
BALCARRES HERITAGE TRUST LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5th APRIL, 2005



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COMPANIES HOUSE 20/01/2006

JAMES MURRAY and COMPANY, CHARTERED ACCOUNTANTS

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<u>Name of Charity</u>	Balcarres Heritage Trust Limited
<u>Constitution and Governance</u>	Balcarres Heritage Trust Limited is a Company limited by guarantee and not having a share capital incorporated under the Companies Act 1985. The Charity's governing document is its Memorandum and Articles of Association.
<u>Council Members</u>	The Earl of Crawford and Balcarres The Earl of Woolton Nicolas Barker Lord Balniel Simon Weil
<u>Secretary</u>	Broadway Secretaries Limited
<u>Registered Office</u>	50 Broadway, Westminster, London. SW1H OBL
<u>Company Registration No.</u>	2101229
<u>Charities Registration No.</u>	296766
<u>Auditors</u>	James Murray and Company, Chartered Accountants, 58, Bonnygate, Cupar, Fife. KY15 4LD
<u>Solicitors</u>	Bircham Dyson Bell, 50 Broadway, Westminster, London. SW1H OBL
<u>Bankers</u>	The Royal Bank of Scotland, plc., Durie Street, Leven, Fife.
<u>Investment Managers</u>	J.O. Hambro Investment Management, 21, St. James's Square, London. SW1Y 4HB

The Council have pleasure in presenting their Report and the Financial Statements for the year ended 5th April, 2005.

Results and Dividends

The results of the Trust for the year ended 5th April, 2005 are contained in the attached Financial Statements which the Council confirm comply with current statutory requirements, the requirements of the Trust's Memorandum and Articles of Association and the requirements of SORP 2000. The Trust is prohibited by its Memorandum from paying a dividend. The surplus of £422,835 on Income and Expenditure Account is to be transferred to reserves.

Objects

The principal objects of the Trust 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 Trust 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 Trust 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.

Trust Administration

The Trust is under the direction of Council Members who are involved in the overall strategy, the day to day administration is carried out by Lord Crawford.

Review of the Charity

Last year's Review referred to the fact that preliminary steps had been taken to lend a sculpture and a number of artefacts and pictures to an exhibition of Venetian Renaissance Art in the National Gallery of Scotland. It was entitled "The Age of Titian". It was opened by The Duke of Edinburgh and ran from August to December 2004. It was seen by 88,000 members of the public. The exhibition received exceptionally good reviews – several of the items lent by the Trustees receiving specific comments. It was described by the Director of the N.G.S. as "the most ambitious exhibition of Renaissance Art ever mounted in Scotland".

To coincide with this exhibition, the Trust also welcomed the European Renaissance Study Group at Balcarres. Their tour, organised by the History Department of the University of Dundee, was composed of Directors of European Museums and Galleries and academics with the purpose of raising European understanding of the significance of Scotland in Renaissance culture.

Maintaining the gardens and policies at Balcarres for the public benefit is an important responsibility of the Trust. Scottish National Heritage and Historic Scotland have this year issued a supplementary volume for Fife of "An Inventory of Gardens and Designed Landscapes". These two authoritative organisations assess the value of the garden and landscape looked after by the Trustees as an overall work of art ("outstanding"); horticultural ("high"); scenic ("outstanding"); and nature conservation ("high"). They describe the gardens as being "in good condition and well managed" and they comment favourably on the planned further development of the wild garden. They recommend the planting of more young park trees.

This official recognition is valuable because, although the architecture and setting has for a long time been classified as outstanding, the horticultural value and the nature conservation value could not have been described as high when the Trustees assumed responsibility. This assessment of the garden has generated publicity – for instance the main article and the front cover photograph of The English Garden magazine and its Scottish edition and an article in the newspaper Scotland on Sunday feature the garden. In addition, a landscape historian for Historic Scotland has photographed the garden for inclusion on their website.

The gardens are open to the public in accordance with the terms of the deed establishing the charity and the policies are open all the year and are fairly regularly used by walkers and horse riders. In addition, this year the Trust has agreed Fife Council proposals to designate Core Paths on its property open to walkers, bicyclists and horse riders. In practice the paths have been freely open to the public for many years, but the publication of these as Core Paths by Fife Council formalise the public access arrangements.

Review of the Charity Cont'd

At the request of the University of Glasgow, the Trust is cooperating with a survey of music in private hands in Scotland. This is being conducted by a former Keeper of the Records of Scotland. However, prior to this national survey being established the Trust had made available for publication, the Balcarres Lute Book, arguably the largest and most important post 1640 British source of lute music. This has now been transcribed by the University of Glasgow Music Department in their "Music of Scotland" series. It is being published by the University of Glasgow in conjunction with the University of Aberdeen. The Government Arts and Humanities Research Board has contributed funding. When completed it is likely to be a two volume publication. It contains some 240 separate pieces of music and will be available both for study and performance. When launching the project in 2003 the National Library of Scotland organised a public concert of music drawn from it.

Financial Review

As shown by the Trust's Statement of Financial Activities on Page 8 of these Financial Statements, the year to 5th April, 2005 resulted in net incoming resources after tax of £95,902 before taking account of the gain on investments sold in the year of £326,933 and a gain of £292,000 on the revaluation of investments held at 5th April, 2005.

The incoming resources of the Trust were reduced by virtually 50% to £165,629 primarily as a consequence of lower donations (see Note 7). Net rental income was down by almost a third with rental income down by £1,800 as a result of the Garden Flat not being available for let during its refurbishment and significant remedial work to the West Lodge costing £5,300. Income from investments held steady at £89,262 despite the loss of a tax repayment on dividends which yielded almost £2,500 in the previous year. The resources expended also showed a considerable reduction, particularly in regard to expenditure in furtherance of the Trust's objects (see Note 11). This was due to much reduced expenditure on conservation and, more significantly, the correction in the amount of an insurance premium borne by the Trust to that in respect of the assets subject to a long term loan to the Trust. The premium commenced in September 1998 and the adjustment for all years is included in these Accounts. The trust spent £172,856 on leasehold property in the year - £166,343 on the refurbishment of the Garden Flat and £6,513 on improvements to the Gardener's Cottage. Further expenditure on the Garden Flat has been incurred in the year to 5th April, 2006. The Garden Flat was occupied by Lord Crawford on 1st July, 2005 and a market rent will be set by Strutt and Parker. Work on the Gardener's Cottage will continue in the year to 5th April, 2006. The Trust spent £331 on acquiring a book, Gesamtkatalog Vol. X, (£141) and a Chinese porcelain bowl (£190) showing the arms of Lindsay quartering Abernethy.

The year to 5th April, 2005 witnessed further strong gains from global equity markets on the back of sound economics and good company results. The Trust investments took part in this momentum rising +12.55% in capital terms (+16.3% if income is included). The Trust outperformed its benchmark, the FTSE/APCIMS Balanced Index which returned +6.55% over the same period. The fund benefited from high exposure to UK and European equities which outperformed their international peers.

Investment Policy

The Trust's policy is that investment funds be invested in a good spread of investments to achieve the balance of income and growth which the Trustees consider appropriate to the circumstances. The Trustees wish to adopt a medium risk investment strategy, as defined by the managers, but accept that, from time to time, there may be investments held which would fall outside that definition. The Trust does not wish to impose any moral or ethical constraints on the choice of investments. The Trust's investments are not taxed so long as they are "qualifying investments" as defined by Schedule 20 Taxes Act 1988 and the Trustees do 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 Trust's investments are managed by J.O. Hambro Investment Management Limited on a fully discretionary basis.

Reserves Policy

The Trust has sufficient funds to meet foreseeable requirements but, because of the size, age and high maintenance costs of the Trust's principal asset and the need to provide for unforeseen expenditure, the Council consider 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.

Council Members

The Earl of Crawford and Balcarres
The Earl of Woolton
Nicolas Barker
Lord Balniel
Simon Weil

As the Trust is a company limited by guarantee the Council Members have no financial interest in its affairs.

Council Members are appointed by the existing Council such that the number of Members of Council will be not less than 5 nor more than 8.

Related Parties

Full details of related parties and the Trust's transactions with them are given at Note 16 to the Financial Statements.

Limited Liability

Balcarres Heritage Trust Limited is a company limited by guarantee. Each Member has guaranteed the company's liabilities to the extent of £100.

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 Trust and of the surplus or deficit of the Trust for that period. In preparing these Financial Statements, the Council Members are required to :

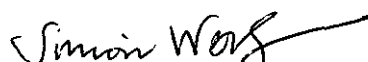
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Council Members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the Financial Statements comply with the Companies Act 1985, the requirement of the Trust's governing document and the Statement of Recommended Practice – Accounting and Reporting by Charities. They are also responsible for safeguarding the assets of the Trust 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.

Auditors

A resolution to re-appoint James Murray and Company, Chartered Accountants, Cupar as Auditors will be put to the Members at the Annual General Meeting.

Signed on behalf of the Council on: 7th December 2005



Secretary

50 Broadway
Westminster
London
SW1H 0BL

We have audited the Financial Statements of Balcarres Heritage Trust Limited for the year ended 5th April, 2005 as set out on pages 6 to 15. These Financial Statements have been prepared under the historical cost convention as modified for the inclusion of fixed asset investments at market value and the accounting policies set out on pages 10 and 11.

Respective Responsibilities of Council Members and Auditors

The Council Members responsibilities for preparing the Report of the Council and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the statement of Council Members' Responsibilities as described on page 4. Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the Financial Statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Council is not consistent with the Financial Statements, if the Charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Council Members remuneration and transactions with the Charity is not disclosed.

We read other information contained in the Report of the Council and consider whether it is consistent with the Audited Financial Statements. We consider the implications for our Report if we become aware of any apparent misstatements or material inconsistencies with the Financial Statements. Our responsibilities do not extend to any other information.

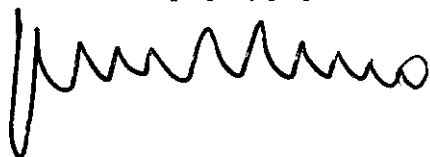
Basis of Opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes an 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 Members in the preparation of Financial Statements, and of whether the accounting policies are appropriate to the Trust'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, 2005 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**JAMES MURRAY and COMPANY,
Chartered Accountants and
Registered Auditors**

58, Bonnygate, Cupar, Fife

7th December 2005

BALCARRES HERITAGE TRUST LIMITED**INCOME and EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 5th APRIL, 2005**

	<u>Note</u>	<u>2005</u> £	<u>2004</u> £
Income	6	<u>165,629</u>	<u>329,751</u>
Costs of Generating Funds	10	11,839	8,849
Charitable Expenditure	11	<u>56,730</u>	<u>136,541</u>
		<u>68,569</u>	<u>145,390</u>
Operating Surplus/(Deficit)		97,060	184,361
Gain/(Loss) on Disposal of Fixed Asset Investments		<u>326,933</u>	<u>36,732</u>
Surplus/(Deficit) on Ordinary Activities before Tax		423,993	221,093
Tax on Surplus/(Deficit) of Ordinary Activities	13	<u>1,158</u>	<u>743</u>
Surplus/(Deficit) in Ordinary Activities for the Year		<u>422,835</u>	<u>220,350</u>

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

STATEMENT of TOTAL RECOGNISED GAINS and LOSSES

	<u>2005</u> £	<u>2004</u> £
Surplus/(Deficit) for the Year	422,835	220,350
Unrealised Surplus/(Deficit) on Revaluation of Investment	<u>292,000</u>	<u>233,495</u>
Total Gains and Losses recognised since last Annual Report	<u>714,835</u>	<u>453,845</u>

NOTE of HISTORICAL COST SURPLUSES and DEFICITS

	<u>2005</u> £	<u>2004</u> £
Reported Surplus/(Deficit) on Ordinary Activities before Taxation	423,993	221,093
Realisation of Investment Revaluation Gains/(Losses) of Previous Years	<u>82,926</u>	(57,799)
Historical Cost Surplus/(Deficit) on Ordinary Activities before Taxation	506,919	163,294
Tax on Historical Cost Surplus on Ordinary Activities	<u>1,158</u>	<u>743</u>
Historical Cost Surplus/(Deficit) for the Year Retained	<u>505,761</u>	<u>162,551</u>

BALCARRES HERITAGE TRUST LIMITED

STATEMENT of FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5th APRIL, 2005

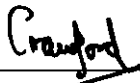
	<u>Note</u>	<u>2005</u> £	<u>2004</u> £
<u>Incoming Resources</u>			
Donations	7	59,332	216,143
Admissions		1,856	1,520
Net Rental Income	8	14,742	21,302
Sundry Income		437	889
Income from Investments	9	<u>89,262</u>	<u>89,897</u>
<u>Total Incoming Resources</u>		<u>165,629</u>	<u>329,751</u>
<u>Resources Expended</u>			
Costs of Generating Funds	10	11,839	8,849
Charitable Expenditure :	11		
Costs of Activities in Furtherance of the Charity's Objects		41,962	122,310
Costs of Management and Administration		<u>14,768</u>	<u>14,231</u>
<u>Total Resources Expended</u>		<u>68,569</u>	<u>145,390</u>
<u>Net Incoming/(Outgoing) Resources before Tax</u>		97,060	184,361
Tax	13	<u>1,158</u>	<u>743</u>
<u>Net Incoming/(Outgoing) Resources after Tax</u>		95,902	183,618
<u>Other Recognised Gains and Losses</u>			
Gains/(Losses) on Investments:			
Realised – On Investments Sold in Year		326,933	36,732
Unrealised – On Revaluations at Year end		<u>292,000</u>	<u>233,495</u>
<u>Net Movement in Funds</u>		714,835	453,845
Fund Balances brought forward at 6 th April, 2004		<u>2,277,758</u>	<u>1,823,913</u>
<u>Fund Balances carried forward at 5th April, 2005</u>		<u>2,992,593</u>	<u>2,277,758</u>


BALANCE SHEET

AS AT 5th APRIL, 2005

	<u>Note</u>	£	£	<u>2005</u> £	<u>2004</u> £
<u>FIXED ASSETS</u>	2				
<u>Tangible Assets</u>					
Fixtures, Fittings, Tools and Equipment				630	835
Books, Works of Art, etc.				34,032	33,701
Leasehold Property				<u>195,569</u>	<u>22,713</u>
				230,231	57,249
<u>Investments</u>	3			<u>2,484,768</u>	<u>1,899,558</u>
				2,714,999	1,956,807
<u>CURRENT ASSETS</u>					
Debtors	4		91,411		52,245
Cash at Bank and in Hand	5		<u>222,515</u>		<u>307,705</u>
			313,926		<u>359,950</u>
<u>CREDITORS:</u> Amounts falling due within one year					
Other Creditors		25,462			28,924
Accruals		10,120			8,883
Other Taxes and Social Security Costs		<u>750</u>			<u>1,192</u>
			<u>36,332</u>		<u>38,999</u>
<u>NET CURRENT ASSETS</u>				<u>277,594</u>	<u>320,951</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>				<u>2,992,593</u>	<u>2,277,758</u>
<u>CAPITAL and RESERVES</u>	14				
Income and Expenditure Account				2,526,344	2,020,583
Revaluation Reserve				<u>466,249</u>	<u>257,175</u>
				<u>2,992,593</u>	<u>2,277,758</u>

The Financial Statements on pages 6 to 15 were approved by the Council on 7th December 2005 and signed on its behalf by:


 _____ Member of Council


 _____ 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 accounting standards and the statement of recommended practice applicable to charities and the Companies Act 1985.

(b) Incoming Resources

Income resources are recognised on the basis of income receivable in the period under review. Incoming resources from the Trust'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 Trust 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

No depreciation has been written off books, works of art, etc., as the Council believes that these are not depreciating Assets.

(f) Leasehold Property

The Trust 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) 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.

(h) Donations

Donations are added to the Trust'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.

(i) Cash Flow Statement

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

2. FIXED ASSETS

	<u>Total</u> £	<u>Tools and Equipment</u> £	<u>Tractors and Motor Vehicles</u> £	<u>Works of Art, Books, etc.</u> £	<u>Short Leasehold Property</u> £
<u>Cost</u>					
As at 6 th April, 2004	169,581	14,134	14,805	33,701	106,941
Additions during Year	173,187	-	-	331	172,856
	<u>342,768</u>	<u>14,134</u>	<u>14,805</u>	<u>34,032</u>	<u>279,797</u>
<u>Depreciation</u>					
As at 6 th April, 2004	112,332	14,134	13,970	-	84,228
Charge for Year	205	-	205	-	-
	<u>112,537</u>	<u>14,134</u>	<u>14,175</u>	<u>-</u>	<u>84,228</u>
 <u>Net Book Value at 5th April, 2005</u>	 <u>230,231</u>	 <u>-</u>	 <u>630</u>	 <u>34,032</u>	 <u>195,569</u>
<u>Net Book Value at 5th April, 2004</u>	<u>57,249</u>	<u>-</u>	<u>835</u>	<u>33,701</u>	<u>22,713</u>

The tools and equipment, tractors and motor vehicles are utilised in the maintenance of the gardens and grounds. The works of art, books, etc., have been purchased by the Trust in terms of its objects.

3. INVESTMENTS

Movements in investments during the year were as follows :

	£
Market Value of Shares held at 5 th April, 2004	1,899,558
Additions	799,037
Disposals	(505,827)
Surplus on Revaluation of Shares held at end of year	292,000
<u>Market Value of Shares held at 5th April, 2005</u>	<u>2,484,768</u>
Market Value of Listed Investments included in Net Book Value at 5 th April, 2005 - U.K.	2,106,620
- Overseas	378,148
<u>Historical Cost of the Investments at 5th April, 2005</u>	<u>2,018,519</u>

The listed investments have been valued using the closing prices on the respective stock exchanges at 5th April, 2005.

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

Johim European Fund 'A' 100,000 shares	213,080
Wichford Property 80,000 shares	150,800
M & G Securities - Charifund Inc. 10,000 shares	124,997

4. DEBTORS	2005	2004
	£	£
Prepayments	3,410	8,398
Income Tax repayable on Income	10,135	42,941
Other Debtors	<u>77,866</u>	<u>906</u>
	<u>91,411</u>	<u>52,245</u>
5. CASH at BANK and in HAND		
The figures of £222,515 (2004 - £307,705) represents cash held on deposit by J.O. Hambro Investment Management of £197,556 (2004 - £279,278) and cash at the Royal Bank of Scotland of £24,959 (2004 - £28,427)		
6. INCOME	2005	2004
	£	£
Donations (Note 7)	59,332	216,143
Admissions	1,856	1,520
Net Rental Income (Note 8)	14,742	21,302
Other Income	437	889
Income from Investments	<u>89,262</u>	<u>89,897</u>
Per Income and Expenditure Account	<u>165,629</u>	<u>329,751</u>
7. DONATIONS		
The donations are made up as follows :	2005	2004
	£	£
Lord Crawford	-	6,410
Lord Balniel	44,872	192,308
College Services Limited	4,460	7,425
The Lindsay Trust	<u>10,000</u>	<u>10,000</u>
	<u>59,332</u>	<u>216,143</u>
8. RENTAL INCOME		
The full position with regard to this property is as follows :	2005	2004
	£	£
Rent and Rates Received	20,859	22,208
Less: Insurances	(269)	(258)
Repairs	(5,848)	(648)
Sundry	(-)	(-)
	<u>14,742</u>	<u>21,302</u>
9. INVESTMENT INCOME		
	2005	2004
	£	£
Investments listed on recognised Stock Exchanges : U.K.	55,806	57,024
: Overseas	5,773	4,288
Unlisted Securities : U.K.	19,782	20,160
Cash Deposits : U.K.	<u>7,901</u>	<u>8,425</u>
	<u>89,262</u>	<u>89,897</u>
10. COSTS of GENERATING FUNDS		
Investment Management Fees	<u>11,839</u>	<u>8,849</u>

11. CHARITABLE EXPENDITURE

	<u>2005</u>	<u>2004</u>
	£	£
<u>Costs of Activities in Furtherance of the Charity's Objects</u>		
<u>Maintenance and Upkeep of Property</u>		
Maintenance of Trust Properties not Subject to Leases	17,155	15,226
Insurance	(36,209)	19,166
Heat and Light	11,666	9,748
Wages (See Note 12)	<u>10,007</u>	<u>10,573</u>
	<u>2,619</u>	<u>54,713</u>
<u>Gardens</u>		
Wages and Council Tax (See Note 12)	31,774	30,035
Seeds and Plants	415	698
Chemicals	772	887
Petrol and Oil	584	513
Vehicle and Machinery Repairs	1,021	1,654
Sundries	327	531
Depreciation on Vehicles and Equipment	<u>205</u>	<u>375</u>
	<u>35,098</u>	<u>34,693</u>
<u>Conservation and Restoration</u>	<u>4,245</u>	<u>32,904</u>
	<u>41,962</u>	<u>122,310</u>
<u>Costs of Management and Administration</u>		
	<u>2005</u>	<u>2004</u>
	£	£
Telephone	295	291
Legal Fees	5,123	5,696
Auditors Remuneration : Audit	1,800	1,600
: Accountancy	4,790	4,250
: Taxation	454	354
Rent	1	1
Sundries	<u>2,305</u>	<u>2,039</u>
	<u>14,768</u>	<u>14,231</u>

12. STAFF COSTS

	<u>2005</u>	<u>2004</u>
	£	£
Wages and Salaries	38,009	37,076
Social Security Costs	2,870	2,660
Council Tax	<u>902</u>	<u>872</u>
	<u>41,781</u>	<u>40,608</u>

The average weekly number of employees during the year was 5 made up as follows:

Production	<u>5</u>	<u>5</u>
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No amounts were paid to Members of the Council in respect of remuneration or expenses.

13. TAX

The Trust is not subject to U.K. tax on its income because of its charitable status. The tax of £1,158 (2004 - £743) represents foreign tax deducted from overseas investment income.

14. CAPITAL and RESERVES

	Income and Expenditure Account £	Revaluation Reserve £
As at 5 th April, 2004	2,020,583	257,175
Transferred from Income and Expenditure Account	422,835	-
Transferred in Respect of Realised Gains	82,926	(82,926)
Surplus on Revaluation at 5 th April, 2005	<u>-</u>	<u>292,000</u>
	<u>2,526,344</u>	<u>466,249</u>

	Total	Expendable Endowment	Unrestricted Utilised for Trust Purposes	Available for Trust Purposes
As at 5.4.04	2,277,758	2,235,243	42,515	-
Net Incoming/(Outgoing) Resources	95,902	-	95,902	
Gains/(Losses) on Investments:				
Realised	326,933	249,648	77,285	
Unrealised	<u>292,000</u>	<u>292,000</u>	<u>-</u>	<u>-</u>
As at 5.4.05	<u>2,992,593</u>	<u>2,776,891</u>	<u>215,702</u>	<u>-</u>

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets	Investments	Net Current Assets	Total
Expendable Endowment	14,529	2,484,768	277,594	2,776,891
Unrestricted Funds	<u>215,702</u>	<u>-</u>	<u>-</u>	<u>215,702</u>
	<u>230,231</u>	<u>2,484,768</u>	<u>277,594</u>	<u>2,992,593</u>

16. RELATED PARTY DISCLOSURES

Control

No party has control of the Trust.

Related Party Transactions

A part of the property leased by the Trust is sublet to Lord Crawford at a rent independently set each year by Strutt and Parker, Chartered Surveyors. The rent paid by Lord Crawford in respect of this sub-lease in the year under review was £4,430.

The Trust pays premiums for insurance which include cover for the parts of Balcarres House occupied by Lord Crawford and Lord Balniel, the amount of the premiums in the current year were £1,042 and £98 respectively. The Trust also pays premiums for part of the contents of Balcarres House owned by Lord Balniel. In the current year this amounted to £8,292. The Trust also paid £2,115 for the restoration of an asset owned by Lord Balniel. All of these amounts are reimbursed to the Trust.

The amount due by Lord Crawford at 5th April, 2005 was £125 and the amount due by Lord Balniel £7,199.

Lord Balniel made a donation of £44,872 in the year to 5th April, 2005.

Lord Balniel is a Director of J.O. Hambro Investment Management Limited who provide investment management services to the Trust. The value of these services in the year under review was £11,839. The Trust was due £6,543 at 5th April, 2005.

Mr. Simon Weil is a partner in the legal practice of Bircham Dyson Bell which provides legal services to the Trust. In the year under review the value of services provided was £5,123. The Trust was due Bircham Dyson Bell £1,833 at 5th April, 2005.

17. CONTINGENT LIABILITY

During the year under review the Trust sold its shareholding in College Services plc. £69,585 of the proceeds of sale were retained in an escrow account against any warranty claims made against the Company up to a maximum of the amount in the escrow account. One half will be released on 5th November, 2005 and one half on 5th May, 2006.

BALCARRES HERITAGE TRUST LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR TO 5th APRIL, 2005

	<u>2005</u>	<u>2004</u>
£	£	£
<u>INCOME</u>		
Donations	59,332	216,143
Investment Income	89,262	89,897
Rental Income (Net of Expenses)	14,742	21,302
Admissions	1,856	1,520
Sundry Income	437	889
Gain on Sale of Investments	<u>326,933</u>	<u>36,732</u>
	492,562	366,483
<u>EXPENDITURE</u>		
Wages	40,879	39,736
Rent	1	1
Council Tax	902	872
Insurance	(36,209)	19,166
Heat and Light	11,666	9,748
Property Repairs	17,155	15,226
Conservation and Restoration	4,245	32,904
Vehicle and Machinery Repairs	1,021	1,654
Petrol and Oil	584	513
Seeds and Plants	415	698
Chemicals	772	887
Sundry Garden Expenses	327	531
Telephone	295	291
Legal Fees	5,123	5,696
Investment Management Fees	11,839	8,849
Auditors Remuneration	7,044	6,204
Sundries	2,305	2,039
Depreciation	205	375
Tax on Overseas Investment Income	<u>1,158</u>	<u>743</u>
	69,727	146,133
<u>NET SURPLUS/(DEFICIT) for the Year</u>	<u>422,835</u>	<u>220,350</u>