Memorandum of Association dated 18/02/1987 and is a registered charity number 296766.

b. Methods of appointment or election of council members

The management and overall strategy of the charity is in the hands of the Council members. Council members are appointed by the existing Council such that the number of members of Council will not be less than 5 or more than 8. Council members hold office until the sixth Annual General Meeting following their election or re-election. Whilst there is no formal training or induction process in place, the Council works within the guidelines of the Memorandum and Articles of Association.

The day to day administration of the charity is undertaken by Lord Balniel, a current Council member.

c. Risk management

The Council members have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The risks relating to the investment portfolio have been outlined in the James Hambro & Partners LLP portfolio report.

BALCARRES HERITAGE TRUST LIMITED

COUNCIL MEMBERS' REPORT (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2022

Statement of council members' responsibilities

The council members (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Council members' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the council members to prepare financial statements for each financial year. Under company law, the council members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the council members are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 charitable company will continue in business.

The council members are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

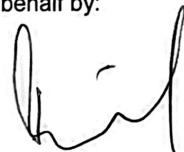
Each of the persons who are council members at the time when this Council members' report is approved has confirmed that:

- so far as that council member is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that council member has taken all the steps that ought to have been taken as a council member in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, EQ Accountants LLP, have indicated their willingness to continue in office. The designated council members will propose a motion reappointing the auditors at a meeting of the council members.

Approved by order of the members of the board of council members on 20 December 2022 and signed on their behalf by:



Lord Balniel



BALCARRES HERITAGE TRUST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BALCARRES HERITAGE TRUST LIMITED

Opinion

We have audited the financial statements of Balcarres Heritage Trust Limited (the 'charitable company') for the year ended 5 April 2022 which comprise the Statement of financial activities, the Balance sheet, and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 5 April 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the council members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the council members with respect to going concern are described in the relevant sections of this report.

BALCARRES HERITAGE TRUST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BALCARRES HERITAGE TRUST LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The council members are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report, prepared for the purposes of company law and included within Council members' report, for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the directors' report, included within the Council members' report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Council members' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of council members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the council members were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors report, included within the Council members' report, and from the requirement to prepare a Strategic report.

BALCARRES HERITAGE TRUST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BALCARRES HERITAGE TRUST LIMITED (CONTINUED)

Responsibilities of trustees

As explained more fully in the Council members' responsibilities statement, the council members (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the council members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the council members are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the council members either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misstatement due to fraud.

We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Charities and Trustee Investment (Scotland) Act 2005 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management.

A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

BALCARRES HERITAGE TRUST LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BALCARRES HERITAGE TRUST LIMITED
(CONTINUED)**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and council members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

EQ Accountants LLP

Mark Gallacher (Senior statutory auditor)

for and on behalf of
EQ Accountants LLP

Chartered Accountants

14 City Quay

Dundee

DD1 3JA

21 December 2022

EQ Accountants LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

BALCARRES HERITAGE TRUST LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 5 APRIL 2022**

		Endowment funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:					
Donations and legacies		-	-	-	15,513
Charitable activities	3	-	32,834	32,834	-
Investments	4	-	151,729	151,729	137,309
Other income	5	-	14,663	14,663	16,577
Total income and endowments		-	199,226	199,226	169,399
Expenditure on:					
Raising funds	6	44,244	8,323	52,567	59,301
Charitable activities		-	193,422	193,422	232,846
Total expenditure		44,244	201,745	245,989	292,147
Net expenditure before net gains on investments		(44,244)	(2,519)	(46,763)	(122,748)
Net gains on investments		238,017	82,761	320,778	1,097,541
Net movement in funds		193,773	80,242	274,015	974,793
Reconciliation of funds:					
Total funds brought forward		6,647,879	668,439	7,316,318	6,341,525
Net movement in funds		193,773	80,242	274,015	974,793
Total funds carried forward		6,841,652	748,681	7,590,333	7,316,318

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 14 to 25 form part of these financial statements.

BALCARRES HERITAGE TRUST LIMITED
REGISTERED NUMBER: 02101229

BALANCE SHEET
AS AT 5 APRIL 2022

		2022 £	2021 £
Fixed assets			
Tangible assets	10	343,194	360,747
Heritage assets	11	109,362	108,862
Investments	12	7,132,430	6,841,854
		<u>7,584,986</u>	<u>7,311,463</u>
Current assets			
Debtors	13	36,637	15,178
Cash at bank and in hand		2,967	20,865
		<u>39,604</u>	<u>36,043</u>
Creditors: amounts falling due within one year	14	(34,257)	(31,188)
Net current assets		<u>5,347</u>	<u>4,855</u>
Total assets less current liabilities		<u>7,590,333</u>	<u>7,316,318</u>
Net assets excluding pension asset		<u>7,590,333</u>	<u>7,316,318</u>
Total net assets		<u>7,590,333</u>	<u>7,316,318</u>
Charity funds			
Endowment funds	15	6,841,652	6,647,879
Restricted funds	15	-	-
Unrestricted funds	15	748,681	668,439
Total funds		<u>7,590,333</u>	<u>7,316,318</u>

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

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

The financial statements were approved and authorised for issue by the council members on 20 December 2022 and signed on their behalf by:


Lord Balniel



The notes on pages 14 to 25 form part of these financial statements.

BALCARRES HERITAGE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2022

1. General information

Balcarres Heritage Trust Limited is a company limited by guarantee, incorporated in England and Wales under company number 02101229 and having its registered office at 50 Broadway, Westminster, London, SW1H 0BL. The principal operating location is Balcarres Estate, Colinsburgh, Fife.

Balcarres Heritage Trust Limited is also a registered charity, registered in England and Wales with charity number 296766 and in Scotland with charity number SC039480.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Balcarres Heritage Trust Limited 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.

2.2 Income

All income is recognised once the charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the charitable company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charitable company's objectives, as well as any associated support costs.

BALCARRES HERITAGE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2022

2. Accounting policies (continued)

2.4 Tangible fixed assets and depreciation

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Land & buildings leasehold	-	Straight line basis over the term of lease (expires 2037)
Tenant's improvements	-	Straight line basis over the remaining term of the lease (expires 2037)
Plant and machinery	-	20% Straight Line
Motor vehicles	-	25% Reducing Balance

2.5 Heritage assets

Where heritage assets have been purchased, they are initially recognised at cost. After recognition, under the cost model, heritage assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

At each reporting date the charitable company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

2.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

BALCARRES HERITAGE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2022

2. Accounting policies (continued)

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

3. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Visitor income	32,834	32,834	-

4. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £
Rent and service charge income	66,026	66,026
UK listed investments	38,006	38,006
Foreign listed investments	47,697	47,697
	151,729	151,729

	Unrestricted funds 2021 £	Total funds 2021 £
Rent and service charge income	67,312	67,312
UK listed investments	30,649	30,649
Foreign listed investments	39,348	39,348
	137,309	137,309

BALCARRES HERITAGE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2022

5. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £
Single farm payment	14,663	14,663
	Unrestricted funds 2021 £	Total funds 2021 £
Reproduction fees	1,075	1,075
Single farm payment	15,121	15,121
Miscellaneous income	381	381
	16,577	16,577

6. Investment management costs

	Endowment funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Investment management fees	44,244	-	44,244
Rental property insurance	-	1,364	1,364
Rental property repairs	-	6,959	6,959
	44,244	8,323	52,567
	Endowment funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Investment management fees	42,112	-	42,112
Rental property insurance	-	2,112	2,112
Rental property repairs	-	15,077	15,077
	42,112	17,189	59,301

BALCARRES HERITAGE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2022**

7. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Heritage activities	137,919	55,503	193,422

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Heritage activities	170,372	62,474	232,846

Analysis of direct costs

	Heritage activities 2022 £	Total funds 2022 £
Depreciation	25,953	25,953
Property heat and light	17,574	17,574
Property insurance	22,427	22,427
Property repairs and maintenance	17,272	17,272
Sundry expenses	4,680	4,680
Garden vehicle & machinery repairs	416	416
Other garden expenses	7,397	7,397
Council tax	1,898	1,898
Conservation and restoration	7,848	7,848
Governance costs	32,454	32,454
	137,919	137,919

BALCARRES HERITAGE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2022**

7. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	<i>Heritage activities 2021</i>	<i>Total funds 2021</i>
	£	£
Depreciation	24,431	24,431
Property heat and light	18,375	18,375
Property insurance	20,091	20,091
Property repairs and maintenance	71,769	71,769
Sundry expenses	2,939	2,939
Garden vehicle & machinery repairs	5,704	5,704
Other garden expenses	8,222	8,222
Council tax	1,139	1,139
Conservation and restoration	2,843	2,843
Governance costs	14,859	14,859
	<u>170,372</u>	<u>170,372</u>

8. Staff costs

	2022	2021
	£	£
Wages and salaries	52,557	59,029
Social security costs	-	453
Contribution to defined contribution pension schemes	1,997	2,335
	<u>54,554</u>	<u>61,817</u>

The average number of persons employed by the charitable company during the year was as follows:

	2022	2021
	No.	No.
Employees	<u>3</u>	<u>3</u>

No employee received remuneration amounting to more than £60,000 in either year.

During the year no Trustee was remunerated for their services.

BALCARRES HERITAGE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2022

9. Auditors' remuneration

	2022 £	2021 £
Fees payable to the charitable company's auditor for the audit of the charitable company's annual accounts	7,500	7,100
Fees payable to the charitable company's auditor in respect of: All non-audit services not included above	5,100	4,700

10. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation					
At 6 April 2021	234,158	554,918	30,351	34,005	853,432
Additions	-	-	8,400	-	8,400
At 5 April 2022	234,158	554,918	38,751	34,005	861,832
Depreciation					
At 6 April 2021	120,507	309,706	30,351	32,121	492,685
Charge for the year	7,320	16,480	1,680	473	25,953
At 5 April 2022	127,827	326,186	32,031	32,594	518,638
Net book value					
At 5 April 2022	106,331	228,732	6,720	1,411	343,194
At 5 April 2021	113,651	245,212	-	1,884	360,747

BALCARRES HERITAGE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2022

11. Heritage assets

Assets recognised at cost

	Assets at Balcarres Estate 2022 £
Carrying value at 6 April 2021	108,862
Additions	500
	<u>109,362</u>

Analysis of heritage asset transactions

	2022 £	2021 £	2020 £	2019 £	2018 £
Purchases					
Heritage assets at Balcarres Estate	500	-	-	5,500	-
Total additions	<u>500</u>	<u>-</u>	<u>-</u>	<u>5,500</u>	<u>-</u>

12. Fixed asset investments

	Listed investments £
Valuation	
At 6 April 2021	6,841,854
Additions	1,152,731
Disposals	(1,299,109)
Revaluations	320,778
Transfers between classes	116,176
At 5 April 2022	<u>7,132,430</u>

BALCARRES HERITAGE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2022**

13. Debtors

	2022	2021
	£	£
Due within one year		
Other debtors	12,859	11,373
Prepayments and accrued income	23,778	3,805
	36,637	15,178

14. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	9,396	6,025
Other taxation and social security	342	1,106
Accruals and deferred income	24,519	24,057
	34,257	31,188

BALCARRES HERITAGE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2022**

15. Statement of funds

Statement of funds - current year

	Balance at 6 April 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 5 April 2022 £
Unrestricted funds					
General Funds	668,439	199,226	(201,745)	82,761	748,681
Endowment funds					
Endowment Fund	6,647,879	-	(44,244)	238,017	6,841,652
Total of funds	7,316,318	199,226	(245,989)	320,778	7,590,333

Statement of funds - prior year

	Balance at 6 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 5 April 2021 £
Unrestricted funds					
General Funds	749,075	169,399	(250,035)	-	668,439
Endowment funds					
Endowment Fund	5,592,450	-	(42,112)	1,097,541	6,647,879
Total of funds	6,341,525	169,399	(292,147)	1,097,541	7,316,318

16. Summary of funds

Summary of funds - current year

	Balance at 6 April 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 5 April 2022 £
General funds	668,439	199,226	(201,745)	82,761	748,681
Endowment funds	6,647,879	-	(44,244)	238,017	6,841,652
	7,316,318	199,226	(245,989)	320,778	7,590,333

BALCARRES HERITAGE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2022

16. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 6 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 5 April 2021 £</i>
General funds	749,075	169,399	(250,035)	-	668,439
Endowment funds	5,592,450	-	(42,112)	1,097,541	6,647,879
	<u>6,341,525</u>	<u>169,399</u>	<u>(292,147)</u>	<u>1,097,541</u>	<u>7,316,318</u>

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Endowment funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	343,194	343,194
Fixed asset investments	6,841,652	290,778	7,132,430
Heritage assets	-	109,362	109,362
Current assets	-	39,604	39,604
Creditors due within one year	-	(34,257)	(34,257)
Total	<u>6,841,652</u>	<u>748,681</u>	<u>7,590,333</u>

Analysis of net assets between funds - prior year

	<i>Endowment funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	360,747	360,747
Fixed asset investments	6,647,879	193,975	6,841,854
Heritage assets	-	108,862	108,862
Current assets	-	36,043	36,043
Creditors due within one year	-	(31,188)	(31,188)
Total	<u>6,647,879</u>	<u>668,439</u>	<u>7,316,318</u>

BALCARRES HERITAGE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2022

18. Contingent liabilities

The charity has sub-let the property known as The Bothies on the basis that the tenant will spend a minimum of £250,000 on developing and improving the property. Once the tenant has incurred expenditure of £250,000, the charity will be required to pay compensation if the lease is terminated at any time prior to 31 December 2030. Until December 2020 the level of compensation is fixed at £100,000 and reduces thereafter by £10,000 for each year or part of a year which elapses. The tenant had incurred the minimum expenditure by 5 April 2010 but the trustees have no intention of terminating the lease.

19. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £1,997 (2021 - £2,335). No contributions were payable to the fund at the balance sheet date (2021 - £nil).

20. Related party transactions

Parts of the property leased by the charity are sub-let to the Earl of Crawford and Balcarres and Lord Balniel at rents independently set each year by CKD Galbraith LLP, property consultants. The rent due by the Earl of Crawford and Balcarres in respect of this sub-lease in the year under review was £6,700 (2021 - £6,600) and £18,055 (2021 - £17,805) by Lord Balniel.

The charity paid insurance for part of the contents of Balcarres House owned by Lord Balniel, being ones that fall within the charitable objectives of the charity and subject to a loan agreement between the charity and Lord Balniel. In the current year this amounted to £2,891 (2021 - £3,127).

In addition, during the year Lord Balniel paid expenses on behalf of the charity amounting to £266 (2021 - £12,496).

Lord Balniel is a partner in James Hambro & Partners LLP who provide investment management services to the charity. The value of these services in the year under review was £33,952 (2021 - £31,009).

Mr Simon Weil was a partner in the legal practice of Charles Russell Speechlys which provides legal services to the charity. The value of these services in the year under review was £19,854. In the prior year, BDB Pitmans LLP, of whom Mr Weil was a partner at that time, provided legal services valued at £3,059. There were no amounts outstanding by the charity at the year end.