

COMPANIES HOUSE

BALCARRES HERITAGE TRUST LIMITED

REGISTERED CHARITY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5th APRIL, 2010

WEDNESDAY



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COMPANIES HOUSE

CARTERS ACCOUNTANTS LLP, CHARTERED ACCOUNTANTS

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REFERENCE and ADMINISTRATION DETAILS

<u>Name of Charity</u>	Balcarres Heritage Trust Limited
<u>Charities Registration No</u>	296766 (England and Wales) SCO39480 (Scotland)
<u>Charity's Principal Address</u>	50 Broadway Westminster London SW1H 0BL
<u>Council (Trustees)</u>	The Earl of Crawford and Balcarres The Earl of Woolton Nicolas Barker Lord Balmiel Simon Weil Richard Elliott
<u>Secretary</u>	Broadway Secretaries Limited
<u>Registered Office</u>	50 Broadway Westminster London SW1H 0BL
<u>Company Registration No</u>	2101229
<u>Auditors</u>	Carters Accountants LLP Chartered Accountants 58 Bonnygate Cupar Fife KY15 4LD
<u>Solicitors</u>	Bircham Dyson Bell LLP 50 Broadway Westminster London SW1H 0BL
<u>Bankers</u>	The Royal Bank of Scotland, plc Durie Street Leven Fife
<u>Investment Managers</u>	James Hambro & Partners LLP Ground Floor, Ryder Court 14 Ryder Street, London SW1Y 6QB

Structure Governance and Management

Balcarres Heritage Trust Limited is a Company Limited by guarantee, each member having guaranteed the Company's liabilities to the extent of £100. The Charity's governing document is its Memorandum and Articles of Association.

The management of the Charity is in the hands of Council members, who take the place of Trustees. 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. Council members are involved in the overall strategy with the day to day administration being carried out by Lord Balniel.

The Council have reviewed the major risks to which the Charity is exposed and have established procedures to manage those risks.

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 Balniel 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 as 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

An important responsibility of the Charity is to facilitate educational and academic access to the printed and manuscript collections which reside at Balcarres and those that have been placed on loan with the National Library of Scotland. The last year has seen much activity which has supported both the advancement of education and also the advancement of the arts, heritage and culture with respect to these collections.

Increasingly the collections deposited in the National Library of Scotland are being made available in digitised form, both for the general public and also to meet specific academic requests. An example of this was a request from the Institut National d'Histoire de l'Art, Paris. The institution was organising a series of international exhibitions of the work of the 19th century sculptress Felicie de Fauveau and asked if the Charity would make available her sketch book to be photographically digitised. Their request was granted and 115 "openings" were made available – each "opening" containing many separate sketches.

Another example of providing greater access to the Charity's collections for scholarly study was the digitalisation and cataloguing in a modern electronic format the collection of 2443 Ballads. This has been done by the National Library of Scotland and next year they will be accessible to the general public.

The Charity's Report for the year ended 5th April 2009 stated that ProQuest, who publish the digitised Early English Books Online (EEBO), was discussing with the Charity the possibility of a major extension of their programme to cover more material belonging to the Charity. EEBO has been bought by the Joint Information Systems Committee (JISC) which is funded by all the UK higher education funding councils. A contract has now been signed with ProQuest for the digitalisation of the Charity's collection of Early English Books (pre 1700). For the first time students and scholars from around the world will have the opportunity to access material that, in many cases, due to their age and fragility were not readily available.

The Council of the Charity has agreed that some of the royalties received from the digitalisation will be reinvested with The National Library of Scotland in order to assist them in their existing programme of cataloguing the Charity's large collection of English (meaning printed in English) Tracts. This programme is proceeding well. 5132 items have now been catalogued. During the process many previously unknown tracts have emerged, the knowledge of which further enhances the importance of the collection. The National Library of Scotland is taking the opportunity to correct its own catalogue and update the national Wing (1641-1700 catalogue) and the English Short Title Catalogues.

Achievements and Performance cont'd

During the past few years the Charity has made available for publication the Journals and Diaries of Lady Anne Barnard who lived in Cape Town in 1799 and 1800. Three volumes (429, 328, 368 pages respectively) have been edited to a high academic standard for the Van Riebeeck Society. This was then followed by a more popular edition. These volumes provide an absolutely unique and most important historical record of life in Cape Town during the first, short lived, British Administration in South Africa. The material is now widely used in university lectures, exhibitions and research programmes.

This year the planned programme has been completed by the publication of a further volume by the Fernwood Press. This has been undertaken as a result of the initiative of Mr Nicolas Barker, one of our Trustees, who has also written the Introduction. The book is entitled Lady Anne Barnard's Watercolours and Sketches and has a very informative Introduction written by Nicolas Barker himself. The high quality coloured reproductions provide a remarkable and extremely important visual record of both the European and indigenous people living in Cape Town at the time. There are also many topographical scenes, including scenes of the interior of the country and a much reduced fold out version of the original 17th detailed panoramic view of Cape Town.

The Charity continues to make available selected paintings for important exhibitions. Two panels, painted by the Italian Renaissance artist, Lo Scheggia were lent to the Courtauld Gallery in London for an exhibition titled 'Love and Marriage in Renaissance Florence. The Courtauld Wedding Chests'. The exhibition ran from 17th February to 17th May 2009 and the Gallery reported that the pictures were seen by over 34,000 persons "which is an excellent figure for such a specialist show". A study day was arranged for international scholars and an evening was set aside for secondary school teachers and curator led talks for children were also arranged. Insurance cover for the transportation of the two panels and for the duration of the exhibition was provided by Government Indemnity.

There are occasions when the Trustees are offered objects to purchase that had formerly been part of the collection. This year the Charity has purchased a book for the library – "A discourse on the whole art of chyrurgerie" printed by Thomas Purfoot in London in 1643. It had belonged to the original library in the 17th century and had at some time been separated from it. Such opportunities are rare and it is pleasing to be able to acquire such items as and when they appear on the open market.

Last year's Achievements and Performance Report of the Trustees stated that the economic recession was taking its toll on the number of organised groups, particularly groups from overseas, visiting the house and garden. This proved to be the case.

However, there have been significant visits, for instance, The Friends of the Innerpeffray Library and The Friends of the St Andrew's University Library, for whom exhibitions were organised. "The Homecoming", supported by The Scottish Executive also resulted in considerable numbers coming. Again an exhibition was organised for their visit. Other groups to visit included the Department of History from Dundee University and the Glasgow branch of the National Trust for Scotland.

The garden continued to attract many positive reviews and featured in a two page article in The Scotsman on 19th September 2009. In the same month a notable event was a successful visit organised by the National Trust for Scotland of 50 of their Head Gardeners, together with gardeners from non-National Trust gardens. Their choice of the Charity's garden reflects well on the efforts of all who have been involved in building up and maintaining the garden in recent years.

Further work was undertaken to complete the composting bays in the gardener's working area. This investment has significantly improved the efficiency and productivity of the garden enterprise.

Review of the Investment Portfolio

The 12 months to 5th April, 2010 witnessed a sustained and significant recovery in global equities from one of the most savage bear markets that had resulted from the credit crunch. The concerted efforts of central banks to slash interest rates, in some cases accompanied by quantitative easing, provided the confidence for investors to renew their appetite for risk assets. Despite significant job losses and Western economies emerging very sluggishly from recession, corporate earnings continued to surprise on the upside providing a solid base for equity rises globally.

Review of the Investment Portfolio cont'd

At the start of the period under review the Charity's portfolio was very conservatively positioned with a total of 39.3% in cash and fixed interest investments. At the end of the period this had been reduced to 27% with a significant increase in UK and S E Asian equities. The emphasis of the reinvestment was on quality, financially strong, cash generative companies which have the ability to grow their dividends.

In performance terms the portfolio appreciated by 30.7% on a total return basis which compares to a rise of 31.7% in the benchmark index, the FTSE APCIMS Balanced Index.

Financial Review

The results of the Charity for the year ended 5th April, 2010 are contained in the attached Financial Statements which the Council confirms comply with the current statutory requirements, the requirements of the Charity's Articles of Association and the requirements of SORP 2005. The Charity is prohibited by its Articles of Association from paying a dividend. The surplus of £9,223 on Income and Expenditure Accounts is to be transferred to reserves.

As shown by the Charity's Statement of Financial Activities on Page 10 of these Financial Statements, the year to 5th April, 2010 resulted in net outgoing resources of £25,586 before taking account of the gain on investments sold in the year of £34,809 and a gain of £715,595 on the revaluation of investments held at 5th April, 2010.

The Charity's principal funding sources are the income from its investment portfolio, rental income from let property and donations, together with capital appreciation on the investment portfolio itself. Note 11 to the Financial Statements shows how the income and gains have been used by the Charity in the furtherance of its activities.

The incoming resources of the Charity decreased by £27,416 against those for the previous year as a result of the absence of donations (Note 7). Net income from let property has increased as a result of the rent from the let of a flat in Balcarres House and also the full year's impact of rent reviews in the previous year, together with reduced costs. Rent reviews for the year to 5th April, 2010 show no increases, reflecting the static house rental market (Note 8). Income from the Charity's investment portfolio increased marginally (Note 9). Resources expended fell in the year as a result of less expenditure on charitable activities, particularly on the maintenance and upkeep of property. The heat and light costs reduced as a result of lower average oil costs in the year. The principal expenditure on property maintenance was the exterior paintwork on Balcarres House (£7,095) and the renewal of skylights in the gardener's shed and attic areas in the house (£3,390) (Note 11). The purchase of the book and the completion of the composting bays referred to in "Achievements and Performance" are shown in Note 2 as additions during the year at a cost of £1,700 and £10,801 respectively.

The Charity's investment policy is that its funds be invested in a good spread of investments to achieve the balance of income and capital growth which the Council considers appropriate to the circumstances. The Council wishes to adopt a medium risk investment strategy, as defined by the managers, but accepts that, from time to time, there may be investments held which fall outside that definition. The Charity does not wish to impose any moral or ethical constraints on the choice of investments. The Charity's investments are not taxed so long as they are "qualifying investments" as defined by Schedule 20 Taxes Act 1988 and the Council does not intend to invest in other securities without specific consideration. All income from the investment funds is to be held within the investment funds to be available as required.

The Charity has sufficient funds to meet foreseeable requirements but, because of the size, age and high maintenance costs of the Charity's principal asset and the need to provide for unforeseen expenditure, the Council considers reserves of 10% of the endowment prudent and, to this end, will continue to transfer income surpluses to reserves as they arise in order to achieve this.

Trustees Remuneration

Full details of payments to Council members are given at the Related Party Disclosures Note 17 to the Financial Statements.

Council Members' Responsibilities

Company Law requires the Council members to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the surplus or deficit of the Charity for that period. In preparing these Financial Statements, the Council members are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable U K accounting standards have been followed subject to any material departures disclosed and explained in the Financial Statements
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business

The Council members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the Financial Statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006, the requirements of the Charity's governing document and the Statement of Recommended Practice – "Accounting and Reporting by Charities". 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. The Council confirms that the Financial Statements comply with the above requirements.

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 the information

Auditors

A resolution to re-appoint Carters Accountants LLP, Chartered Accountants, Cupar as Auditors will be put to the Members at the Annual General Meeting

Small Company Provisions

This Report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Signed on behalf of the Council on: 30th November, 2010



SIMON WEIL

Secretary
50 Broadway
Westminster
London
SW1H 0BL

We have audited the Financial Statements of Balcarres Heritage Trust Limited for the year ended 5th April, 2010 which comprise Income and Expenditure Account, Statement of Total Recognised Gains and Losses, Note of Historical Cost Surpluses and Deficits, Statement of Financial Activities and Balance Sheet and the related Notes. The Financial Statements have been prepared under the accounting policies set out therein.

This Report is made solely to the Charity's Council and Members as a body in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's Council and Members 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 Charity and its Council and Members as a body, for our audit work, for this Report, or for the opinions we have formed.

Respective Responsibilities of Council Members and Auditors

The Council's (who are also the Directors of the Company for the purposes of Company Law) responsibilities for preparing the Report of the Council and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the Financial Statements give a true and fair view are set out in the Statement of Council Members' Responsibilities.

We have been appointed Auditors under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with those Acts.

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (U.K. and Ireland).

We report to you our opinion as to whether the Financial Statements give a true and fair view and have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether, in our opinion, the information given in the Report of the Council is consistent with those Financial Statements.

We also report to you if, in our opinion, the Charity has not kept adequate and proper accounting records, if the Charity's Financial Statements are not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of Council members' remuneration specified by law are not made.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (U.K. and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the Council in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

Opinion

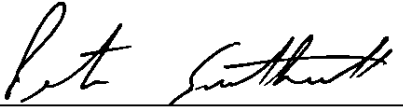
In our opinion


- the Financial Statements give a true and fair view of the state of the Charity's affairs as at 5th April, 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the Financial Statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,

**INDEPENDENT AUDITORS' REPORT to the MEMBERS and TRUSTEES of
BALCARRES HERITAGE TRUST LIMITED**

Opinion cont'd

- the Financial Statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 , and
- the information given in the Report of the Council is consistent with the Financial Statements





Senior Statutory Auditor

For and on behalf of Carters Accountants LLP, Statutory Auditors
Carters Accountants LLP is eligible to act as Auditor in terms of Section 1212 of the Companies Act 2006

58, Bonnygate, Cupar, Fife

30th November, 2010

BALCARRES HERITAGE TRUST LIMITED**INCOME and EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 5th APRIL, 2010**

	<u>Note</u>	<u>2010</u> £	<u>2009</u> £
Income	6	<u>130,454</u>	<u>157,870</u>
Costs of Generating Funds	10	<u>19,237</u>	<u>16,249</u>
Charitable Activities	11	<u>110,845</u>	<u>123,199</u>
Governance Costs	12	<u>24,842</u>	<u>24,256</u>
		<u>154,924</u>	<u>163,704</u>
 Operating Surplus/(Deficit)		(24,470)	(5,834)
(Loss)/Gain on Disposal of Fixed Asset Investments		<u>34,809</u>	<u>(151,308)</u>
Surplus/(Deficit) on Ordinary Activities before Tax		<u>10,339</u>	<u>(157,142)</u>
Tax on Surplus/(Deficit) of Ordinary Activities	14	<u>1,116</u>	<u>536</u>
Surplus/(Deficit) in Ordinary Activities for the Year		<u>9,223</u>	<u>(157,678)</u>

The Charity has neither commenced any new activities during the year, neither has it discontinued any operations

STATEMENT of TOTAL RECOGNISED GAINS and LOSSES

	<u>2010</u> £	<u>2009</u> £
Surplus/(Deficit) for the Year	9,223	(157,678)
Unrealised Surplus/(Deficit) on Revaluation of Investment	<u>715,595</u>	(445,521)
Total Gains/(Losses) recognised since last Annual Report	<u>724,818</u>	(603,199)

NOTE of HISTORICAL COST SURPLUSES and DEFICITS

	<u>2010</u> £	<u>2009</u> £
Reported Surplus/(Deficit) on Ordinary Activities before Taxation	10,339	(157,142)
Realisation of Investment Revaluation Gains/(Losses) of Previous Years	(85,935)	<u>330,766</u>
Historical Cost Surplus/(Deficit) on Ordinary Activities before Taxation	(75,596)	173,624
Tax on Historical Cost Surplus/(Deficit) on Ordinary Activities	<u>1,116</u>	<u>536</u>
Historical Cost Surplus/(Deficit) for the Year Retained	(76,712)	<u>173,088</u>

BALCARRES HERITAGE TRUST LIMITED

STATEMENT of FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5th APRIL, 2010

	<u>Note</u>	<u>2010</u> £	<u>2009</u> £
<u>Incoming Resources</u>			
Voluntary Income	7	1,621	34,239
Investment Income	8,9	128,493	123,189
Other Income Resources		<u>340</u>	<u>442</u>
<u>Total Incoming Resources</u>		<u>130,454</u>	<u>157,870</u>
<u>Resources Expended</u>			
Costs of Generating Funds	10	19,237	16,249
Charitable Activities	11	110,845	123,199
Governance Costs	12	<u>24,842</u>	<u>24,256</u>
<u>Total Resources Expended</u>		<u>154,924</u>	<u>163,704</u>
<u>Net Incoming/(Outgoing) Resources before Tax</u>		(24,470)	(5,834)
Tax	14	<u>1,116</u>	<u>536</u>
<u>Net Incoming/(Outgoing) Resources before Other Recognised Gains and Losses</u>		(25,586)	(6,370)
<u>Other Recognised Gains and Losses</u>			
Gains/(Losses) on Investments			
Realised – On Investments Sold in Year		34,809	(151,308)
Unrealised – On Revaluations at Year end		<u>715,595</u>	<u>(445,521)</u>
<u>Net Movement in Funds</u>		724,818	(603,119)
Fund Balances brought forward at 6 th April, 2009		<u>3,466,464</u>	<u>4,069,663</u>
<u>Fund Balances carried forward at 5th April, 2010</u>		<u>4,191,282</u>	<u>3,466,464</u>

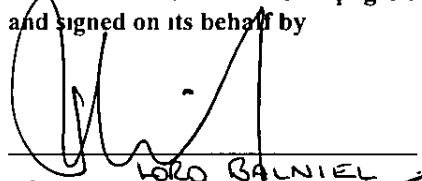
BALCARRES HERITAGE TRUST LIMITED

BALANCE SHEET

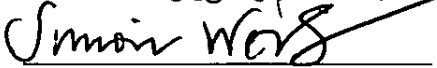
AS AT 5th APRIL, 2010

	<u>Note</u>	£	£	<u>2010</u> £	<u>2009</u> £
<u>FIXED ASSETS</u>	2				
<u>Tangible Assets</u>					
Fixtures, Fittings, Tools and Equipment				3,559	4,917
Leasehold Property				<u>614,880</u>	<u>626,452</u>
				618,439	631,369
<u>Heritage Assets</u>				38,362	36,662
<u>Investments</u>	3			<u>3,458,025</u>	<u>2,721,233</u>
				4,114,826	<u>3,389,264</u>
<u>CURRENT ASSETS</u>					
Debtors	4	24,083			34,660
Cash at Bank and in Hand	5	<u>137,703</u>			<u>83,843</u>
		161,786			<u>118,503</u>
<u>CREDITORS</u> Amounts falling due within one year					
Other Creditors		42,787			14,721
Accruals		30,956			24,642
Other Taxes and Social Security Costs		<u>11,587</u>			<u>1,940</u>
		85,330			<u>41,303</u>
<u>NET CURRENT ASSETS</u>				<u>76,456</u>	<u>77,200</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>				<u>4,191,282</u>	<u>3,466,464</u>
<u>CAPITAL and RESERVES</u>	15				
Income and Expenditure Account				3,475,355	3,552,067
Revaluation Reserve				<u>715,927</u>	<u>(85,603)</u>
				<u>4,191,282</u>	<u>3,466,464</u>

The Financial Statements on pages 8 to 17 were approved by the Council on 30th November, 2010
and signed on its behalf by



LORD BALMIEL
Member of Council



SIMON WEIL
Member of Council

1 STATEMENT OF ACCOUNTING POLICIES

A summary of the principal accounting policies which have been applied is set out below

(a) Basis of Accounting

The Financial Statements have been prepared under the historical cost convention, modified to include fixed asset investments at market value, in accordance with applicable United Kingdom Accounting Standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) the Companies Act 2006, the Charities Accounts (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006

(b) Incoming Resources

Income resources are recognised on the basis of income receivable in the period under review. Incoming resources from the Charity's endowment fund is unrestricted. Income from let properties is shown net of expenses. For a better appreciation of the net income generated from this source a full statement of the income and expenditure position is shown in the Notes to the Financial Statements.

(c) Resources Expended

Expenditure is recognised on the basis of expenditure incurred in the period. Liabilities are recognised on the basis of obligations at the year end.

Resources expended are allocated to categories on the basis of actual expenditure relating specifically to that category.

(d) Funds Structure

The Charity has two funds, an Expendable Endowment and an Unrestricted Reserves Fund. Income surpluses are added to the Unrestricted Reserves Fund other than that part relating to donations which will be added to the Expendable Endowment or to a Designated Fund.

Transfers between funds may arise where the Unrestricted Reserves Fund is insufficient to cover the net outgoing resources of a particular year.

(e) Tangible Fixed Assets

Tangible Fixed Assets are shown at their original cost. Depreciation is provided at rates calculated to write off the cost less estimated residual value over the estimated useful life of the assets. The following rates of depreciation have been used:

Fixtures, Fitting, Tools and Equipment	20% Straight Line
Motor Vehicles	25% Net Book Value

(f) Leasehold Property

The Charity has expended sums in improving properties which are the subject of a lease expiring on 7th April, 2037. These improvements have been either fully depreciated in the year in which the expenditure was incurred or over the remaining period of the lease.

(g) Heritage Assets

Heritage Assets are shown in the Balance Sheet at their original cost. Because of the nature of these assets no depreciation has been written off.

(h) Investments

Fixed asset investments are shown in the Balance Sheet at market value at the end of the accounting period. Gains or losses on the actual disposal of investments are shown in the Income and Expenditure Account in relation 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 or losses are shown in the revaluation reserve. Income from investments for the year is included in the Financial Statements inclusive of reclaimable tax.

(i) Donations

Donations are added to the Charity's expendable endowment except where designated for a specific purpose
The figure for donations shown in the Financial Statements includes, where appropriate, any tax reclaimable

(j) Cash Flow Statement

The Charity has taken advantage of the provisions of Financial Reporting Standard No 1 and has not prepared a Cash Flow Statement

2 FIXED ASSETS**Tangible Assets**

	<u>Total</u> £	<u>Tools and</u> <u>Equipment</u> £	<u>Tractors and</u> <u>Motor</u> <u>Vehicles</u> £	<u>Short</u> <u>Leasehold</u> <u>Property</u> £
<u>Cost</u>				
As at 6 th April, 2009	811,030	16,562	20,620	773,848
Additions during Year	<u>10,801</u>	-	-	<u>10,801</u>
	<u>821,831</u>	<u>16,562</u>	<u>20,620</u>	<u>784,649</u>
<u>Depreciation</u>				
As at 6 th April, 2009	179,661	15,110	17,155	147,396
Charge for Year	<u>23,731</u>	<u>488</u>	<u>870</u>	<u>22,373</u>
	<u>203,392</u>	<u>15,598</u>	<u>18,025</u>	<u>169,769</u>
 <u>Net Book Value at 5th April, 2010</u>	 <u>618,439</u>	 <u>964</u>	 <u>2,595</u>	 <u>614,880</u>
<u>Net Book Value at 5th April, 2009</u>	<u>631,369</u>	<u>1,452</u>	<u>3,465</u>	<u>626,452</u>

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

Heritage Assets

Cost as at 6 th April, 2009	£ 36,662
Additions during Year	<u>1,700</u>
Cost as at 5 th April, 2010	£ 38,362

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

3 INVESTMENTS

Movements in investments during the year were as follows

	£
Market Value of Shares held at 5 th April, 2009	2,721,233
Additions	882,080
Disposals	(860,883)
Surplus on Revaluation of Shares held at end of year	<u>715,595</u>
Market Value of Shares held at 5th April, 2010	<u>3,458,025</u>
Market Value of Listed Investments included in Net Book Value at 5 th April, 2010 - U K	3,214,180
- Overseas	<u>243,845</u>
Historical Cost of the Investments at 5th April, 2010	<u>2,742,098</u>

The listed investments have been valued using the closing prices on the respective stock exchanges at 5th April, 2010

The investments are principally direct investments in listed companies and U K government stocks The Charity has the following holdings each exceeding 5% of the portfolio valuation

Standard Chartered plc	221,218
BHP Billiton	230,100
UK Treasury Stock 2 25% 7 3 14	185,201

BALCARRES HERITAGE TRUST LIMITED

NOTES to the FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5th APRIL, 2010

4 DEBTORS		<u>2010</u>	<u>2009</u>
		£	£
Prepayments		12,538	13,210
Income Tax repayable on Income		-	7,051
Other Debtors		<u>11,545</u>	<u>14,399</u>
		<u>24,083</u>	<u>34,660</u>
5 CASH at BANK and in HAND			
The figures of £137,703 (2009 - £83,843) represents cash held on deposit by J O Hambro Investment Management of £109,420 (2009- £78,160) and cash at the Royal Bank of Scotland of £28,283 (2009 - £5,683)			
6 INCOME		<u>2010</u>	<u>2009</u>
		£	£
Donations (Note 7)		-	32,051
Admissions		1,621	2,188
Net Rental Income (Note 8)		22,578	18,996
Other Income		340	442
Income from Investments		<u>105,915</u>	<u>104,193</u>
Per Income and Expenditure Account		<u>130,454</u>	<u>157,870</u>
7 VOLUNTARY INCOME			
The voluntary income was made up of donations as follows			
		<u>2010</u>	<u>2009</u>
		£	£
Lord Balmiel		-	32,051
The Lindsay Trust		-	-
Visiting Groups		<u>1,621</u>	<u>2,188</u>
		<u>1,621</u>	<u>34,239</u>
8 INVESTMENT INCOME - RENTAL INCOME			
		<u>2010</u>	<u>2009</u>
		£	£
Rent and Rates Received		41,439	39,118
Less Insurances		(701)	(511)
Repairs		(452)	(3,268)
Council Tax		(1,365)	(-)
Depreciation		<u>(16,343)</u>	<u>(16,343)</u>
		<u>22,578</u>	<u>18,996</u>
9 INVESTMENT INCOME – DIVIDENDS and INTEREST RECEIVED			
		<u>2010</u>	<u>2009</u>
		£	£
Investments listed on recognised Stock Exchanges	U K	88,990	84,637
	Overseas	16,925	10,433
Cash Deposits	U K	-	9,123
		<u>105,915</u>	<u>104,193</u>
10 COSTS of GENERATING FUNDS			
Investment Management Costs		<u>19,237</u>	<u>16,249</u>

11 CHARITABLE ACTIVITIES

	<u>2010</u>	<u>2009</u>
	£	£
<u>Maintenance and Upkeep of Property</u>		
Maintenance of Charity Properties not Subject to Leases	28,661	25,863
Insurance	13,719	13,889
Heat and Light	15,246	17,522
Wages	<u>480</u>	<u>11,874</u>
	<u>58,106</u>	<u>69,148</u>
 <u>Gardens</u>		
Wages and Council Tax	38,866	37,849
Seeds and Plants	158	252
Chemicals	1,162	1,361
Petrol and Oil	2,276	2,267
Vehicle and Machinery Repairs	345	2,312
Sundries	1,650	641
Depreciation	<u>7,388</u>	<u>7,678</u>
	<u>51,845</u>	<u>52,360</u>
 <u>Conservation and Restoration</u>	<u>894</u>	<u>1,691</u>
	<u>110,845</u>	<u>123,199</u>

12 GOVERNANCE COSTS

	<u>2010</u>	<u>2009</u>
	£	£
Telephone	779	299
Legal Fees	14,922	13,842
Auditors Remuneration	2,600	2,600
Audit	5,732	6,083
Accountancy	200	300
Taxation	1	1
Rent	<u>608</u>	<u>1,131</u>
Sundries	<u>24,842</u>	<u>24,256</u>

13 STAFF COSTS

	<u>2010</u>	<u>2009</u>
	£	£
Wages and Salaries	35,430	45,851
Social Security Costs	2,930	2,878
Council Tax	<u>986</u>	<u>994</u>
	<u>39,346</u>	<u>49,723</u>

The average weekly number of employees during the year was

Charitable Activities (See Note 11)		
Maintenance and Upkeep of Property	0	1
Gardens	2	2

14 TAX

The Charity is not subject to U K tax on its income because of its charitable status. The tax of £1,116 (2009 - £536) represents foreign tax deducted from overseas investment income.

15 CAPITAL and RESERVES

	Income and Expenditure <u>Account</u> £	Revaluation <u>Reserve</u> £
As at 5 th April, 2009	3,552,067	(85,603)
Transferred from Income and Expenditure Account	9,223	-
Transferred in Respect of Realised Gains	(85,935)	85,935
Surplus on Revaluation at 5 th April, 2010	-	715,595
	<u>3,475,355</u>	<u>715,927</u>

			<u>Unrestricted</u>	
	<u>Total</u>	<u>Expendable Endowment</u>	<u>Utilised for Charitable Purposes</u>	<u>Available for Charitable Purposes</u>
As at 5 4 09	3,466,464	2,812,527	653,937	-
Net Incoming/(Outgoing) Resources	(25,586)	(25,586)	-	-
Gains on Investments				
Realised	34,809	34,809	-	-
Unrealised	715,595	715,595	-	-
Transfer	-	11,180	(11,180)	-
As at 5 4.10	<u>4,191,282</u>	<u>3,548,525</u>	<u>642,757</u>	<u>-</u>

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<u>Tangible Fixed Assets</u>	<u>Investments</u>	<u>Net Current Assets</u>	<u>Total</u>
Expendable Endowment	14,044	3,458,025	76,456	3,548,525
Unrestricted Funds	642,757	-	-	642,757
	<u>656,801</u>	<u>3,458,025</u>	<u>76,456</u>	<u>4,191,282</u>

17 RELATED PARTY DISCLOSURES

Control

No party has control of the Charity

Related Party Transactions

Parts of the property leased by the Charity are sublet to Lord Crawford and Lord Balmiel at rents independently set each year by Strutt and Parker, Chartered Surveyors. The rent due by Lord Crawford in respect of this sub-lease in the year under review was £5,280 and £14,280 by Lord Balmiel.

The Charity paid premiums for insurance which include cover for parts of Balcarres House occupied by Lord Crawford and Lord Balmiel, the amount of the premiums in the current year were £257 and £771 respectively. The Charity also paid premiums for part of the contents of Balcarres House owned by Lord Balmiel. In the current year this amounted to £9,645.

The amount due by Lord Crawford at 5th April, 2010 was £257 and the amount due by Lord Balmiel £10,416. These amounts have been repaid to the Charity after 5th April, 2010.

Lord Balmiel was a Director of J O Hambro Investment Management Limited who provided investment management services to the Charity. The value of these services in the year under review was £19,237. The Charity was due J O Hambro Investment Management Limited £10,056 at 5th April, 2010.

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 £14,922. The Charity was due Bircham Dyson Bell £10,596 at 5th April, 2010.

No amounts were paid personally to members of the Council in respect of remuneration or expenses.

18 CONTINGENT LIABILITY

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 require to pay compensation if the lease is terminated at any time prior to 31st December, 2030. Until 31st 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 elapses. The tenant had incurred expenditure of £250,000 by 5th April, 2010.