

**THE BUCCLEUCH LIVING HERITAGE TRUST**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2025**

THE BUCCLEUCH LIVING HERITAGE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

---

<b>Company number</b>	SC377083
<b>Scottish charity number</b>	SC014915
<b>Status</b>	The organisation is a charitable company limited by guarantee, incorporated on 19 April 2010 in Scotland.
<b>Trustees</b>	The Duke of Buccleuch and Queensberry KT GCVO KBE FRSE Dr Tracy Borman Ian Gow Bernard Higgins Sir John Robinson, Bt Wilfred Weeks, OBE Earl of Dalkeith
<b>Secretary</b>	Colin Henderson
<b>Registered office</b>	58 Morrison Street Edinburgh EH3 8BP
<b>Business address</b>	Weatherhouse Bowhill Selkirk TD7 5ES
<b>Independent auditors</b>	Saffery LLP 9 Haymarket Square Edinburgh EH3 8RY
<b>Bankers</b>	The Royal Bank of Scotland plc. 12 High Street Selkirk TD7 4DF  Handelsbanken 18 Charlotte Square Edinburgh EH2 4DF
<b>Solicitors</b>	Anderson Strathern LLP 58 Morrison Street Edinburgh EH3 8BP

# THE BUCCLEUCH LIVING HERITAGE TRUST

## CONTENTS

---

	<b>Page</b>
Trustees' report	1 – 8
Independent auditors' report	9 – 12
Statement of financial activities	13
Balance sheet	14
Cash flow statement	15
Notes to the financial statements	16 – 34



# THE BUCCLEUCH LIVING HERITAGE TRUST

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 OCTOBER 2025

---

The Trustees present their report and financial statements for the year ended 31 October 2025. The legal and administrative information as set out on the previous pages forms part of the report.

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

### **Principal activity**

The principal activity of the charitable company is that of the promotion, education and appreciation of historic, artistic, architectural and aesthetic matters.

### **Trustees and key personnel**

The directors of the charitable company (the charity) are its trustees for the purposes of charity law and throughout this report are collectively known as the trustees.

The following trustees held office since 1 November 2024:

The Duke of Buccleuch and Queensberry KT GCVO KBE FRSE  
Dr Tracy Borman  
Ian Gow  
Bernard Higgins  
Sir John Robinson, Bt  
Wilfred Weeks, OBE  
Earl of Dalkeith  
Dame Rosalind Savill, DBE CBE (deceased 27 December 2024)

## THE BUCCLEUCH LIVING HERITAGE TRUST

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 OCTOBER 2025

---

#### **Personnel**

The Trustees are conscious of the diffuse nature of the charity's activities across a number of sites and the responsibilities this entails. The Chairman, the Duke of Buccleuch, maintains a broad oversight of all the key personnel; Rory Powell at Bowhill, Charles Lister at Boughton, Claire Oram at Drumlanrig Castle, Charlotte Rostek at Dalkeith, Graeme Burgess as Financial Controller and Scott Macdonald as Director of Collections.

The charity has an established Finance Committee consisting of the Duke of Buccleuch who acts as chair along with Sir John Robinson, Wilfred Weeks, Benny Higgins and representatives of The MDS Estates Limited. It meets twice a year and takes a more detailed oversight of the finances and subsequently reports to the main Trustee Board. In addition, a panel consisting of the Duke of Buccleuch and Wilfred Weeks acts as a sounding board on collections management issues, loans and other similar issues working closely with Scott Macdonald.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The Buccleuch Living Heritage Trust is a company limited by guarantee governed by its Memorandum and Articles of Association dated 19 April 2010. There are currently seven members (2024: seven), each of whom agrees to contribute £1 in the event of the charity winding up.

##### **Appointment of trustees**

The holder of the title of the Duke of Buccleuch and Queensberry has the power to appoint trustees.

##### **Trustee induction and training**

The Trustees work within the guidelines of the Articles of Association. There is in place a formal induction process for the trustees and a policy for providing the training to the trustees on matters relevant to their duties.

##### **Organisation**

The Board of Trustees administers the charity. It meets regularly to discuss the running of the charity, whilst there are also separate non-trustee meetings for financial planning. The Board is responsible for the day to day running of the charity, although there is a management team of suitably qualified people in place to facilitate effective operations. All major decisions are taken by the Trustees after full consideration and after having taken professional advice where appropriate.

##### **Related parties**

The charity is related to a number of companies owned by The MDS Estates Limited under the provisions of FRS 102.

##### **Pay policy for senior staff**

The Trustees consider the Board of Trustees and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day-to-day basis.

All Trustees give of their time freely and no Trustee received remuneration during the year. Details of Trustee expenses and related party transactions are disclosed in Note 23 to the financial statements.

The salaries and benefits paid to the senior staff are reviewed annually. Reference is taken to equivalent roles within equivalent businesses in so far as can be, to ensure that senior staff are properly remunerated.

# THE BUCCLEUCH LIVING HERITAGE TRUST

## TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 OCTOBER 2025

---

### **Risk management**

The Trustees have assessed the major risks to which the charity is exposed and in particular those related to the operations and financing. A process of review is in place to ensure that Trustees are aware of the inherent risk within the activities of the Trust and that robust plans and mitigation are in place to reduce this to a residual level of risk and a level at which the Trustees are comfortable.

Key risks identified by the Trustees are:

- Reputation – from its operations, including ensuring that our employment and remuneration policies and practices are in line with agreed practices.
- Investments and changes in the world economy – The Trust regularly reviews its investment policy and investment holdings taking account of significant economic or world events.
- Business continuity – The Trustees are working with The MDS Estates Limited to ensure that there are full continuity plans in place in the event of a significant event at any of its operations.
- Political – The Trustees are aware of the uncertainties that issues such as devolution pose to the Trust and monitor the situation closely.
- Failure to meet regulatory standards – The Trustees are aware of all the regulatory standards and codes that they must meet and compliance with these is reviewed at each Finance Committee meeting.

The Trustees have ensured that they have plans and processes in place to mitigate each risk outlined above. A formal review of these plans and processes takes place at each Finance Committee, any change in the risk assessment is discussed, and actions to bring this assessment back in line with the Trusts agreed risk tolerance are undertaken.

### **OBJECTIVES AND ACTIVITIES**

The general objective of the charity is the advancement of historic, artistic, architectural and aesthetic education. In order to achieve the general objective of the charity, the primary objectives include:

- The education of the general public in respect of matters of historic, artistic, architectural and aesthetic interest;
- The promotion of the study and appreciation of agriculture, horticulture and silviculture, and land and estate management;
- The preservation, protection and improvement for public benefit of buildings and chattels of national, historic, architectural or artistic interest; and
- The creation, maintenance and funding of grants, bursaries, scholarship prizes and rewards for members of the general public to increase their knowledge, appreciation and enjoyment of such buildings, land and chattels, and for educational and research purposes generally.

The strategies employed to achieve the charity's objectives are:

- Providing the public with access to Bowhill and Boughton Houses and Drumlanrig Castle as buildings of historic, architectural and artistic interest and access to the grounds of Dalkeith House;
- Providing the public with access to Bowhill, Boughton and Drumlanrig Gardens as land of agricultural, horticultural and silvicultural interest;
- Operating Bowhill Little Theatre as a place where the public can view cultural and artistic dramatic performances; and
- Owning and managing an income-generating portfolio of investments and commercial properties, such that sufficient funds are in place to cover the costs of running the charity and achieving the charity's general objectives.

The three major areas of activity are:

- The offering of various properties as tourist attractions for the public;
- The management and leasing out of various commercial properties owned by the charity; and
- The management of a portfolio of listed investments.

## REPORT ON ACTIVITIES

As we enter 2026, I am delighted to report completion of conservation work on the Egyptian Hall ceiling at Boughton, the final leg of a project that has taken eight years and which has been the largest and most challenging in the Trust's history. The nine Louis Cheron ceilings dating from c.1700 have required the incredibly skill and patience of up to ten conservators working over cold winter months and the Trustees are hugely grateful to the Perry Lithgow Partnership for taking on and completing this programme of works to such a high standard. We record our special gratitude to Richard Lithgow, one of the founding partners, whose untimely death in October 2023 robbed us of one of the guiding inspirations for the work. The glory of the ceilings, now fully revealed and properly lit, will be celebrated over the coming months and we were delighted to have recognition of the scale of the achievement in an Editorial in the Burlington magazine.

Boughton has been scaffolded externally as well as internally for many months as a major conservation programme on the roof has been undertaken by the Boughton Estates. This work is expected to take nine months to complete and alongside the complete rewiring at Bowhill over a four-year period, is clear evidence of the commitment by the Buccleuch group to maintaining these historic buildings which the Trustees warmly welcome. We were particularly relieved that notwithstanding this heavy programme the Estate at short notice undertook complete replacement of the wool insulation in the Bowhill roof which posed the threat of a serious moth infestation.

Inevitably these programmes have created a variety of different additional pressures for the Trust's own staff, and I would like to recognise them for their forbearance and ingenuity in coping and for ensuring that as much visitor access as was practical could be maintained.

In other ways this has been an unusually busy year as we have expanded our programme of supporting activities with other organisations. The Venice Music Project was a particularly rewarding example involving academic research in the archives followed by concerts of rare and occasionally unique 18<sup>th</sup> century music held within them. These took place in the autumn of 2024 in Venice and Milan and at Boughton and Warkton Church last summer. We are particularly grateful to Paul Boucher for overseeing this complex project and for overseeing a beautiful exhibition about Italy and the Grand Tour which drew on the collections across the houses. Once again Boughton was able to play its part in generating sponsorship for the event.

Dalkeith Palace hosted many varied exhibitions this year including the Scottish Furniture Makers Association, Visual Arts Scotland, and our own "Photo Dalkeith". This was curated by Walter Dalkeith, Charlotte Rostek and Zelda Cheatle and embraced some of Scotland's leading photographers as well as works by the local Midlothian Camera Club. Alongside these larger more complex events, there were numerous smaller events, including an evening in aid of the Abbotsford Trust.

At Drumlanrig we saw a much quieter period for the castle this year following the very successful filming of series two of the Buccaneers by Apple TV. This year the castle and its gardens busy with visitors taking advantage of the warm and dry summer to visit not only the castle but the wonderful gardens. Indeed, our gardens across the houses were in beautiful bloom across the season and we thank our gardening teams for their efforts to show the houses against their most beautiful backdrops.

Early in 2025 Drumlanrig provided the essential quiet and secure environment for the meeting of Muslim and Jewish leaders which resulted in the Drumlanrig Accords, a copy of which was signed the following month and presented to HM The King at Buckingham Palace. This historic agreement offers the prospect of closer relationships between the two communities, a healing process based on shared values, and we feel privileged to have been able to play our part. In August Drumlanrig played host to musicians and supporters of the Melbourne Symphony Orchestra prior to their appearance at the Edinburgh Festival during which a memorable performance was given in the courtyard. Amongst other events over the course of the year were visits from a Rolls Royce enthusiast group, participants in the "Drive to Maggie's" fundraising event and guests from the Royal Scot train.

At Bowhill where the house was able to reopen in part notwithstanding the rewiring, we hosted a series of major events engaging with the local community, including an afternoon tea party for Volunteers throughout the Borders run in partnership with Community Action Borders and a special free entry day for the families of NHS Borders staff at which the NHS Borders Choir performed.

Educational opportunities and links were once again a strong element of the Trust's work. Rory, Sarah and Andy at Bowhill proved wonderfully creative in running engaging events for local schools. Following the Covid-19 hiatus they and the other teams are once again providing a full range of ranger led activities, art-based education events and providing access to wider areas of the estates for external activities. The Trust remains fully responsible for the funding of the Young Walter Scott Prize which sits alongside the main prize and encourages the development of the writing talent of the future. Katherine White from the West Midlands won the 11-15 age category and Sophie Berry the 15-19 age category. It was gratifying that one of the early winners of the Prize, Rosie Byard-Jones was asked to join the distinguished main judging panel.

## THE BUCCLEUCH LIVING HERITAGE TRUST

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 OCTOBER 2025

---

We are responding to a growing volume of external requests for information from our archives and in providing loan items to local, regional, and national exhibitions. Our archive team, led by Crispin Powell and Craig Thomas, and with assistance from David Monro, have dealt with over 1,000 enquiries from private individuals, other collections, museums, and interest groups and they continue to provide source data to assist in research into local interest matters and historical links to the Buccleuch family and collection.

As usual we continue to respond to a number of high-profile loan requests with museums and galleries. In the autumn our Collections team worked with the Museo del Prado in Madrid to send two portraits for their exhibition on Anton Raphael Mengs. Other loans currently being agreed include two Gainsborough exhibitions at the Frick Museum in New York and at Gainsborough House, as well as others at the Ashmolean Museum and Hever Castle. We are also working with the Royal Scottish Academy (RSA) as they look to celebrate their 200<sup>th</sup> anniversary. For this they will be holding a series of exhibitions across Scotland, and we will host one of those events at Dalkeith Palace with a number of pieces from their photography archive being on display as a part of the Photo Dalkeith exhibition for the year.

Aside from the Cheron ceilings, conservation remains a priority with Scott Macdonald diligent in ensuring that we prioritise and allocate the resources to those items in need of urgent attention and to resolving issues such as the environmental challenges at Bowhill which proved a grave threat to the costume collection held there. Amongst many things, work was completed on the two Bowhill Library Globes (in Paris) and by Yannick Chastang on the magnificent desk by Oppenordt and commenced on the great Caffieri clock from Boughton and a Nicholas Heude panel which was removed from Bonnie Prince Charlie's room in Drumlanrig. As well as those external to the Trust, we express thanks to our caretaking teams, Colin Bevan, Alan Smith, Brian Gould, Andrew Ross, Sarah Cross, and Calum Flanders who oversee the safe movement and transfer of these important art treasures. This is particularly the case at Bowhill with entire rooms requiring to be moved and securely stored whilst work is carried out.

As we enter the next stages of the rewiring and heating works at Bowhill we will have an opportunity to spend some time refreshing the decoration of much of the east side of the house and perhaps to present in different ways rooms which have been untouched for many decades. The Collections team will be working with the trustees and others in the early months of 2026 to agree the programme of works to be carried out. Although progress it appears that work will probably push over into 2027.

On the conservation we would highlight our partnership with the Historic Royal Palaces (HRP). We have worked with HRP since 2022 on their tapestry internship programme and have agreed to step up as the main sponsor of the programme through to 2028. To date we have supported the training of three interns and provided our tapestry "Marcus Aurelius – reproving his wife" as a restoration piece for the students to work on.

#### Visitors in 2025

Across the year we were delighted to welcome a high number of visitors to our houses and gardens. The visitor numbers include those from our partnership with the Historic Houses.

	2022	2023	2024	2025
Bowhill	10,141	12,857	*27	13,833
Boughton	3,509	3,570	3,041	4,945
Drumlanrig Castle	19,338	18,616	25,430	30,233
Dalkeith Palace	-	2,320	5,631	4,675

*\* Visitor opening in 2024 was significantly restricted due to major rewiring works around the house.*



## THE BUCCLEUCH LIVING HERITAGE TRUST

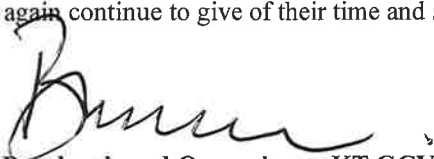
### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 OCTOBER 2025

---

As reported in 2024 we have been looking at ways in which we can expand our offer of activities and exhibitions to attract a wider audience to our houses. A group, led by Walter Dalkeith, has been working with the wider estate teams and external groups to look to create new attractions with a wider appeal. In 2026 we hope that a new exhibition will be held and the subject matter will be dogs – looking not just at how dogs have figured in our art collection but also through their involvement in estate activities and in the local community. We hope to engage with both local and national external organisations in presenting a range of exhibits and activities for the event.

The trust continues to benefit from endowment incomes provided by its investment and commercial property portfolios. Given the importance of these to the finances of the Trust the trustees took the opportunity in early 2025 to hold strategy sessions with the management teams for both our commercial property and investment endowments. In both cases forward investment strategies were agreed and as a consequence of this the Trust undertook the sale of three of its commercial property holdings, replacing these older units with three newer properties each with significantly longer lease terms in place, in line with the agreed strategy of seeking longer and more secured rental incomes from this type of investment. In the summer the Trust also secured new banking terms with its primary lender, Handelsbanken. The majority of that work was undertaken by James MacLeod of Buccleuch Property, and the trustees would like to record their thanks and appreciation to James for his work in delivering these new facilities.

The Trust has only a small number of staff, and the trustees are deeply grateful to all the team members across the historic Buccleuch homes who at every level show utter dedication and loyalty to these wonderful places. I am also profoundly grateful to all of the Trustees who again continue to give of their time and share our vision of them as a living heritage for the benefit of all.



**The Duke of Buccleuch and Queensberry KT GCVO KBE FRSE**

# THE BUCCLEUCH LIVING HERITAGE TRUST

## TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 OCTOBER 2025

---

### STRATEGIC REPORT

#### Financial review

The charity has reported net losses before transfers and investments gains for the period ended 31 October 2025 of £494,356 (2024: net loss of £323,980), which includes donations received of £1,172,278 (2024: £1,128,522). The Trust holds £1,086,970 in cash (2024: £816,683). The Trust also saw its commercial property portfolio decrease by 1% in value.

The trustees invest in funds through a fund managed investment portfolio based on a medium risk strategy, balancing income and capital growth over the medium to long term. In the year to 31 October 2025, the charity saw a gain of £510,498 (2024: £671,320) on its portfolio.

#### Reserves

The funds of the charity are held in unrestricted funds. The unrestricted funds are funds that can be used in accordance with the charitable objectives of the charity at the discretion of the trustees. Reserves are reviewed on a regular basis and are held at such a level to ensure the ongoing financial stability of the charity.

#### Principal funding sources

Aside from entrance fees to various properties, the principal funding sources for the charity are by way of rental income from investment properties and income from listed investments. The charity also receives substantial financial support by way of donations from the group of companies with which it is affiliated.

#### Investments

The trustees invest the charity's funds based on a medium risk strategy, balancing income and capital growth over the medium to long term. The structure of the investment portfolio during the period has been maintained in line with this strategy. The performance of the charity's investment portfolio is monitored regularly by the trustees.

#### Future Plans

As outlined above we are undertaking a thorough review to ensure that we continue to evaluate our key conservation and restoration works. We are presently looking to complete a longer-term plan of works in order to ensure efficient management of this process leading to agreement of priorities with all of the relevant stakeholders and ensuring that funds for the work will be available as required.

#### Auditors

Saffery LLP have expressed their willingness to remain in office as auditors of the charity.

# THE BUCCLEUCH LIVING HERITAGE TRUST

## TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 OCTOBER 2025

---

### Statement of trustees' responsibilities – charitable company

The trustees (who are also directors of The Buccleuch Living Heritage Trust for the purposes of company law) are responsible for preparing the Trustees' 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

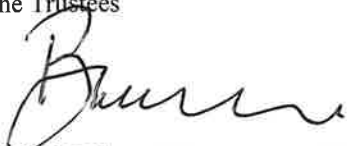
The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Report and Strategic Report have been approved by the Board of Trustees on 12 March 2026 and are signed on their behalf by:

On behalf of the Trustees



**The Duke of Buccleuch and Queensberry KT GCVO KBE FRSE**  
Trustee

# THE BUCCLEUCH LIVING HERITAGE TRUST

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE BUCCLEUCH LIVING HERITAGE TRUST

---

### Opinion

We have audited the financial statements of The Buccleuch Living Heritage Trust for the year ended 31 October 2025 which comprise the Statement of Financial Activities, Balance Sheet and Cash Flow Statement, and notes to the financial statements, 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 charitable company's state of affairs as at 31 October 2025 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### 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 Auditor's 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 UK, including the FRC'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 trustees' 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 trustees with respect to going concern are described in the relevant sections of this report.

## THE BUCCLEUCH LIVING HERITAGE TRUST

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE BUCCLEUCH LIVING HERITAGE TRUST

---

#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

#### 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 Trustees' Annual Report which includes the Directors' report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

In the light of the 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 Trustees' Annual Report and Strategic Report.

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

- proper and 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees (who are also 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 trustees 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 trustees 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative to do so.

## THE BUCCLEUCH LIVING HERITAGE TRUST

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE BUCCLEUCH LIVING HERITAGE TRUST

---

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditors under the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 auditor's 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

#### **Identifying and assessing risks related to irregularities:**

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Office of the Scottish Charity Regulator.

#### **Audit response to risks identified:**

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

## THE BUCCLEUCH LIVING HERITAGE TRUST

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE BUCCLEUCH LIVING HERITAGE TRUST

---

During the planning meeting, the engagement team discussed the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, reviews included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, 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 misrepresentations, or through collusion.

A further description of our responsibilities 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.

#### 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 trustees those matters we are required to state to them in an auditor's 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, the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Harry Kendall ACA (Senior Statutory Auditor)**

For and on behalf of  
Saffery LLP  
Statutory Auditors

Level 4, 9 Haymarket Square  
Edinburgh  
EH3 8RY

Date: 19 March 2026

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE BUCCLEUCH LIVING HERITAGE TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 OCTOBER 2025

	Notes	Unrestricted funds £	Total funds 2025 £	Total funds 2024 £
<b>Income and endowments from:</b>				
Donations and legacies	3	1,172,278	1,172,278	1,128,552
<i>Income from charitable activities:</i>				
Operation of houses	4	185,640	185,640	295,177
Investment income	5	1,950,774	1,950,774	1,713,924
<b>Total income</b>		<b>3,308,692</b>	<b>3,308,692</b>	<b>3,137,653</b>
<b>Expenditure on:</b>				
<i>Cost of raising funds:</i>				
Commercial trading operations	6	(983,326)	(983,326)	(812,700)
<i>Expenditure on charitable activities:</i>				
Operation of charity	7	(2,819,722)	(2,819,722)	(2,648,933)
<b>Total expenditure</b>		<b>(3,803,048)</b>	<b>(3,803,048)</b>	<b>(3,461,633)</b>
<b>Net income before transfers and investment gains</b>		<b>(494,356)</b>	<b>(494,356)</b>	<b>(323,980)</b>
Net gain/(loss) on revaluation of investments	14	510,498	510,498	671,320
Net gain/(loss) on revaluation of investment properties	13	1,133,215	1,133,215	(131,377)
Gain/(Loss) on sale of investment properties	13	1,001,512	1,001,512	(1,335)
<b>Net gains on revaluation and sale of investments</b>		<b>2,645,225</b>	<b>2,645,225</b>	<b>538,608</b>
<b>Transfers between funds</b>				
<b>Other recognised gains:</b>				
Actuarial gain on defined benefit pension scheme	18	-	-	-
<b>Net movement in funds</b>		<b>2,150,869</b>	<b>2,150,869</b>	<b>214,628</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward		30,387,929	30,387,929	30,173,301
<b>Total funds carried forward</b>	<b>19</b>	<b>32,538,798</b>	<b>32,538,798</b>	<b>30,387,929</b>

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

All income and expenditure derive from continuing activities.



# THE BUCCLEUCH LIVING HERITAGE TRUST

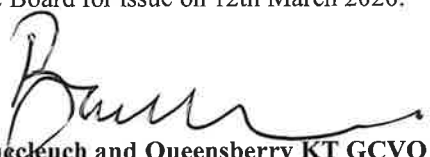
## BALANCE SHEET AS AT 31 OCTOBER 2025

		£	2025 £	£	2024 £
<b>Fixed assets</b>	Notes				
Heritage assets	10		10,291,119		10,279,879
Tangible assets: Freehold land	11		342,000		342,000
Tangible assets: Heritable property and other assets	12		462,118		475,985
Investment properties	13		18,755,000		18,950,000
Other investments	14		4,615,722		4,585,224
<i>Total Fixed Assets</i>			<u>34,465,959</u>		<u>34,633,088</u>
<b>Current Assets</b>					
Debtors	15	634,079		753,561	
Cash at bank and in hand		<u>1,086,970</u>		<u>816,683</u>	
<i>Total Current Assets</i>			1,721,049		1,570,244
<b>Creditors: amounts falling due within one year</b>	16		(648,210)		(815,403)
<b>Net current assets</b>			<u>1,072,839</u>		<u>754,841</u>
<b>Total assets less current liabilities</b>			35,538,798		35,387,929
<b>Creditors: amounts falling due after more than one year</b>	17		(3,000,000)		(5,000,000)
<b>Net assets excluding pension scheme deficit</b>			<u>32,538,798</u>		<u>30,387,929</u>
Defined benefit pension scheme liability	18		-		-
<b>Total net assets</b>			<u>32,538,798</u>		<u>30,387,929</u>
<b>The funds of the charity</b>					
Unrestricted funds	19		32,538,798		30,387,929
<b>Total charity funds</b>			<u>32,538,798</u>		<u>30,387,929</u>

A total of £410,501 (2024: £410,501) of unrestricted funds is held in a separate statutory reserve, the Revaluation Reserve, on the balance sheet.

The notes on pages 16 to 34 form part of these financial statements.

Approved by the Board for issue on 12th March 2026.

  
**The Duke of Buccleuch and Queensberry KT GCVO KBE FRSE**  
 Trustee  
 Company Registration No. SC377083 (Scotland)

THE BUCCLEUCH LIVING HERITAGE TRUST

CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 OCTOBER 2025

		2025	2024
		£	£
<b>Net cash (outflow)/inflow from operating activities</b>	Notes <b>24</b>	(15,489)	461,771
<b>Cash flows from investing activities</b>			
Interest received		1,678	25,822
Proceeds from sale of investment properties	<b>13</b>	8,305,392	-
Purchase of investment properties	<b>13</b>	(5,975,665)	(41,377)
Proceeds from sale of other investments	<b>14</b>	480,000	200,000
Payments to acquire heritable assets	<b>10</b>	(11,240)	(27,130)
Payments to acquire tangible fixed assets	<b>12</b>	(61,245)	(98,254)
<b>Net cash inflow from investing activities</b>		2,738,920	59,061
<b>Cash flows from financing activities</b>			
Interest paid	<b>6</b>	(453,144)	(388,904)
Bank loan repayments made	<b>17</b>	(2,000,000)	-
Other loan received	<b>23</b>	6,800,000	-
Other loan repayments made	<b>23</b>	(6,800,000)	-
<b>Net cash outflow from financing activities</b>		(2,453,144)	(388,904)
<b>Increase in cash</b>		270,287	131,928
Cash at 1 November 2024		816,683	684,755
<b>Cash at 31 October 2025</b>		<b>1,086,970</b>	<b>816,683</b>

The notes on pages 16 to 34 form part of these financial statements.

The net debt of the Trust is analysed in Note 25 of the financial statements.

## **1. Accounting policies**

### **1.1 Accounting convention**

#### **Basis of preparation**

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

The Buccleuch Living Heritage Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

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

### **1.2 Incoming resources**

Rental income and visitor income are recognised as earned. Interest and dividends receivable and other income are accounted for on an accruals basis. Gift aid and donations are recognised on receipt of proceeds.

### **1.3 Resources expended**

Resources expended are included in the statement of financial activities on an accruals basis.

All costs have been directly attributed to one of the functional categories of resources expended in the statement of financial activities as follows:-

#### ***Raising funds***

These are costs directly attributable to the running of the commercial operations.

#### ***Charitable activities***

These are costs relating to expenditure on preserving and maintaining the assets of the charity and the associated trade.

#### ***Governance costs***

These are costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

### **1.4 Heritage assets**

Heritage assets are the tangible assets of the charity that are of historical importance and are held to advance the preservation, conservation and educational objectives of the charity and through public access contribute to the nation's culture and education. Details of the nature of the assets held are provided in Note 10.

Heritage assets are included at historic cost, if available, or deemed cost. Expenditure on the conservation and preservation of the assets is charged to the statement of financial activities when it is incurred unless it is deemed to be of a capital nature.

In accordance with SORP FRS 102 and in the opinion of the trustees, the assets included within Heritage Assets have such a long useful life and high residual value that any depreciation would be immaterial. In addition, the trustees consider the assets to be unique in their nature and characteristics such that values will increase rather than decrease over time. Accordingly, the trustees believe any short-term impairment that may occur from time to time to be immaterial.

## 1. Accounting policies (continued)

### 1.5 Tangible fixed assets and depreciation

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

Freehold land	Nil
Tenants' improvements	5% straight line
Fixtures and fittings	straight line over 3-10 years

### 1.6 Investment properties

Investment properties are carried at fair value determined annually by external and internal valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted for any difference in the nature, location, or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the statement of financial activities.

### 1.7 Other Investments

Listed investments are held as fixed assets and are revalued to fair value at the balance sheet date. The gain or loss on revaluation is taken to the statement of financial activities.

### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Other financial assets**

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

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through the statement of financial activities, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of financial activities.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the statement of financial activities.

---

**1. Accounting policies (continued)**

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

***Classification of financial liabilities***

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

***Basic financial liabilities***

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as 'creditors: amounts falling due within one year' if payment is due within one year or less. If not, they are presented as 'creditors: amounts falling due after more than one year'. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Other financial liabilities***

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through the statement of financial activities.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the statement of financial activities in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments may be designated as being measured at fair value through the statement of financial activities to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

**1.9 Pensions**

The charity is a member of a multi-employer defined benefit scheme. The charity's share of the underlying assets and liabilities are identified on a reasonable and consistent basis. The defined benefit pension scheme current services costs are charged to the SOFA within staff costs. The scheme actuarial gains and losses are recognised immediately as other recognised gains and losses. The defined benefit scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond with equivalent term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet. A defined benefit plan asset is only recognised to the extent that the charity is able to recover the surplus.

The scheme provides benefits payable to members on their retirement from employment or to their dependants on death before or after retirement. The defined benefit scheme was closed to new members with effect from 4 May 2000. However, a stakeholder compliant group personal pension plan providing benefits based on defined contributions has been made available to both new members and members of the defined benefit scheme.

---

**1. Accounting policies (continued)**

**1.10 Deferred grants**

Grants towards revenue expenditure are released to the statement of financial activities as the related expenditure is incurred.

**1.11 Fund accounting**

The funds are held in unrestricted funds.

The unrestricted funds are available for use at the discretion of the trustees in furtherance of the objectives of the charity and have not been designated for other purposes.

**1.12 Taxation**

The company is a registered charity and is not liable for United Kingdom income tax or corporation tax on charitable activities.

**1.13 Legal status**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up while he or she is a member, or within one year after he or she ceases to be a member, is limited to £1.

**2. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Critical accounting judgements apply principally to the carrying value of heritage assets.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

***Valuation of defined benefit pension scheme***

The Buccleuch Estates Limited Group operates a defined benefit pension scheme for employees of the parent company, subsidiary entities and the charitable company. In order to determine the valuation of the defined benefit pension scheme asset or liability, a number of estimates need to be made based on expectations of future developments. Long-term forecasts and estimates are highly judgemental and subject to risk that actual results will differ. The principal assumptions adopted are detailed in note 18. These have also been evaluated by an actuary as part of the annual pension scheme valuation.

***Valuation of investment properties***

Investment properties are included in the financial statements at fair value. This valuation is obtained from expert property valuers, however there is inherent uncertainty in the valuation of properties given fluctuations in property requirements and prices over time.

***Carrying value of heritage assets***

Heritage assets are included in the financial statements at cost or deemed cost and assessed each year for impairment. Given the nature of these assets, there are few comparatives to be able to assess market value and therefore assumptions have to be made around indicators of impairment which introduces subjectivity to their carrying value.

THE BUCCLEUCH LIVING HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2025

**3. Income from donations and legacies**

	2025 £	2024 £
Donation received from The MDS Estates Limited	1,164,720	1,128,552
Other donations received	7,558	-
	<u>1,172,278</u>	<u>1,128,552</u>

The income from donations and legacies was £1,172,278 (2024: £1,128,552) of which £1,172,278 was unrestricted (2024: £1,128,552).

**4. Income from charitable activities**

	2025 £	2024 £
<i>Operation of houses:</i>		
Rental income	14,854	6,484
Grazing lets	6,685	3,500
Dalkeith Palace	16,971	32,067
Bowhill House	8,185	6,227
Drumlanrig Castle	79,568	187,898
Boughton House	59,377	55,974
Walter Scott Prize & Sundry Incomes	-	3,027
	<u>185,640</u>	<u>295,177</u>

**5. Investment income**

	2025 £	2024 £
Dividends received from listed investments	72,907	78,527
Commercial property rents	1,876,189	1,609,574
Bank interest received	1,678	25,823
	<u>1,950,774</u>	<u>1,713,924</u>

**6. Cost of raising funds**

	2025 £	2024 £
<i>Commercial trading operations:</i>		
Commercial property expenses	530,182	423,796
Loan interest	453,144	388,904
	<u>983,326</u>	<u>812,700</u>

THE BUCCLEUCH LIVING HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2025

7. Expenditure on charitable activities

	Operations, exhibitions, and the promotion of the arts £	Conservation Works £	2025 Total £	2024 Total £
Walter Scott prize	88,732		88,732	87,001
Conservation of monuments in St. Edmunds Church, Warkton	2,257		2,257	3,053
Dalkeith House	434,602		434,602	390,495
Bowhill House and Gardens	466,551		466,551	572,010
Boughton House and Gardens	413,379		413,379	428,044
Payments to internships and art projects	42,293		42,293	-
Drumlanrig Castle & Gardens	587,955		587,955	495,389
Governance costs (see Note 8)	87,474		87,474	35,960
Collections charges	276,847	419,632	696,479	636,981
	<u>2,400,090</u>	<u>419,632</u>	<u>2,819,722</u>	<u>2,648,933</u>

8. Governance costs

	2025 £	2024 £
Auditor's remuneration	36,900	30,900
Legal and professional fees	<u>50,574</u>	<u>5,060</u>
	<u>87,474</u>	<u>35,960</u>

9. Net income for the year

	2025 £	2024 £
This is stated after charging:		
Depreciation charge for the year	75,112	71,316
Auditor's remuneration:		
- Audit Services	29,750	30,900
- Other Services	<u>7,150</u>	<u>-</u>
	<u>112,012</u>	<u>102,216</u>



THE BUCCLEUCH LIVING HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2025

**10. Heritage Assets**

	<b>Properties £</b>	<b>Chattels £</b>	<b>Art £</b>	<b>Others £</b>	<b>Total £</b>
Opening Net book value	2,000,000	3,764,475	4,454,631	60,773	10,279,879
Additions	-	11,240	-	-	11,240
Closing Net book value	2,000,000	3,775,715	4,454,631	60,773	10,291,119

The property asset is included at a valuation of £2,000,000 which the Trustees consider to be its deemed cost. The deemed cost was established by a valuation undertaken by A Brough MRICS at replacement use value, at the date of transition to FRS102, on the basis it is a specialist property. The Trustees have undertaken an annual impairment review thereafter. The property, which is a historic house, has been held within the Buccleuch Family since the 17<sup>th</sup> century. The charity makes certain parts of this property available to the general public in order to advance its objectives.

The chattels are stated at the cost for which they were settled into the Trust. Various chattels that are relevant to the wider collection are acquired at times by agreement of the trustees.

The art is stated at the cost for which it was acquired from the prior owner.

The other heritage assets are stated at their book cost.

**Summary analysis of heritage asset transactions:**

	<b>2025 £</b>	<b>2024 £</b>	<b>2023 £</b>	<b>2022 £</b>	<b>2021 £</b>
<b>Donations</b>					
Chattels	-	-	-	-	-
Other Assets	-	-	-	-	-
<b>Additions in Year</b>					
Heritage Assets	11,240	27,130	2,501	-	50,250
Total Additions to Net book value	11,240	27,130	2,501	-	50,250
Opening Net book value	10,279,879	10,252,749	10,250,248	10,250,248	10,199,998
Closing Net book value	10,291,119	10,279,879	10,252,749	10,250,248	10,250,248

THE BUCCLEUCH LIVING HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2025

11. Tangible fixed assets: Freehold land

	Freehold land £
Book value at 1 November 2024	342,000
<b>Book value at 31 October 2025</b>	<b>342,000</b>
Book value at 31 October 2024	342,000

The land included above represents 18.65 acres of land at Geddington, Northamptonshire and 30.22 acres of land at Lugton, Dalkeith.

Freehold land is held at deemed cost, in accordance with provisions of FRS102. The land was originally valued by E Morris MRICS in accordance with RICS Appraisal and Valuations Standards in the year ended 31 October 2015. Upon transition to FRS102, the cost model was adopted and subsequently the valuation became the deemed cost of the freehold land. No depreciation is recognised on the freehold land and consideration is given annually by the Trustees as to whether any impairment of the book value is required.

12. Tangible fixed assets: Heritable property and other assets

	Tenants improvement £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 November 2024	712,390	262,828	975,218
Additions	-	61,649	61,649
Disposals	-	(1,054)	(1,054)
<b>At 31 October 2025</b>	<b>712,390</b>	<b>323,423</b>	<b>1,035,813</b>
<b>Depreciation</b>			
At 1 November 2024	(333,102)	(166,131)	(499,233)
Charge for the year	(47,669)	(27,443)	(75,112)
Cancelled on Disposal	-	650	650
<b>At 31 October 2025</b>	<b>(380,771)</b>	<b>(192,924)</b>	<b>(573,695)</b>
<b>Net book value</b>			
<b>At 31 October 2025</b>	<b>331,619</b>	<b>130,499</b>	<b>462,118</b>
At 31 October 2024	379,287	96,697	475,984

**13. Investment properties**

	<b>Investment Properties £</b>
<i>Market value</i>	
At 1 November 2024	18,950,000
Additions	5,975,665
Disposals	(7,303,880)
Revaluation	1,133,215
<b>At 31 October 2025</b>	<b>18,755,000</b>
At 31 October 2024	18,950,000

Five properties were valued at 31 July 2025 and one property was valued at 31 October 2025 by Colliers International in accordance with the RICS Appraisal and Valuation Manual. There were a number of sales and purchases of properties during the year. Three new units were acquired for a total price of £5,718,865 in February 2025. These were not revalued at the year end. Three properties, held prior to the 1<sup>st</sup> November 2024, valued at £7,125,000 were sold across the year. A number of renovation projects were also completed on several other properties to the consideration of £77,916. The historic book cost of the investment property assets is £16,801,634 (2024: £16,111,033). The valuer's opinion of market value of each of the properties has been primarily derived using comparable recent market transactions on arm's length terms. The net revaluation gain on the properties is included in the fair value reserve within the current year movement, being reflected though the statement of financial activities.

**14. Other investments**

	<b>Listed investments £</b>
<i>Market value</i>	
At 1 November 2024	4,585,224
Disposals	(480,000)
Revaluation	510,498
<b>At 31 October 2025</b>	<b>4,615,722</b>
At 31 October 2024	4,585,224

The historic book cost of the listed investment assets is £2,572,840 (2024: £2,865,219). During the year there was a loss on disposal of Nil.

**15. Debtors**

	<b>2025 £</b>	<b>2024 £</b>
Trade debtors	213,000	303,678
Other debtors	308,749	337,930
Prepayments	112,330	111,953
	<b>634,079</b>	<b>753,561</b>

THE BUCCLEUCH LIVING HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2025

**16. Creditors: amounts falling due within one year**

	2025 £	2024 £
Trade creditors	352,144	448,991
Taxation and social security	18,885	25,758
Other creditors	6,000	6,000
Accruals	53,205	61,252
Deferred income	217,976	273,402
	<u>648,210</u>	<u>815,403</u>

Deferred income represents rental income deferred on the heritage asset property and the investment properties held.

**17. Creditors: amounts falling due after more than one year**

	2025 £	2024 £
Bank loans	<u>3,000,000</u>	<u>5,000,000</u>
	<u>3,000,000</u>	<u>5,000,000</u>
Analysis of loans		
Wholly repayable within five years	<u>3,000,000</u>	<u>5,000,000</u>
	<u>3,000,000</u>	<u>5,000,000</u>

During the financial year the Trust undertook a refinancing of the existing term loan facilities with Handelsbanken. The previous loan, which had an expiry date of the 21 June 2026, was replaced by a £5,000,000 Revolving Credit Facility in July 2025. Interest on this facility is applied to this loan at Bank of England base rate +1.73% on drawn funds and there is a non-utilisation fee of 0.7% on undrawn funds. The loan is secured by way of a standard security over all commercial properties held by the Trust. During the year the Trustees took a decision to pay down £2,000,000 of this facility, in the short term, using funds generated from the sale activities in the year whilst they continue to look for further suitable properties to add to the portfolio.

**18. Pension costs**

The Group operates a Defined benefit pension scheme for employees of the parent company and subsidiary companies.

This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation was carried out at 30 April 2024 and updated to 31 October 2025 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

Member contributions are payable at the rate of 12.3% of pensionable pay for Directors & Senior Staff and 5.5% p.a. of pensionable pay for other employees. The net surplus of the fund at the year-end was £7,380,000, (2024 - £8,201,000)

At the date of the latest updated actuarial valuation of the scheme the market value of the scheme's assets was £36,159,000 (2024: £38,015,000) and the actuarial value of the assets was sufficient to cover 126% (2024: 128%) of the benefits that had accrued to members. The liability arising from the scheme amounts to £28,779,000 (2024: £29,814,000). Therefore, the scheme has net assets of £7,380,000. This was adjusted down to nil and excluded from the Group's Statement of financial position. A judgement has been made by management that the company would not recover any of the surplus in the event of a winding up of the scheme

**18. Pension commitments (continued)**

and therefore it has not been recognised in the accounts. This is a multi-employer scheme of which the sponsoring employer is unable to identify its share of the underlying assets and liabilities in the defined benefit scheme.

Where there is a pension obligation and deferred tax liability this will be recognised in the accounts of The Buccleuch Estates Limited.

	<b>2025</b>	2024
	<b>£000</b>	£000
<b>Reconciliation of present value of plan liabilities:</b>		
At the beginning of the year	<b>29,814</b>	25,601
Current service cost	<b>118</b>	97
Interest cost	<b>1,548</b>	1,406
Actuarial losses	<b>(1,364)</b>	3,798
Contributions	<b>61</b>	92
Benefits paid	<b>(1,398)</b>	(1,180)
At the end of the year	<b>28,779</b>	29,814

	<b>2025</b>	2024
	<b>£000</b>	£000
<b>Reconciliation of present value of plan assets:</b>		
At the beginning of the year	<b>38,015</b>	36,307
Interest income	<b>1,548</b>	1,406
Actuarial gains	<b>(2,031)</b>	1,325
Contributions	<b>254</b>	338
Benefits paid	<b>(1,398)</b>	(1,180)
Administrative expenses	<b>(229)</b>	(181)
At the end of the year	<b>36,159</b>	38,015

	<b>2025</b>	2024
	<b>£000</b>	£000
<b>Composition of plan:</b>		
Fair value of plan assets	<b>36,159</b>	38,015
Present value of plan liabilities	<b>(28,779)</b>	(29,814)
Effect of asset ceiling	<b>(7,380)</b>	(8,201)
Net pension scheme liability	<b>-</b>	-

THE BUCCLEUCH LIVING HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2025

18. Pension commitments (continued)

	2025 £000	2024 £000
<b>Amounts recognised in profit or loss are as follows:</b>		
Current service costs	118	97
Administrative expenses	229	181
<b>Total</b>	<b>347</b>	<b>278</b>

	2025 £000	2024 £000
<b>Analysis of actuarial gain / (loss) recognised in Other Comprehensive Income:</b>		
Actual return less interest income included in net interest income	(2,031)	1,325
Experience gains and losses arising on the scheme liabilities	(101)	(2,455)
Changes in assumptions underlying the present value of the scheme liabilities	1,465	(1,343)
Changes in asset ceiling (excluding interest income)	821	2,505
<b>Total</b>	<b>154</b>	<b>32</b>

	2025 %	2024 %
<b>Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):</b>		
Discount rate	5.50	5.30
Future salary increases	2.90	3.40
Pension increases in payment (capped at 5% pa)	2.80	3.20
Pension increases in payment (capped at 2.5% pa)	2.00	2.10
Inflation (RPI)	2.90	3.40

THE BUCCLEUCH LIVING HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2025

18. Pension commitments (continued)

2025  
%

2024  
%

The mortality assumptions adopted at 31 October 2025 imply the following life expectancies on retirement at age 65:

Retiring today

Male 21.6 21.2

Female 23.8 23.7

Retiring in 20 years

Male 22.8 22.5

Female 25.3 25.2

2025 2024 2023 2022 2021  
£000 £000 £000 £000 £000

Amounts for the current and previous four periods are as follows:

Defined benefit obligation	(28,779)	(29,814)	(25,601)	(28,021)	(49,549)
Scheme assets	36,159	38,015	36,307	42,482	41,091
Effect of asset ceiling	(7,380)	(8,201)	(10,706)	(14,461)	-
Deficit	-	-	-	-	(8,458)

The best estimate of contributions to be paid by the company to the scheme for the period commencing 1 November 2025 is £254,000 (2024: £338,000)

2025  
£000

2024  
£000

Assets:

Bonds 35,812 37,549

Diversified growth - -

Cash 347 466

Total 36,159 38,015

None of the fair values of the assets shown above include any direct investments in the financial instruments of The MDS Estates Limited, or any property occupied by, or other assets used by, The MDS Estates Limited.

**Defined benefit – contributions payable:**

Total pension contributions payable by the charity for the period were £15,831 (2024: £18,201) and no contributions were outstanding.

THE BUCCLEUCH LIVING HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2025

18. Pension commitments (continued)

**Defined contribution scheme**

Certain employees are members of a stakeholder compliant defined contribution pension scheme. Total pension contributions for the period were £31,730 (2024: £34,755). The contributions outstanding as at 31 October 2025 were Nil (2024: Nil).

19. Analysis of movements in funds

	Unrestricted funds	Total
	£	£
Balance at 1 November 2024	30,387,929	30,387,929
Net outgoing resources before recognised gains	(494,356)	(494,356)
Net gain on disposal and revaluation of investments	510,498	510,498
Gain on revaluation of investment properties	1,133,215	1,133,215
Gain on sale of assets	1,001,512	1,001,512
Balance at 31 October 2025	32,538,798	32,538,798

*Comparative financial information:*

	Unrestricted funds	Total
	£	£
Balance at 1 November 2023	30,173,301	30,173,301
Net incoming resources before recognised gains	(323,980)	(323,980)
Loss on revaluation of investments	671,320	671,320
Gain on disposal and revaluation of investment properties	(131,377)	(131,377)
Loss on sale of assets	(1,335)	(1,335)
Balance at 31 October 2024	30,387,929	30,387,929



THE BUCCLEUCH LIVING HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2025

**20. Analysis of assets between funds**

	<b>Unrestricted funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
Fixed assets	34,465,959	34,465,959
Current assets	1,721,049	1,721,049
Current liabilities	(648,210)	(648,210)
Long term liabilities	(3,000,000)	(3,000,000)
Balance at 31 October 2025	<u>32,538,798</u>	<u>32,538,798</u>

**Comparative financial information**

	<b>Unrestricted funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
Fixed assets	34,633,088	34,633,088
Current assets	1,570,244	1,570,244
Current liabilities	(815,403)	(815,403)
Long term liabilities	(5,000,000)	(5,000,000)
Balance at 31 October 2024	<u>30,387,929</u>	<u>30,387,929</u>

**21. Transactions with trustees**

No trustees received remuneration in the year.

Travel and subsistence expenses were reimbursed to four trustees during the year of £1,796 (2024: £2,864).

**22. Employees**

Number of employees

The average monthly number of employees (including directors) during the period was:

	<b>2025 Number</b>	<b>2024 Number</b>
Manual	1	-
Administrative	53	43
	<u>54</u>	<u>43</u>

Employment costs

	<b>2025 £</b>	<b>2024 £</b>
Wages and salaries	549,122	477,987
Other pension costs	53,560	52,956
	<u>602,682</u>	<u>530,943</u>

THE BUCCLEUCH LIVING HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2025

**22. Employees (continued)**

The number of employees whose total employee benefits (excluding employer pension costs) for the period fell within the band from £80,000 - £99,999 was two (2024: two). No other employees fell within any band from £60,000 upwards.

The total amount of employee benefits received by its key management personnel for their services to the charity was £334,434 (2024: £345,422).

**23. Related party relationships and transactions**

Transactions entered into with related parties can be summarised as follows:	2025	2024
	£	£
<b>The Buccleuch Estates Limited</b>		
Misc recharges	(167,012)	(8,037)
Recharge of mansion house and gardens costs	930,417	873,080
	<u>763,405</u>	<u>865,043</u>
<b>The Boughton Estates Limited</b>		
Entry ticket charges	(70,803)	(3,645)
Recharge of mansion house and gardens costs	257,613	289,899
	<u>186,810</u>	<u>286,254</u>
<b>Buccleuch Charitable Foundation</b>		
<b>Buccleuch Charitable Foundation</b>		
Recharges of costs	(1,048)	-
	<u>(1,048)</u>	<u>-</u>
<b>Restoration Yard Limited</b>		
Misc recharges	1,990	(1,475)
	<u>1,990</u>	<u>(1,475)</u>
<b>Walter, Earl of Dalkeith</b>		
Misc recharges	10,572	-
	<u>10,572</u>	<u>-</u>
<b>The MDS Estates Limited</b>		
Donations	(1,164,720)	(1,128,552)
General Recharges	(5,400)	-
Recharged IT, PR, advertising	16,473	32,192
Recharged insurance costs	234,040	233,317
	<u>(919,607)</u>	<u>(863,043)</u>
<b>The Duke of Buccleuch and Queensberry KT KBE FRSE DL</b>		
Chattels rental income, donations and recharges	(60,220)	(635)
	<u>(60,220)</u>	<u>(635)</u>

**23. Related party relationships and transactions (continued)**

	2025 £	2024 £
<b>Tarras Park Properties (North) Limited</b>		
Proceeds from sale of investment properties	2,795,000	-
	<u>2,795,000</u>	<u>-</u>
<b>Tarras Park Properties Limited</b>		
Interest on loan	106,032	-
	<u>106,032</u>	<u>-</u>

During the year, the Trust entered into a loan agreement with Tarras Park Properties Limited, a company under common control. The total value of the loan received by the Charity was £6,800,000, bearing interest at 5% per annum. Both the loan and the interest were repaid in full in the year.

	2025 £	2024 £
<b>The balances due from / (to) related parties at the year-end were as follows:</b>		
The Buccleuch Estates Limited	(5,623)	22,952
The Boughton Estates Limited	(2,043)	14,887
Buccleuch Recreational Enterprises Limited	-	(11,164)
The MDS Estates Limited	-	567
Restoration Yard Limited	-	(11,470)
The Duke of Buccleuch and Queensberry KT KBE FRSE DL	2,858	-
	<u>(4,808)</u>	<u>15,772</u>

The Duke of Buccleuch and Queensberry KT KBE FRSE DL, the Earl of Dalkeith and Mr Bernard Higgins, Trustees of The Buccleuch Living Heritage Trust, are directors of MDS Group Investments Limited, The Buccleuch Estates Limited, and The Boughton Estates Limited. The Buccleuch Estates Limited and The Boughton Estates Limited are wholly owned subsidiaries of MDS Group Investments Limited, the ultimate holding company of that Group. The Duke and Earl are also trustees of the Buccleuch Charitable Foundation.

**24. Reconciliation of net movement in funds to net cash flow from operating activities**

	2025 £	2024 £
Net movement in Funds (excluding pension scheme valuation)	2,150,869	215,961
Interest paid	453,144	388,904
Interest received	(1,678)	(25,823)
Depreciation	75,112	71,316
(Gain) on Sale of Investment Properties	(1,001,512)	-
(Gain)/Loss on revaluation of Investment Properties	(1,133,215)	131,377
(Gain) on revaluation of Other Investments	(510,498)	(671,320)
Decrease in Debtors	119,482	440,993
(Decrease) in Creditors	(167,193)	(89,637)
	<u>(15,489)</u>	<u>461,771</u>
<b>Net cash (outflow)/inflow from operating activities</b>	<u>(15,489)</u>	<u>461,771</u>

THE BUCCLEUCH LIVING HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2025

**25. Analysis of net debt activities**

	1 November 2024	Cash flow	Other non- cash changes	31 October 2025
	£	£	£	£
Net cash:				
Cash at bank and in hand	816,683	270,286	-	1,086,969
Debts: falling due within one year				
Debts: falling due after one year	(5,000,000)	2,000,000	-	(3,000,000)
Net debt	(4,183,317)	2,270,286	-	(1,913,031)

**26. Going concern and post balance sheet events**

The Trustees consider the company to be a going concern and the financial statements have been prepared on that basis.

The Trustees believe this to be the case due to the comfort taken from the level of reserves available to the Trust, and the income yield which that endowment produces in relation to the committed operating costs of the Trust. Any cash-flow shortfall is met through operating activities and the continued financial support provided by the benefactors to the Trust.

The Trust has produced a five-year financial forecast which supports the adoption of a Going Concern basis of accounting and, ultimately, given the significant Net Asset base reported on the Trust's Balance Sheet, the Trustees have the ability to dispose of property or investment assets to generate a cash inflow should that become necessary at any future point in time due to unforeseen circumstances.

**27. Capital commitments**

As at 31 October 2025 the Trust was committed to the completion of capital projects estimated at £91,739 in relation to restoration projects relating to certain assets held by the Trust.

THE BUCCLEUCH LIVING HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2025

**28. Comparative Statement of Financial Activities**  
**For the year ended 31 October 2024**

		Unrestricted funds £	Total funds £
	Notes		
<b>Income and endowments from:</b>			
Donations and legacies	3	1,128,552	1,128,552
<i>Income from charitable activities:</i>			
Operation of houses	4	295,177	295,177
Investment income	5	1,713,924	1,713,924
<b>Total income</b>		<b>3,137,653</b>	<b>3,137,653</b>
<b>Expenditure on:</b>			
<i>Cost of raising funds:</i>			
Commercial trading operations	6	(812,700)	(812,700)
<i>Expenditure on charitable activities:</i>			
Operation of charity	7	(2,648,933)	(2,648,933)
<b>Total expenditure</b>		<b>(3,461,633)</b>	<b>(3,461,633)</b>
<b>Net income before transfers and investment gains</b>		<b>(323,980)</b>	<b>(323,980)</b>
Net gains on revaluation of investments	14	671,320	671,320
Gain on revaluation of investment properties	13	(131,377)	(131,377)
Gain on revaluation of investment properties		(1,335)	(1,335)
<b>Net incoming resources before other recognised gains</b>		<b>538,608</b>	<b>538,608</b>
<b>Other recognised gains:</b>			
Actuarial Gain on defined benefit pension scheme	18	-	-
<b>Net movement in funds</b>		<b>214,628</b>	<b>214,628</b>
<b>Reconciliation of funds:</b>			
Total funds brought forward		30,173,301	30,173,301
<b>Total funds carried forward</b>	19	<b>30,387,929</b>	<b>30,387,929</b>

