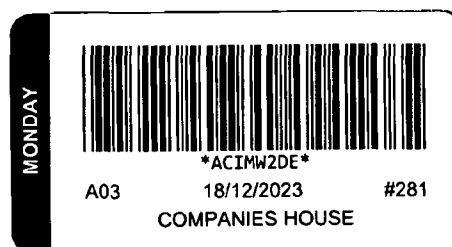


Registered number: 02101229  
Charity numbers: 296766 & SC039480

**BALCARRES HERITAGE TRUST LIMITED**  
**(A company limited by guarantee)**  
**COUNCIL MEMBERS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 5 APRIL 2023**



# **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 2023**

**Council members**      The Earl of Crawford and Balcarres  
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 Audit Services 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 2023**

The council members present their annual report together with the audited financial statements of the charitable company for the year from 6 April 2022 to 5 April 2023. 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**

In order to promote the advancement of the arts, heritage and culture the Charity has had a long standing policy of making their collection of works of art and collections of books and papers more accessible to the public either by long term loans or by loans to temporary exhibitions organised by national institutions. The loans of a considerable number of paintings to the National Gallery of Scotland have been continued and the Trustees would like to thank the Directors and staff of the National Galleries of Scotland for the care they take as custodians of some of the Charity's assets and for making them available to the public free of charge. The National Library of Scotland (NLS) likewise are the guardians of the printed and manuscript collections and again the Trustees would like to extend their gratitude to the Directors and staff for their commitment to the collections.

In November 2022 the National Library's Digital team completed the digitisation of the Crawford Collection items requested by Cengage Gale for the third instalment of their Eighteenth-Century Collections Online (ECCO) digital resource. Images of 79 English Ballads and 309 Miscellaneous Broad-sides that had previously been digitised at the Library have also been supplied as part of the project.

Cengage Gale expect to publish ECCO III in late 2024 or 2025. The instalments of ECCO contain every significant English-language and foreign-language title printed in Britain, Ireland, overseas territories under British colonial rule, and the United States between the years 1701 and 1800, making it the main digital resource for the 18th-century. ECCO is available remotely to all National Library registered users, and anyone affiliated with a further or higher education institution who joins the Library, as well as all users of the NLS reading rooms in Edinburgh, and the research zone at Kelvin Hall in Glasgow.

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 a steady level of interest in this material with 14,007 page views recorded in the year.

The Crawford Miscellaneous Broad-sides went live on the Library's Digital Gallery in late 2018. During the reporting period there were 4,770 page views of the collection, a slight increase on the previous year. The images are also available via the Europeana website as part of the Library'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 3,036 page views during this period.

In May the Charity made the 'Round Robin' letter to Dr Samuel Johnson available to the Blackie House Library and Museum (BHL). The item was lent for an online presentation and discussion via Zoom. There were no fewer than 50 people from across the world who were able for the very first time to see this prized document which came into the Crawford Collections via the Barnard family. The group principally consisted of scholars of Samuel Johnson and the 18th century more generally who are members of a group known as The Johnsonians.

In December The Charity agreed to loan an album of over 100 photographs by the Victorian artist Julia Margaret Cameron for an event at BHL. The attendees of the event were among the most knowledgeable in the world of photography. Among them were: two curators from the National Gallery of Art in Washington DC (Sarah

## **BALCARRES HERITAGE TRUST LIMITED**

### **COUNCIL MEMBERS' REPORT (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2023**

**(continued)**

Greenough and Diana Waggoner); curators past and present from the National Gallery of Scotland (Annie Leyden and Sarah Stevenson); likewise from the National Museum of Scotland (Geoff Belknap and Alison Morrison-Low), the Victoria and Albert Museum (Martin Barnes) from St Andrews University (Laura Brown), and from the University of Oxford (Richard Ovenden and Professor Geoffrey Batchen).

During the year the Charity hosted several groups from around the world including the Patrons of the Wallace Collection (London), the Historic New England Group (USA), The Berkshire Botanical Gardens Group (USA) and the European Boxwood & Topiary Society. In June the Charity accommodated the Board of Rolex and their guests for 8 days over the Golf Open Championship at St Andrews. At the end of June the gardens were opened with all gate receipts going to the local branch of the Children 1st Charity. Over 350 people attended the event.

#### **b. Future developments**

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

The project to renew the lead roofing will continue in order to complete the second phase.

#### **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.

##### **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 £252,669 (2022 - £199,226) have been received in the year.

Total resources expended in the year are £432,979 (2022 - £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 £267,534 (2022 - £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 in order to achieve a balance of income and capital growth but free from the imposition of moral or ethical constraints.

Overall the net movement in funds was a deficit of £466,621 (2022 - £274,015 surplus), resulting in unrestricted funds of £457,483 and expendable endowment funds of £6,666,229 at the year end.

## **BALCARRES HERITAGE TRUST LIMITED**

### **COUNCIL MEMBERS' REPORT (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2023**

#### **c. Review of Investment Portfolio Activity & Performance Provided by James Hambro & Partners LLP 6th April 2022 to 5th April 2023**

After a difficult start to 2022, financial markets continued to fall in the first part of the year under review. The weakness in specific parts of the market became widespread as valuation concerns gave way to fears of persistent inflation and rising interest rates pushing economies into recession. This weakness persisted through most of 2022 and saw equity valuations adjusting materially lower over the twelve months with most markets now trading at or below their 30-year averages. Valuations could cheapen further but are at levels historically associated with reasonable annualised returns over the subsequent five years.

The start of 2023 was punctuated by fears around economic growth, as 77% of Wall Street economists incorrectly predicted a recession in the first three months of the year. This lasted barely a week before investors were given hope that a goldilocks scenario of immaculate disinflation and gently slowing growth would allow interest rates to fall without the inconvenience of a recession. Markets rallied with previously weaker sectors like unprofitable technology and cyclical businesses leading the way.

The Federal Reserve quickly put paid to this hope in February as they confirmed that a volte face on interest rate policy was off the table. A buoyant jobs market, resilient spending by consumers and underlying price pressures from wages and services meant that more tightening was likely to be needed with rates remaining at their highs for the rest of the year.

Despite the swings from hope to despair and headline grabbing banking failures, asset returns were largely positive over the final quarter under review, with the MSCI All Country World Index and global fixed interest markets firming. Gold provided shelter from the banking storm and many industrial metals benefitted from the hope that reopening would support a sustained economic acceleration in China. Brent crude was a laggard following a mild European winter, falling by 9%, but actions by OPEC+ to cut production have seen the oil price bounce back this month.

There was substantial dispersion between the winners and losers in equities, 2023 year to date providing a mirror image of 2022 with technology leading and energy lagging. The tech-heavy Nasdaq index returned over 14% whilst energy stocks fell by 5%.

The big technology companies are still influential forces and remain excellent businesses. However, the scale of their supremacy will likely wane, and longer-term market returns will be built on a broader range of companies than the technology companies which dominated the last decade.

So over the year, global equities fell 6.6% in local currency terms whilst UK gilts fell 15.7% in sterling terms and US treasuries declined 3.2% in dollars. Gold provided greater protection in the second half of the period finishing the year up 5% in dollars. A bonus for sterling-based investors, and for the Fund, was the decline in the pound against most currencies including the dollar, which has itself been strong. The declines were spread across regions and industrial sectors with energy performing the best.

The Fund entered the period with 65% of its assets invested in equities balanced by a combination of defensive holdings, including government-issued bonds, gold, and cash.

With investors struggling to predict the future path of growth and with it interest rates in the face of conflicting data. There remains a disconnect between the current environment and the future slowdown that many expect. Employment, wage growth and consumer spending all point to a healthy environment for the important services sector even as leading indicators, principally in manufacturing, indicate tough times ahead.

The residual shockwaves of the pandemic continue to reverberate, whilst the avoidance of the expected energy Armageddon has provided a boost to wallets and sentiment. The jury is still to deliver a verdict on whether a recession can be avoided or simply postponed. What seems certain is that central banks want to see clear trends towards lower inflation and softening wage inflation before deciding to alter the course of interest rate policy.

## **BALCARRES HERITAGE TRUST LIMITED**

### **COUNCIL MEMBERS' REPORT (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2023**

We spent much of last year building more resilience into the portfolio given our concerns that the rapid tightening of financial conditions would ultimately lead to recessionary conditions. With yields having moved sharply higher we have been adding back to defensive sovereign bonds since the end of last summer whilst retaining exposure to gold, a tried and tested asset in uncertain times. Both have demonstrated their protective worth through the recent banking fears. This has resulted in equities closing the period at 63%, a little lower than the start but with bonds being higher at 12.5% compared to 8.5% at the start.

As higher interest rates make their way through the economic plumbing there may well be more accidents as the speculative excesses of the zero-rate era are laid bare. In this regard, commercial real estate is an asset class that is moving higher up the list of concerns for investors.

Almost all rate cycles have ended in a recession. We see insufficient evidence that this one, the fastest in 40 years, will not have the same result. We therefore retain our preference for caution and ensuring portfolios are shipshape to withstand whatever squalls appear on the horizon.

During the period under review the Charity portfolio showed a decline of 2.3%, net of fees. During the same period the portfolio benchmark, the ARC Steady Growth Index declined by 4.5%.

#### **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 Crawford, 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 2023

#### 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 . 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

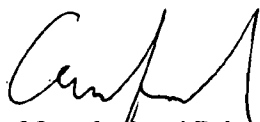
Each of the persons who are council members at the time when this Council members' report is approved has confirmed that:

- 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.

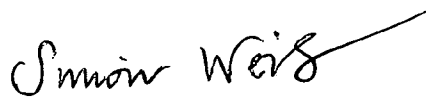
#### Auditors

The auditors, EQ Audit Services 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 23 November 2023 and signed on their behalf by:



The Earl of Crawford and Balcarres



S P Weil



## **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 2023 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 2023 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

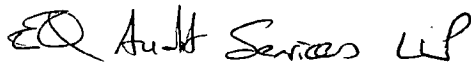
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**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.



**Douglas Rae (Senior statutory auditor)**

for and on behalf of  
**EQ Audit Services LLP**

Chartered Accountants  
Statutory Auditors

14 City Quay

Dundee

DD1 3JA

27 November 2023

EQ Audit Services 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 2023**

		Endowment funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
<b>Income and endowments from:</b>					
Charitable activities:					
Visitor income		-	58,379	58,379	32,834
Investments	3	-	175,658	175,658	151,729
Other income	4	-	18,632	18,632	14,663
<b>Total income and endowments</b>		<b>-</b>	<b>252,669</b>	<b>252,669</b>	<b>199,226</b>
<b>Expenditure on:</b>					
Raising funds	5	41,530	128,422	169,952	52,567
Charitable activities		-	263,027	263,027	193,422
<b>Total expenditure</b>		<b>41,530</b>	<b>391,449</b>	<b>432,979</b>	<b>245,989</b>
<b>Net expenditure before net (losses)/gains on investments</b>		<b>(41,530)</b>	<b>(138,780)</b>	<b>(180,310)</b>	<b>(46,763)</b>
Net (losses)/gains on investments		(133,893)	(156,661)	(290,554)	320,778
<b>Net movement in funds before other recognised gains</b>		<b>(175,423)</b>	<b>(295,441)</b>	<b>(470,864)</b>	<b>274,015</b>
<b>Other recognised gains:</b>					
Gains on revaluation of fixed assets		-	4,243	4,243	-
<b>Net movement in funds</b>		<b>(175,423)</b>	<b>(291,198)</b>	<b>(466,621)</b>	<b>274,015</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		6,841,652	748,681	7,590,333	7,316,318
Net movement in funds		(175,423)	(291,198)	(466,621)	274,015
<b>Total funds carried forward</b>		<b>6,666,229</b>	<b>457,483</b>	<b>7,123,712</b>	<b>7,590,333</b>

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

The notes on pages 13 to 23 form part of these financial statements.

**BALCARRES HERITAGE TRUST LIMITED**  
**REGISTERED NUMBER: 02101229**

**BALANCE SHEET**  
**AS AT 5 APRIL 2023**

		2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	9	339,404	343,194
Heritage assets	10	109,362	109,362
Investments	11	6,666,229	7,132,430
		<u>7,114,995</u>	<u>7,584,986</u>
<b>Current assets</b>			
Debtors	12	43,743	36,637
Cash at bank and in hand		9,696	2,967
		<u>53,439</u>	<u>39,604</u>
Creditors: amounts falling due within one year	13	(44,722)	(34,257)
		<u>8,717</u>	<u>5,347</u>
<b>Net current assets</b>		<u>8,717</u>	<u>5,347</u>
<b>Total assets less current liabilities</b>		<u>7,123,712</u>	<u>7,590,333</u>
<b>Total net assets</b>		<u>7,123,712</u>	<u>7,590,333</u>
<b>Charity funds</b>			
Endowment funds		6,666,229	6,841,652
Restricted funds		-	-
Unrestricted funds		457,483	748,681
<b>Total funds</b>		<u>7,123,712</u>	<u>7,590,333</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 23 November 2023 and signed on their behalf by:



**The Earl of Crawford and Balcarres**



**S P Weil**

The notes on pages 13 to 23 form part of these financial statements.

## **BALCARRES HERITAGE TRUST LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023**

#### **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.

##### **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.

##### **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.

## BALCARRES HERITAGE TRUST LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

#### 2. Accounting policies (continued)

##### 2.4 Tangible fixed assets and depreciation (continued)

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.

Investments held as fixed assets are shown at cost less provision for impairment.

##### 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.

##### 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.



# BALCARRES HERITAGE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

### 3. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Rent and service charge income	65,230	65,230
UK listed investments	57,098	57,098
Foreign listed investments	53,330	53,330
	<u>175,658</u>	<u>175,658</u>

	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
	<u>151,729</u>	<u>151,729</u>

### 4. Other incoming resources

	Unrestricted funds 2023 £	Total funds 2023 £
Single farm payment	14,919	14,919
Income associated with British Open	3,713	3,713
	<u>18,632</u>	<u>18,632</u>

	Unrestricted funds 2022 £	Total funds 2022 £
Single farm payment	14,663	14,663

**BALCARRES HERITAGE TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 5 APRIL 2023**

**5. Investment management costs**

	<b>Endowment funds 2023 £</b>	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>
Investment management fees	41,530	-	<b>41,530</b>
Rental property insurance	-	4,507	<b>4,507</b>
Rental property repairs	-	123,853	<b>123,853</b>
	<b>41,530</b>	<b>128,360</b>	<b>169,890</b>

	<i>Endowment funds 2022 £</i>	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Investment management fees	44,244	-	<b>44,244</b>
Rental property insurance	-	1,364	<b>1,364</b>
Rental property repairs	-	6,959	<b>6,959</b>
	<b>44,244</b>	<b>8,323</b>	<b>52,567</b>

**6. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2023 £</b>	<b>Support costs 2023 £</b>	<b>Total funds 2023 £</b>
Heritage activities	192,787	70,240	<b>263,027</b>

	<i>Activities undertaken directly 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total funds 2022 £</i>
Heritage activities	137,919	55,503	<b>193,422</b>

**BALCARRES HERITAGE TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 5 APRIL 2023**

**6. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Heritage activities 2023</b>	<b>Total funds 2023</b>
	<b>£</b>	<b>£</b>
Depreciation	33,181	<b>33,181</b>
Property heat and light	29,679	<b>29,679</b>
Property insurance	26,176	<b>26,176</b>
Property repairs and maintenance	51,981	<b>51,981</b>
Sundry expenses	16,530	<b>16,530</b>
Garden vehicle & machinery repairs	1,533	<b>1,533</b>
Other garden expenses	9,396	<b>9,396</b>
Council tax	1,691	<b>1,691</b>
Conservation and restoration	2,400	<b>2,400</b>
Governance costs	20,220	<b>20,220</b>
	<b>192,787</b>	<b>192,787</b>
	<b>Heritage activities 2022</b>	<b>Total funds 2022</b>
	<b>£</b>	<b>£</b>
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
	<b>137,919</b>	<b>137,919</b>

# BALCARRES HERITAGE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

### 7. Staff costs

	2023 £	2022 £
Wages and salaries	68,012	52,557
Contribution to defined contribution pension schemes	1,488	1,997
	<u>69,500</u>	<u>54,554</u>

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

	2023 No.	2022 No.
Employees	<u>2</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.

### 8. Auditors' remuneration

	2023 £	2022 £
Fees payable to the charitable company's auditor for the audit of the charitable company's annual accounts	6,600	6,300
Fees payable to the charitable company's auditor in respect of: All non-audit services not included above	<u>6,600</u>	<u>6,300</u>

# **BALCARRES HERITAGE TRUST LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023**

### **9. Tangible fixed assets**

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 6 April 2022	234,158	554,918	38,751	34,005	861,832
Additions	-	-	-	29,948	29,948
Disposals	-	-	-	(9,900)	(9,900)
At 5 April 2023	234,158	554,918	38,751	54,053	881,880
<b>Depreciation</b>					
At 6 April 2022	127,827	326,186	32,031	32,594	518,638
Charge for the year	7,320	16,480	1,680	7,701	33,181
On disposals	-	-	-	(9,343)	(9,343)
At 5 April 2023	135,147	342,666	33,711	30,952	542,476
<b>Net book value</b>					
At 5 April 2023	99,011	212,252	5,040	23,101	339,404
At 5 April 2022	106,331	228,732	6,720	1,411	343,194

### **10. Heritage assets**

#### **Assets recognised at cost**

	Assets at Balcarres Estate 2023 £	Total 2023 £
Carrying value at 6 April 2022 & 5 April 2023	109,362	109,362
	109,362	109,362

#### **Analysis of heritage asset transactions**

	2023 £	2022 £	2021 £	2020 £	2019 £
<b>Purchases</b>					
Heritage Assets	-	500	-	-	5,500

**BALCARRES HERITAGE TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 5 APRIL 2023**

**11. Fixed asset investments**

	Listed investments £	Investment cash £	Total £
<b>Cost or valuation</b>			
At 6 April 2022	6,740,161	392,269	7,132,430
Additions	2,176,541	118,142	2,294,683
Disposals	(2,188,728)	(281,602)	(2,470,330)
Revaluations	(290,554)	-	(290,554)
At 5 April 2023	<u>6,437,420</u>	<u>228,809</u>	<u>6,666,229</u>

**12. Debtors**

	2023 £	2022 £
<b>Due within one year</b>		
Other debtors	17,332	12,859
Prepayments and accrued income	26,411	23,778
	<u>43,743</u>	<u>36,637</u>

**13. Creditors: Amounts falling due within one year**

	2023 £	2022 £
Trade creditors	18,567	9,396
Other taxation and social security	1,911	342
Accruals and deferred income	24,244	24,519
	<u>44,722</u>	<u>34,257</u>

# BALCARRES HERITAGE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

### 14. Summary of funds

#### Summary of funds - current year

	Balance at 6 April 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 5 April 2023 £
General funds	748,681	252,669	(391,449)	(152,418)	457,483
Endowment funds	6,841,652	-	(41,530)	(133,893)	6,666,229
	<u>7,590,333</u>	<u>252,669</u>	<u>(432,979)</u>	<u>(286,311)</u>	<u>7,123,712</u>

#### Summary of funds - prior 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
	<u>7,316,318</u>	<u>199,226</u>	<u>(245,989)</u>	<u>320,778</u>	<u>7,590,333</u>

### 15. Analysis of net assets between funds

#### Analysis of net assets between funds - current year

	Endowment funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	339,404	339,404
Fixed asset investments	6,666,229	-	6,666,229
Heritage assets	-	109,362	109,362
Current assets	-	53,439	53,439
Creditors due within one year	-	(44,722)	(44,722)
<b>Total</b>	<u>6,666,229</u>	<u>457,483</u>	<u>7,123,712</u>

## BALCARRES HERITAGE TRUST LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

#### 15. Analysis of net assets between funds (continued)

##### Analysis of net assets between funds - prior year

	<i>Endowment funds 2022 £</i>	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
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)
<b>Total</b>	<b>6,841,652</b>	<b>748,681</b>	<b>7,590,333</b>

#### 16. 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.

#### 17. Contingent assets

The trustees expect to receive a legacy from the estate of the late Robert Lindsay, 29th Earl of Crawford, who died on 18th March 2023. At the date of approving these accounts, the legacy had not been received and its value could not be reliably quantified.

#### 18. 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 £1,488 (2022 - £1,997). No contributions were payable to the fund at the balance sheet date (2022 - £nil).



## **BALCARRES HERITAGE TRUST LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023**

#### **19. Related party transactions**

Parts of the property leased by the charity are sub-let to the Earl of Crawford and Balcarres at rent 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 £19,375 (2022 - £18,055) In addition, the Earl's late father held a lease over a separate part of the property, for which the rent was £19,375 (2022 - £6,700).

Certain contents of Balcarres House, which are owned by the Earl of Crawford and Balcarres but fall within the charitable objectives of the charity, are subject to a loan agreement between the Earl and the charity. The charity includes these items within its insurance policy as part of this agreement.

In addition, during the year the Earl of Crawford and Balcarres paid expenses on behalf of the charity amounting to £nil (2022 - £266) and made an unrestricted donation of £1,100 (2022 - £nil).

The Earl of Crawford and Balcarres 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 £40,605 (2022 - £33,952).

Mr Simon Weil is a partner in the legal practice of Charles Russell Speechlys which provides legal services to the charity. The amount paid for these services during the year was £nil (2022 - £19,854).