

Company Registration No. 2101229 (England and Wales)
English Charity No. 296766
Scottish Charity No. SCO39480

BALCARRES HERITAGE TRUST LIMITED
REPORT OF THE COUNCIL AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2013

WEDNESDAY



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COMPANIES HOUSE

Saffery Champness
CHARTERED ACCOUNTANTS

BALCARRES HERITAGE TRUST LIMITED

LEGAL AND ADMINISTRATIVE DETAILS

Council (Trustees)	The Earl of Crawford and Balcarres Lord Balniel N J Barker The Hon R J Elliott S P Weil The Earl of Woolton
Secretary	Broadway Secretaries Limited
Company number	2101229
English charity number	296766
Scottish charity number	SCO39480
Registered office	50 Broadway Westminster London SW1H 0BL
Independent Auditors	Saffery Champness Edinburgh Quay 133 Fountainbridge Edinburgh EH3 9BA
Business address	50 Broadway Westminster London SW1H 0BL
Bankers	The Royal Bank of Scotland plc Durie Street Leven Fife KY8 4EW
Solicitors	Bircham Dyson Bell LLP 50 Broadway Westminster London SW1H 0BL
Investment managers	James Hambro & Partners LLP Ground Floor, Ryder Court 14 Ryder Street London SW1Y 6QB

BALCARRES HERITAGE TRUST LIMITED

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BALCARRES HERITAGE TRUST LIMITED

REPORT OF THE COUNCIL FOR THE YEAR ENDED 5 APRIL 2013

The Council presents its report and financial statements for the year ended 5 April 2013. The legal and administrative information included on the previous page forms part of the report. The financial statements are prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Trust's constitution, applicable law and the requirements of the Statement of Recommended Practice - Accounting and Reporting by Charities (revised 2005).

Directors, Trustees and the Council

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The charity in turn has a Council, whose members take the place of trustees and throughout this report any references to The Council and its members also means directors and trustees.

The following Council members have held office since 6 April 2012:

The Earl of Crawford and Balcarres
Lord Balmiel
N J Barker
The Hon R J Elliott
S P Weil
The Earl of Woolton

Structure, governance and management

Balcarres Heritage Trust Limited is a charitable company limited by guarantee governed by its Memorandum and Articles of Association. Each member guarantees the charity's liabilities to the extent of £100 in the event of the charity winding up.

The management and overall strategy of the charity is in the hands of Council members. Council members are appointed by the existing Council such that the number of members of Council will not be less than 5 nor more than 8. Council members hold office until the sixth Annual General Meeting following their election or re-election and are eligible for 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 Balmiel, a current Council member.

Risk management

The Council have reviewed the major risks to which the charity is exposed and have established procedures to manage those risks. This includes the discussion on all financial and non financial risks at Council meetings.

BALCARRES HERITAGE TRUST LIMITED

REPORT OF THE COUNCIL (continued) FOR THE YEAR ENDED 5 APRIL 2013

Objectives and activities

The principal objects and activities of the charity are the preservation for the public benefit of the collection of books, incunabula, manuscripts and other papers in the ownership of Lord Balmiel and situate at Balcarres House, together with pictures, statues, furniture, plate and other articles acquired by the charity for any interest and to promote the study and appreciation of these works of art or objects of historical interest, the preservation for the public benefit of Balcarres House, together with its ancillary buildings, gardens, parkland and adjacent land, to advance the education of the public in the arts and sciences and to provide the grounds of Balcarres House for physical recreation. In order to achieve the objects the charity is restoring and conserving the assets in its care, purchasing assets having a connection with Balcarres, lending works of art for exhibition, etc, and maintaining the house and gardens.

Achievements and performance

Over the past few years the trustees have made a very considerable effort to make their collections more readily available to public access. In this regard our thanks must go to the Directors and staff of the National Galleries of Scotland (NGS) and also The National Library of Scotland (NLS) as both institutions are custodians of some of the charity's collections. Our particular thanks should go to Dr Brian Hillyard of the NLS who has been responsible for overseeing the printed collections and leading the process of digitalising parts of the collection for greater public access and scholarly study.

It is particularly pleasing to report that the significant efforts undertaken by Dr Hillyard in digitalising the collection of English Ballads in 2011 is beginning to bear fruit. This year the collection has been the subject of considerable interest with just over 33,400 'page views' received online.

Much progress was made during the year with the English Broadside Ballad Archive (EBBA) project. All of the charity's collection of Early English Ballads were scanned during August and September and were sent to California where the research team started work. All details of the individual items are now fully loaded with the exception of their images, but these will follow shortly. This work means that the complete English Ballad collection will shortly be available to the public and scholars online.

In the summer of 2012 the charity loaned two predella panels painted by Luca Signorelli to a major exhibition covering the artist's career. The exhibition was held in the Galleria Nazionale dell'Umbria in Perugia and was curated by Dr Tom Henry, an expert in early Italian painting. I am delighted to report that the exhibition was a great success and the charity's contribution was much appreciated.

For six days in the middle of June the charity hosted the Balcarres International Horse Trials, a CCI* and CCI** Three Day Event in the policy parks surrounding the house. As well as the eventing, there were a number of British Show Jumping Classes together with attractions running throughout the event in the Main Arena. Planning for the event commenced in September 2011 and right from the beginning the weather played an all too dominating a role. Severe gales in January caused great disruption followed by many wet months whilst the course was designed and built.

BALCARRES HERITAGE TRUST LIMITED

REPORT OF THE COUNCIL (continued) FOR THE YEAR ENDED 5 APRIL 2013

Achievements and performance (continued)

The success of the event can be judged by the very considerable number of competitors, in excess of 500, and also the fact that there were just over 50 trade stands. Over 2,500 people attended the event. The charity gave free access to all local residents on each of the days and invited the pupils of the Colinsburgh Primary school to attend as many of the activities on show. The competition itself was of the highest quality and even almost incessant heavy rain throughout the event failed to dampen people's spirits and was hailed in the press as being a huge success.

It was a great sadness to the trustees that in December 2012 Donald Lamb, who had been Head Gardener since 1997, died. He will be much missed. It was fitting that shortly before his death Country Life magazine published a four page article titled 'Where clashing colours triumph' about the garden. The article talks about the major transformation that the garden has witnessed over the last three decades and much of the credit for this is down to Donald Lamb's creativity and energy in creating the garden as it is today.

In addition to its activities in the sphere of education and academic work, the charity continues to maintain Balcarres House, its ancillary buildings and gardens. Further work was undertaken in restoring the park fencing as well as more general maintenance work such as exterior painting and electrical work.

Review of investment portfolio

There was plenty to be worried about in 2012, not least the potential for the breakup of the Eurozone, a sudden Chinese economic slowdown and protracted US political budgetary stalemate to avoid the looming 'fiscal cliff'. With so much negativity around and scepticism towards policy response, it came as a surprise to many to see the return outcomes of the various asset classes. There were double-digit total returns for equities and single-digit total returns for corporate bonds, while commodities, hedge funds and many conventional government bonds struggled. UK gilts actually fell in capital terms in 2012.

The portfolio began the period with 69% in equities, with the majority of the equity exposure through the UK, at 42%. During the year the equity position increased from 69% to 72%, based on our view of an improving global economic outlook and ever more attractive equity valuations. Within the equity exposure the increase was in international equities, most notably the US and South East Asia. Alongside this, UK exposure was reduced to 35%. Fixed interest was reduced from 23% to 18% during the period. The one holding in UK gilts was sold in late 2012 and the investment grade corporate bond holdings were reduced by 3% and consolidated into four funds. However, the index-linked bond position remained constant at 7% throughout the year.

Relatively few changes were made during the period as we felt the portfolio was in a good position to benefit from the strong equity markets throughout the year. Against this backdrop the portfolio performance was steady through 2012 and strong in the first quarter of 2013, with a total return of 15.8% versus its benchmark return of 13.0% (12.4% versus 9.9% in capital terms).

BALCARRES HERITAGE TRUST LIMITED

REPORT OF THE COUNCIL (continued) FOR THE YEAR ENDED 5 APRIL 2013

Financial review

The results of the charity for the year ended 5 April 2013 are contained in the attached financial statements, which the Council confirms comply with current generally accepted accounting principles, including the Charities SORP (revised 2005)

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 and rental income and from donations. Total incoming resources of £256,437 have been received in the year and include donations from Lord Balniel of £25,000.

Total resources expended in the year are £201,482. 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 £128,578 include the costs of running and preserving Balcarres House and certain other properties used in furtherance of the charity's objectives.

The charity's investment policy is to hold funds in a medium risk strategy and in order to achieve a balance of income and capital growth but free from the imposition of moral or ethical constraints. At the year end the investment portfolio reported unrealised gains on the previous year's valuation of £208,009. This balance is included in the charity's expendable endowment fund. Overall net movement in funds is £513,523, which is considerably higher than the prior year's movement but that performance was substantially driven by a fall in investment values.

Future plans

Discussions have commenced with an international educational publisher to create a digital collection of the charity's English Newspaper Collection currently on loan with the National Library of Scotland.

Four panels by the artist Fra Diamante, the 15th Century Italian painter have been sent to Prato, Florence in preparation for a major exhibition titled 'Da Donatello a Filippo Lippi'.

The War diaries of the 27th Earl of Crawford will shortly be published.

The Gardener's Cottage will undergo a renovation with the intention of letting the property.

Stonework repairs to be carried out in Courtyard.

Council Members' Remuneration

Full details of payments to Council members are given at the related party disclosure note 17 to the financial statements.

Auditors

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

BALCARRES HERITAGE TRUST LIMITED

REPORT OF THE COUNCIL (continued) FOR THE YEAR ENDED 5 APRIL 2013

Council members' responsibilities in relation to the financial statements

The Council members (who are also directors and trustees of the charitable company for the purposes of company law) are responsible for preparing the Report of the Council and the financial statements in accordance with applicable law and regulations

Company law and the law applicable to charities in England & Wales and Scotland require the Council to prepare financial statements for each financial year. Under that law the Council elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Council 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 charity and of the profit or loss of the charity for that period. In preparing these financial statements, the Council are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The Council is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006, Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to the auditors

So far as the Council is aware, there is no relevant audit information of which the charity's auditors are unaware. Additionally, the Council has taken all the necessary steps that they ought to have taken in order to make themselves aware of all relevant audit information and to establish that the charity's auditors are aware of that information.

Small Company Provision

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

On behalf of the Council



S P Weil
Secretary
12.12.13

BALCARRES HERITAGE TRUST LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BALCARRES HERITAGE TRUST LIMITED

We have audited the financial statements of Balcarres Heritage Trust Limited for the year ended 5 April 2013 set out on pages 8 to 20. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Council Members' Responsibilities Statement, the Council members (who are also the directors of the 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.

We have been appointed as auditors 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 regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Council to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the charity's state of affairs as at 5 April 2013 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 applicable to Smaller Entities, 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)

BALCARRES HERITAGE TRUST LIMITED

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

Opinion on other matter prescribed by the Companies Act 2006

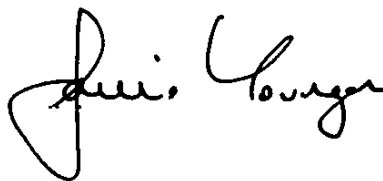
In our opinion the information given in the Report of the Council for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulation 2006 (as amended) requires 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 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

Jamie Younger BSc CA (Senior Statutory Auditor)
for and on behalf of Saffery Champness
(Saffery Champness is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006)



Chartered Accountants
Statutory Auditors

Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9BA

13 December 2013

BALCARRES HERITAGE TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 5 APRIL 2013

	Note	Expendable Endowment 2013 £	Unrestricted General Funds 2013 £	Total Funds 2013 £	Total Funds 2012 £
Incoming resources					
Voluntary income	2	-	92,421	92,421	116,767
Investment income	3	-	163,494	163,494	164,279
Other incoming resources	4	-	522	522	510
Total incoming resources		-	256,437	256,437	281,556
Resources expended					
Cost of generating funds	5	(24,620)	(21,234)	(45,854)	(46,206)
Charitable activities	6	-	(128,578)	(128,578)	(189,873)
Governance costs	7	-	(27,050)	(27,050)	(20,921)
Total resources expended		(24,620)	(176,862)	(201,482)	(257,000)
Net (outgoing)/incoming resources before other recognised gains and losses	9	(24,620)	79,575	54,955	24,556
Other recognised gains and losses					
Realised gain on sale of investments		250,559	-	250,559	225,290
Unrealised gain/(loss) on revaluation of investments		208,009	-	208,009	(189,215)
Net movement in funds		433,948	79,575	513,523	60,631
Total funds at 6 April 2012		3,800,606	812,160	4,612,766	4,552,135
Total funds at 5 April 2013		4,234,554	891,735	5,126,289	4,612,766

There are no recognised gains or losses other than those passing through the statement of financial activities

The notes on pages 10 to 20 form part of these financial statements

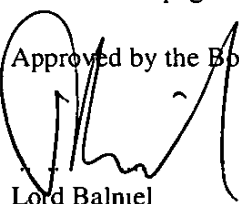
BALCARRES HERITAGE TRUST LIMITED**BALANCE SHEET
AS AT 5 APRIL 2013**

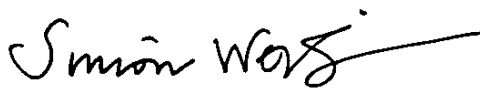
	Notes	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	10		178,598		176,666
Heritage assets	10		103,362		38,362
Investments					
Investment properties	11		377,614		393,348
Listed investments	12		4,341,714		3,925,207
			<u>5,001,288</u>		<u>4,533,583</u>
Current assets					
Debtors	13	23,926		32,332	
Cash at bank and in hand		127,650		69,951	
			<u>151,576</u>	<u>102,283</u>	
Creditors: amounts falling due within one year	14	(26,575)		(23,100)	
Net current assets			<u>125,001</u>		<u>79,183</u>
Total assets less current liabilities			<u>5,126,289</u>		<u>4,612,766</u>
Capital and reserves					
Expendable endowment	15		4,234,554		3,800,606
Unrestricted general funds	15		891,735		812,160
Total reserves			<u>5,126,289</u>		<u>4,612,766</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006

The notes on pages 10 to 20 form part of these financial statements

Approved by the Board and authorised for issue on 12.12.13


Lord Balmiel
Director


S P Weil
Director

Company Registration No. 2101229

BALCARRES HERITAGE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of fixed asset investments and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Statement of Recommended Practice Accounting and Reporting by Charities (revised 2005) and the Companies Act 2006

The charity has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company

1.2 Incoming resources

Incoming resources are recognised on an accruals basis Incoming resources from the charity's endowment fund is unrestricted

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 -

- Cost of generating funds - these are costs associated with raising funds from all the possible sources of incoming resources and typically include investment management costs
- Charitable activities - these are costs relating to expenditure on preserving and maintaining charity assets and incurred in meeting its charitable objectives
- Governance costs - these are costs associated with meeting the constitutional and statutory requirements of the charity and include professional fees and other similar costs linked to the strategic management of the charity

1.4 Tangible fixed assets and depreciation

Tangible fixed assets include investment properties valued by the Council on an existing use open market value basis Other tangible fixed assets are stated at cost or valuation 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

Heritage assets	Nil
Land and buildings leasehold	Straight line basis over the remaining life of the lease (expires 2037)
Tools and equipment	20% straight line
Tractors and motor vehicles	25% reducing balance

Investment properties are depreciated on a straight line basis over the remaining length of the lease that they are held under

BALCARRES HERITAGE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 5 APRIL 2013

1 Accounting policies

(continued)

The charity has expended sums in improving properties which are the subject of a lease expiring on 7 April 2037. These improvements have been depreciated over the remaining period of the lease.

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. Due to the historic and unique nature of the assets concerned, conventional valuation approaches lack sufficient reliability and as a consequence the heritage assets are stated in the balance sheet at their original cost. Expenditure on the conservation and preservation of the assets is charged to the statement of financial activities when it is incurred. The charity has taken advantage of the exemptions of the Financial Reporting Standard for Smaller Entities in respect of complying with Financial Reporting Standard 30, however, it does apply the provisions of the Statement of Recommended Practice Accounting and Reporting for Charities (revised 2005). As heritage assets have long expected useful lives, together with high residual values, and most of them are loaned to the charity, they are not subject to depreciation.

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

Fixed asset investments comprise investment properties and listed investments. These are stated at market value at the balance sheet date. However, in respect of investment properties, the Council are of the opinion that current market value is equivalent to depreciated historic cost as these assets are held under a lease that expires in 2037. Gains or losses on the actual disposal of investments are shown in the Statement of Financial Activities. The gain or loss is calculated by reference to their market value at the beginning of the accounting period or their cost in the case of investments purchased and sold in the same accounting period. Realised and unrealised gains and losses of the year are shown in the Statement of Financial Activities on the same basis. Cumulative gains and losses are shown in the revaluation reserve, which forms part of the charity's expendable endowment fund. Income from investments for the year is included as unrestricted income inclusive of any reclaimable tax.

1.7 Donations

Donations are added to the charity's unrestricted funds except where designated for a specific purpose. The figure for donations shown in the financial statements includes, where appropriate, any tax reclaimable.

1.8 Funds accounting

The charity has two funds, being an expendable endowment and an unrestricted general reserves fund. The unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Council. The expendable endowment is held on trust for the benefit of the charity as a capital fund. The Council has the power to convert endowed capital into unrestricted general reserves. Net incoming resources are added to unrestricted reserves other than those parts relating to the investment portfolio and other capital assets that the charity holds.

BALCARRES HERITAGE TRUST LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)**
FOR THE YEAR ENDED 5 APRIL 2013

1 Accounting policies (continued)**1.9 Taxation**

The charity is a registered charity and is not liable to United Kingdom income or corporation tax on charitable activities. Any taxation incurred represents foreign tax deducted from overseas investment income.

2 Voluntary Income

	2013	2012
	£	£
The voluntary income was made up of donations as follows		
Lord Balmiel	25,000	100,025
Lady Balmiel	65,000	-
The Lindsay Trust	1,000	14,000
Visiting Groups	1,421	2,742
	<u>92,421</u>	<u>116,767</u>

3 Investment Income

	2013	2012
	£	£
Investment properties		
Rent and service charge income	<u>46,322</u>	<u>45,380</u>
 Listed investments		
Received from UK listed investments	93,994	101,822
Received from overseas listed investments	<u>23,178</u>	<u>17,077</u>
Income from listed investments	<u>117,172</u>	<u>118,899</u>
 Total investment income	<u>163,494</u>	<u>164,279</u>

4 Other incoming resources

	2013	2012
	£	£
Income in respect of the sale of snowdrops	<u>522</u>	<u>510</u>

BALCARRES HERITAGE TRUST LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)**
FOR THE YEAR ENDED 5 APRIL 2013

5 Resources expended: cost of generating funds

	2013	2012
	£	£
Expendable endowment		
Investment management fees	24,620	22,749
	<u>24,620</u>	<u>22,749</u>
Unrestricted general funds		
Investment property costs		
- Insurance	3,148	1,135
- Repairs	1,458	5,038
- Council tax	894	894
- Depreciation	15,734	16,390
	<u>21,234</u>	<u>23,457</u>
Total cost of generating funds	<u>45,854</u>	<u>46,206</u>

BALCARRES HERITAGE TRUST LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)**
FOR THE YEAR ENDED 5 APRIL 2013

6 Resources expended: charitable activities

	2013	2012
	£	£
Maintenance and upkeep of property		
Repairs and maintenance	31,873	73,623
Insurance	9,933	13,420
Heat and Light	21,577	19,693
Sundry	404	435
	<u>63,787</u>	<u>107,171</u>
Gardens		
Wages and council tax	43,787	41,755
Chemicals	95	514
Petrol and oil	1,684	2,081
Vehicle and machinery repairs	2,859	5,970
Sundries	4,521	2,057
Depreciation	10,747	7,251
Loss on sale of fixed assets	1,098	-
	<u>64,791</u>	<u>59,628</u>
Conservation and restoration	-	23,074
	<u>128,578</u>	<u>189,873</u>

7 Resources expended: governance costs

	2013	2012
	£	£
Telephone	317	341
Legal fees	12,933	10,680
Audit	4,140	3,000
Accountancy	9,660	6,900
	<u>27,050</u>	<u>20,921</u>

BALCARRES HERITAGE TRUST LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)**
FOR THE YEAR ENDED 5 APRIL 2013

8 Employees**Number of employees**

The average monthly number of employees (excluding Council) during the year was

	2013 Number	2012 Number
Gardens	2	2
Housekeeping	1	-
	<u>3</u>	<u>2</u>
Wages and salaries	39,021	37,675
Social security costs	4,190	3,086
Council tax	576	994
	<u>43,787</u>	<u>41,755</u>

No employees received emoluments over £60,000 during the year. No members of the Council waived any emoluments during the year, nor were any amounts paid personally in respect of remuneration or expenses.

9 Net incoming resources

	2013 £	2012 £
Net incoming resources are stated after charging		
Depreciation of tangible assets	26,481	23,641
Auditors' remuneration	4,140	3,000
	<u>26,481</u>	<u>23,641</u>

BALCARRES HERITAGE TRUST LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 5 APRIL 2013****10 Tangible fixed assets**

	Heritage assets	Land and buildings leasehold	Tools and equipment	Tractors and motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 6 April 2012	38,362	229,730	16,562	20,620	305,274
Additions	65,000	-	-	14,976	79,976
Disposals	-	-	-	(5,815)	(5,815)
At 5 April 2013	103,362	229,730	16,562	29,781	379,435
Depreciation					
At 6 April 2012	-	55,497	16,562	18,187	90,246
On disposals	-	-	-	(3,518)	(3,518)
Charge for the year	-	6,969	-	3,778	10,747
At 5 April 2013	-	62,466	16,562	18,447	97,475
Net book value					
At 5 April 2013	103,362	167,264	-	11,334	281,960
At 5 April 2012	38,362	174,233	-	2,433	215,028

The tools and equipment, tractors and motor vehicles are utilised in the maintenance of the gardens and grounds

Heritage assets comprise works of art, books and papers having an association with Balcarres, which the charity has acquired for the appreciation of Balcarres as a place of historic interest and the education of the public in the arts. These assets are on public display and are managed by the Council and personnel at Balcarres House. A register is maintained of these assets and it is the intention of the Council that they will be held for the long term.

During the year, the painting "The Madonna and Child with Saint John the Baptist and Verdiana" was donated to the charity. Christie's provided a low value of £50,000 and high value of £80,000 for this painting and as such, a mid-value of £65,000 has been included in the financial statements. The painting was donated into the charity's unrestricted reserves and can be freely traded by the charity.

BALCARRES HERITAGE TRUST LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)**
FOR THE YEAR ENDED 5 APRIL 2013

11 Fixed asset investments

	Investment properties £
Cost or valuation	
At 6 April 2012 & at 5 April 2013	<u>554,919</u>
Depreciation	
At 6 April 2012	161,571
Charge for the year	<u>15,734</u>
At 5 April 2013	<u>177,305</u>
Net book value	
At 5 April 2013	<u>377,614</u>
At 5 April 2012	<u>393,348</u>

BALCARRES HERITAGE TRUST LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)**
FOR THE YEAR ENDED 5 APRIL 2013

12 Fixed asset investments

	Listed investments £
Cost or valuation	
At 6 April 2012	3,925,207
Purchases/additions	1,247,256
Revaluation	208,009
Disposals	(1,038,758)
	<hr/>
At 5 April 2013	4,341,714
	<hr/>
Net book value	
At 5 April 2013	4,341,714
	<hr/>
At 5 April 2012	3,925,207
	<hr/>
Market value of listed investments at 5 April 2013, split by geographical region	
- United Kingdom	2,692,988
- Overseas	1,648,726
	<hr/>
	4,341,714
	<hr/>

The historical cost of listed investments held at 5 April 2013 is £3,403,398. Bank balances, as stated on the balance sheet at 5 April 2013, include £119,098 of cash held by the charity's investment managers within the portfolio.

13 Debtors	2013	2012
	£	£
Other debtors	23,926	32,332
	<hr/>	<hr/>
14 Creditors: amounts falling due within one year	2013	2012
	£	£
Taxation and social security	898	1,226
Other creditors	25,677	21,874
	<hr/>	<hr/>
	26,575	23,100
	<hr/>	<hr/>

BALCARRES HERITAGE TRUST LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)**
FOR THE YEAR ENDED 5 APRIL 2013

15 Statement of movements on reserves

	Expendable endowment fund	Unrestricted general fund	Total funds
	£	£	£
Balance at 6 April 2012	3,800,606	812,160	4,612,766
Net (outgoing)/incoming resources for the year	(24,620)	79,575	54,955
Revaluation of investments during the year	208,009	-	208,009
Gain on sale of investments	250,559	-	250,559
	<u> </u>	<u> </u>	<u> </u>
Balance at 5 April 2013	<u>4,234,554</u>	<u>891,735</u>	<u>5,126,289</u>

Analysis of net assets between funds

Tangible fixed assets	14,000	645,574	659,574
Investments	4,341,714	-	4,341,714
Net current assets	-	125,001	125,001
	<u> </u>	<u> </u>	<u> </u>
	<u>4,355,714</u>	<u>770,575</u>	<u>5,126,289</u>

BALCARRES HERITAGE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 5 APRIL 2013

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 31st December 2030. Until 31 December 2020 the level of compensation is fixed at £100,000, thereafter it reduces by £10,000 for each year or part of a year which lapses. The tenant had incurred expenditure of £250,000 by 5th April 2010.

17 Related party relationships and transactions

Parts of the property leased by the charity are sub-let to the Earl of Crawford and Balcarres and Lord Balniel at rents independently set each year by Strutt and Parker, Chartered Surveyors. The rent due by the Earl of Crawford and Balcarres in respect of this sub-lease in the year under review was £5,580 (2012 £5,520) and £15,610 (2012 £15,665) by Lord Balniel.

The charity paid premiums for insurance which include cover for parts of Balcarres House occupied by the Earl of Crawford and Balcarres and Lord Balniel and the charity was reimbursed in full (the amount of the reimbursed premiums in the current year was £953). The charity also paid premiums for part of the contents of Balcarres House owned by Lord Balniel, being ones that fall within the charitable objects of the charity and subject to a loan agreement between the charity and Lord Balniel. In the current year this amounted to £8,768 (2012 £9,728).

There were no amounts outstanding from the Earl of Crawford and Balcarres and Lord Balniel at 5 April 2013 or 5 April 2012.

Lord Balniel is a partner in James Hambro & Partners LLP who provide investment management services to the charity. The value of these services in the year under review was £24,620 (2012 £22,749). The charity owed that firm £6,548 at 5th April 2013 (2012 £5,859).

Mr Simon Weil is a partner in the legal practice of Bircham Dyson Bell which provides legal services to the charity. In the year under review the value of services provided was £12,933 (2012 £10,680). There were no amounts outstanding by the charity at 5 April 2013 in respect of these services.

Lady Balniel, wife of Lord Balniel, donated a painting to the charity with a mid-value of £65,000 during the year. The painting, "The Madonna and Child with Saint John the Baptist and Verdiana" was donated into the charity's unrestricted reserves and can be freely traded by the charity should the trustees so wish.