

THE ST ANDREWS PRESERVATION TRUST LIMITED
(Limited by Guarantee)

REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

SCOTTISH CHARITY NUMBER: SC011782

COMPANY REGISTRATION NUMBER: SC020194



Henderson Black & Co

CHARTERED ACCOUNTANTS, ST ANDREWS

THE ST ANDREWS PRESERVATION TRUST LIMITED
(Limited by Guarantee)

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THE ST ANDREWS PRESERVATION TRUST LIMITED

(Limited by Guarantee)

Trustees' Annual Report for the year ended 31 December 2017

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 December 2017.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Charitable objectives and activities

The Memorandum of Association gives the charity wide ranging powers to meet its principal object: 'To preserve for the benefit of the public the amenities and historic character of the City and Royal Burgh of St Andrews and its neighbourhood'. Such powers include the acquisition, maintenance and restoration of buildings and land.

The charity also seeks to advance and promote education by exhibits and activities within the St Andrews Preservation Trust Museum.

The charity's efforts to 'preserve...the amenities and historic character of ...St Andrews and its neighbourhood' are focused through the work of its Planning and Environment Committees. All applications for planning permission within the town's conservation area and many out with this area are scrutinised by the Planning Committee which frequently makes formal submissions to the local authority. The Environment Committee, often in association with others, seeks to protect the landscape setting of the town. It is also involved in the care of the woodland, which is owned by the charity.

Through its Museum, the charity seeks to inform and educate locals and visitors, young and old, about the history and culture of St Andrews through permanent displays and a series of exhibitions during the year.

Other activities relate to informing members of the charity of its activities and fund raising.

Achievements & Performance

The Trust's mission in 2017 is virtually unchanged since its inception in 1938. As stated above, it is "*to preserve the amenities and historic character of St Andrews and its neighbourhood*". Operationally, activities are still guided by its Strategic Plan (2013-2018) which sets out overall objectives and strategic priorities. These priorities include actions relating to planning, environment and social history of St Andrews. Governance remains unchanged in 2017, comprising the Board and the following committees: Policy, Resource and Finance; Planning; Environment; Museum; Membership Services; Membership and Fund Raising. These committees meet regularly and almost all report on a monthly basis to the board.

The review and critical assessment of planning applications is a central function of the Trust. In 2017, the planning committee reviewed over 300 applications of all types, focusing on proposals for major development and listed buildings. The Trust continues to be influential in planning decisions, and contributed resource and expertise to ensure that the planned new secondary school for St Andrews, on the Green Belt, was located in a better location than that originally planned by Fife Council. The Trust also highlights violations of planning guidelines in the St Andrews conservation areas.

The environment committee oversaw the management of the Trust's doocots and the Trust's woodland at Boase Wood. It also organised a competition for its two architectural awards - one in recognition of good new building design and a second for restoration of old buildings. The Trust's North Street museum and garden, which is free to visitors, opens from Easter to Autumn. In 2017, it mounted various successful exhibitions on local themes. Grants enabled the creation of a sensory garden and a generous donation provided for the regeneration of a herbaceous border and crafted stone seat. Membership services, fundraising and communications activities were organised throughout the year, including social events, Hidden Gardens, a Grand Raffle and a Newsletter.

Trustees, supported by over 40 volunteers, give generously of their time to manage these various functions above. The Trust relies heavily on its two staff – the Office Administrator and Museum Curator. It supports their professional development with mentoring and training. Although the Trust has a deficit of expenditure over income for the year on "normal operations" this is largely offset by unrealised capital growth of our investment portfolio. Overall, the Trust's finances are sound.

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Future Plans

The Trust has embarked on updating the Strategic Plan (2013-2018) and Action Plan. It has also embarked on a review of the Trust's property and how it fulfils the Trust's current needs. The museum heating and ventilation is badly in need of upgrading as is the museum store at 4 Queen's Gardens. A review of the Trust's approach to investment advice and management is underway.

Planning will continue to be a main focus of activity. The University's planned growth, along with development both within St Andrews and in nearby settlements, will place huge pressure on the town's historic core, affordable housing and inadequate transport planning and infrastructure.

Considering environmental issues, the Trust will continue to be vigilant with regard to the impact of traffic growth on the town, inappropriate development and issues such as bin collection. It has also supported the establishment of a Community Body in its effort to register interest in buying a derelict garden in a historic town centre location. If successful, the Trust will support efforts to develop the garden with a view to creating an aesthetically pleasing and educational public amenity space.

The Trust is in the process of upgrading and integrating its computer systems. This should ease many administrative functions, support better communications and, in the longer term, support improved access to the Trust's collection of artefacts and photographs. The development of IT communications should also underpin efforts to grow membership and reach out to a younger demography. A special edition of the Newsletter is planned for early 2018 to celebrate the 80th Anniversary of the incorporation of the Trust.

Financial position and review of the year

There has been an overall decrease in the financial position of the charity in 2017 of £2,309 (2016 increase £138,125). The unrestricted General Fund reflecting ordinary activities showed a decrease of £11,228 (2016 increase £52,415). The unrestricted Revaluation Reserve showed an increase of £27,162 (2016 increase £79,228). The restricted funds reflect a decrease of £18,243 (2016 increase £6,482) and the Endowment Fund was unchanged (2016 unchanged). The overall result is a net decrease in total funds of £2,309 (2016 net increase £138,125) leaving total funds carried forward of £1,294,885 (2016 - £1,297,124).

Unrestricted legacies have supported the financial position of the Trust for the last 10 years but in 2017 it received a final settlement of £7 compared to £246,974 in total over the last 9 years. The Trust has been advised, post Balance Sheet date, that it is the residuary beneficiary in two legacies. Indications are that one of the legacies will be substantial which could transform the finances of the Trust. This estate is complicated and there is no guarantee that any funds will be released in 2018.

The trust received £3,350 in special dividends during the year thus increasing dividend income. The unrealised gain on the Trust's portfolio for the year is £26,070 (2016 - £74,366) which is nearly in line with the increase of the all share index. The total dividends and interest received on our investment portfolio is in line with the Trust's policy guidelines. We continued to allocate part of the income to the restricted funds. Income from annual subscriptions, including Gift Aid, is in line with last year. Thanks must go to some of our life members who responded to our appeal in 2016 but have also continued into this year. Our main fundraising events are slightly down this year but this has been offset by a slight increase in museum income. Sales of the trust publications are still proving difficult and it was decided to write down the stock value at December 2017 to take into account realistic realisable value.

The salaries of the Trust's two employees have been reviewed and this year it has started paying into a pension fund for both. Other expenditure has been kept in line with last year. For many years the Trust has maintained the doocot in Doocot Road and during the year the Trust's ownership of this property was finalised at no cost other than the legal expenses of the transfer. In total, £14,054 of expenditure has been capitalised, including the upgrade of the electrics at the museum and a new copier at the office to bring in-house many of our printing requirements. These costs will be written off in line with the Trust's accounting policies. Repairs and maintenance of the Trust's properties continues to be significant and will continue. The Trustees agreed to the need from the planning committee to refer to planning consultants for an examination of the effect on traffic movements in the town as a result of the significant number of houses planned for the Western Approach development.

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The Trustees recognise the conditions of the restricted funds held and a share of dividend income has been allocated to each fund, together with grants and several donations. The Trust received a grant to assist with the restoration of a McKenzie painting which has now been added to the collection together with donations to the D'Arcy Thomson Fund and Sensory Garden Fund for equipment to help visually impaired visitors. There has been total expenditure of £23,959 across almost all of the funds and this has reduced the restricted funds balance to £67,361 held as restricted funds at the year-end.

Reserves policy

The Trust holds reserves in the form of investment property and stock market investments. The income from both of these reserves forms over half of our operating income and is essential to help the charity to properly manage its resources. The reserves provide the charity with adequate financial stability and means for it to meet its charitable objectives for the foreseeable future.

Structure, governance and management

The charity is a company limited by guarantee governed by its Memorandum and Articles of Association. The charitable company was incorporated on 5 February 1938. The liability of each member in the event of a winding up is limited to £1.

Any member of the charity is eligible to become a Trustee. Nominations are sought in advance of the Annual General Meeting at which elections are held and the results announced. Trustees may also be co-opted to fill casual vacancies or to secure needed skills. The term of office is three years, renewable once only. Any Trustee who completes six years of service may not seek re-election until one year has passed.

No external person or body has any right to appoint a Trustee.

No trustee receives any kind of remuneration but re-imbursement of reasonable expenses incurred on charity business is allowed when previously authorised by the Chairman or a Vice-Chairman and supported by receipts.

The Trustees are accountable for all aspects of the charity's activities. The Trustees delegate considerable authority to a number of committees but retain firm financial control. The charity employs two staff - an Office Administrator and a Museum Curator. The Office Administrator has particularly strong links with the Chairman as does the Museum Curator with the Convenor of the Museum Committee.

The Trustees assess the various risks associated with their finances and all other aspects of their activities both at Trustee and committee levels and regularly review the controls and procedures they have in place to meet the identified risks at least annually.

This work has identified financial sustainability as the major financial risk of the charity. Financial risk is managed by regular reviews of available liquid funds to settle liabilities as they fall due, active management of debtors and creditors and regular liaison with the charity stockbrokers.

Attention has also focussed on non-financial risks arising from fire and health and safety of staff and visitors to the charity offices and museum. These risks are addressed by having robust policies and procedures in place and regular training of staff and volunteers. Regular checks of the fixed electrical and gas installations are scheduled as well as Portable Appliance Tests.

Investment powers and policy

The Memorandum of Association provides the trustees with power to invest moneys, not immediately required, in securities or otherwise, in such manner as may from time to time be determined.

Income from the charity's investments is vital to its financial well-being. Investment policy is conservative, seeking the maximum total return consistent with rather low-risk exposure. Within this broad policy, the charity's stockbrokers are asked to provide the highest income possible whilst preserving the value of the capital in real terms.

THE ST ANDREWS PRESERVATION TRUST LIMITED
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Trustees' Annual Report for the year ended 31 December 2017

Reference and administrative details

Charity registration number:	SC011782
Company registration number:	SC020194
Registered office:	4 Queen's Gardens, St Andrews, KY16 9TA
Museum:	12 North Street, St Andrews, KY16 9PW
Secretary & Legal Advisor:	Mr D N Kinnear LLB NP, Thorntons Law LLP, Kinburn Castle, St Andrews, KY16 9DR
Honorary Treasurer:	Mr I S Lumsdaine
Stockbrokers:	Speirs & Jeffrey Limited, George House, 50 George Square, Glasgow, G2 1EH
Independent Examiner:	Mrs J Paul BA CA CTA TEP, Chestney House, 149 Market Street, St Andrews, KY16 9PF

Directors and Trustees

The directors of the charitable company (the charity) are its Trustees for the purpose of charity law. The Trustees and officers serving during the year and since the year end were as follows:

Chairman:	Dr W K D Borthwick (elected Trustee)	
Vice-Chairmen:	Dr D A Barrie	(to May 2017)
	Miss A Morris OBE	(elected Trustee)
	Mr D P Haselhurst	(from May 2017)
	Mrs C Tynte-Irvine	(from May 2017)
Elected Trustees:	Miss I R T Bennett	Mr S A Kidd (from May 2017)
	Mr J A Bennett (from May 2017)	Mr D K Seeley
	Mr A G Bremner	Mr J Sharp (from May 2017)
	Mrs M E Denyer	Mr D H Telfer
	Mr K C Fraser (from May 2017)	Dr C D Watkinson (from May 2017)
	Mr A W Johnson (from May 2017)	

The following office holders are not regarded as trustees in terms of charity law:

Honorary President:	Dr R R Steedman OBE
Honorary Vice-Presidents:	Dr J M Frew
	Mrs E J Baxter MBE
	Mr R S Murray (died 7 October 2017)

THE ST ANDREWS PRESERVATION TRUST LIMITED
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Trustees' Annual Report for the year ended 31 December 2017

Trustees' responsibilities in relation to the financial statements

The Trustees (who are the directors of the company for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company, including the income and expenditure of the charitable company, for that period.

In preparing those financial statements the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small company exemptions

The Trustees have prepared this report in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Trustees on 30 March 2018 and signed on their behalf by:



Dr W K D Borthwick
Chairman



Mr D P Haselhurst
Finance Convener

THE ST ANDREWS PRESERVATION TRUST LIMITED
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Independent Examiner's Report to the Trustees of The St Andrews Preservation Trust

I report on the accounts of the charity for the year ended 31 December 2017 which are set out on pages 7 to 15.

Respective Responsibilities of Trustees and Examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

This report is made to the trustees, as a body, in accordance with the terms of my engagement. My work has been undertaken so that I might state to the trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the trustees for my work or for this report.

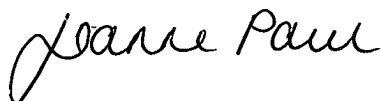
Basis of Independent Examiner's Statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

In the course of my examination no matter has come to my attention:-

- 1 which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations have not been met, or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Joanne Paul CA
Partner
Henderson Black & Co
Chartered Accountants

30 March 2018

Chestney House
149 Market Street
St Andrews
Fife
KY16 9PF

THE ST ANDREWS PRESERVATION TRUST LIMITED

**Statement of Financial Activities (including Income and Expenditure Account)
for the year ended 31 December 2017**

	Notes	Unrestricted General Fund £	Revaluation Reserve £	Restricted Funds £	Endowment Fund £	Total Funds 2017 £	Total Funds 2016 £
Income and endowments from:							
Grants, donations and legacies	4	4,774	-	6,476	-	11,250	87,591
<i>Charitable activities:</i>							
Ordinary Members' Subscriptions		8,177	-	-	-	8,177	7,779
Life Members' Subscriptions		400	-	-	-	400	225
Life Members' Donations		631	-	-	-	631	3,865
<i>Other trading activities</i>	5	16,843	-	-	-	16,843	18,701
<i>Investment Income:</i>							
Dividends and Interest		36,251	-	1,812	-	38,063	33,190
Property Rents		6,680	-	-	-	6,680	6,540
Total Income		<u>73,756</u>	<u>-</u>	<u>8,288</u>	<u>-</u>	<u>82,044</u>	<u>157,891</u>
Expenditure on:							
Raising funds	6	5,267	-	-	-	5,267	10,870
Charitable Activities	7	78,526	-	24,796	-	103,322	86,950
Total Expenditure		<u>83,793</u>	<u>-</u>	<u>24,796</u>	<u>-</u>	<u>108,589</u>	<u>97,820</u>
Net gains/(losses) on investments		(1,834)	27,805	(1,735)	-	24,236	78,054
Net income/(expenditure)		<u>(11,871)</u>	<u>27,805</u>	<u>(18,243)</u>	<u>-</u>	<u>(2,309)</u>	<u>138,125</u>
Transfers between funds		<u>643</u>	<u>(643)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(11,228)</u>	<u>27,162</u>	<u>(18,243)</u>	<u>-</u>	<u>(2,309)</u>	<u>138,125</u>
Reconciliation of funds:							
Total funds brought forward		845,276	356,314	85,604	10,000	1,297,194	1,159,069
Total funds carried forward		<u>834,048</u>	<u>383,476</u>	<u>67,361</u>	<u>10,000</u>	<u>1,294,885</u>	<u>1,297,194</u>

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

All income and expenditure derive from continuing activities.

The notes on pages 10 to 15 form an integral part of these accounts.

THE ST ANDREWS PRESERVATION TRUST LIMITED

Balance Sheet as at 31 December 2017

	Notes	Unrestricted General Fund £	Revaluation Reserve £	Restricted Funds £	Endowment Fund £	Total Funds 2017 £	Prior Year 2016 £
Fixed assets							
Tangible assets	8	190,955	-	33,057	-	224,012	215,867
Investment property	9	6,710	193,290	-	-	200,000	200,000
Investments	10	607,131	190,186	34,304	10,000	841,621	785,774
		<u>804,796</u>	<u>383,476</u>	<u>67,361</u>	<u>10,000</u>	<u>1,265,633</u>	<u>1,201,641</u>
Current assets							
Stock of Publications & Stationery		2,361	-	-	-	2,361	2,737
Debtors and Prepayments	11	3,391	-	-	-	3,391	2,097
Cash in Bank and on Hand		42,640	-	-	-	42,640	98,469
		<u>48,392</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,392</u>	<u>103,303</u>
Liabilities							
Creditors: amounts falling due within one year							
Creditors		3,903	-	-	-	3,903	3,577
Accruals		15,237	-	-	-	15,237	4,173
		<u>19,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,140</u>	<u>7,750</u>
Net current assets		<u>29,252</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,252</u>	<u>95,553</u>
Total net assets		<u>834,048</u>	<u>383,476</u>	<u>67,361</u>	<u>10,000</u>	<u>1,294,885</u>	<u>1,297,194</u>
The funds of the charity:							
Unrestricted income funds							
General Fund		834,048	-	-	-	834,048	845,276
Revaluation Reserve		-	383,476	-	-	383,476	356,314
						<u>1,217,524</u>	<u>1,201,590</u>
Restricted income funds:							
Restricted Funds		-	-	54,797	-	54,797	71,305
Revaluation Reserve		-	-	12,564	-	12,564	14,299
	13					<u>67,361</u>	<u>85,604</u>
Endowment fund	14	-	-	-	10,000	10,000	10,000
Total charity funds		<u>834,048</u>	<u>383,476</u>	<u>67,361</u>	<u>10,000</u>	<u>1,294,885</u>	<u>1,297,194</u>

For the financial year ended 31 December 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

Trustees' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime.

Approved by the trustees on 30 March 2018 and signed on their behalf by:-

Mr W K D Borthwick (Chairman)

Mr D P Haselhurst (Finance Convenor)

Company Registration Number: SC020194

The notes on pages 10 to 15 form an integral part of these accounts.

THE ST ANDREWS PRESERVATION TRUST LIMITED

Statement of Cash Flows for the year ended 31 December 2017

	Notes	Total Funds 2017 £	Prior Year 2016 £
Cash flows from operating activities:			
Net cash (used in)/provided by operating activities (see below)		(55,459)	21,974
Cash flows from investing activities:			
Interest and dividends		38,063	33,190
Property rents		6,680	6,540
Purchase of tangible fixed assets	8	(14,054)	-
Purchase of investments	10	(71,111)	(111,787)
Proceeds from sale of assets		552	-
Proceeds from sale of investments		39,500	42,482
Net cash provided by investing activities		(370)	(29,575)
Change in cash and cash equivalents in the year		(55,829)	(7,601)
Cash and cash equivalents brought forward		98,469	106,070
Cash and cash equivalents carried forward		42,640	98,469

The cash and cash equivalents totals brought forward and carried forward comprise cash at bank and in hand.

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

Net movement in funds		(2,309)	138,125
Add back depreciation charge	8	5,247	3,846
Add loss on disposal of assets		110	506
Deduct investment income shown in investing activities		(44,743)	(39,730)
Deduct gains/add back losses on investments		(24,236)	(78,054)
Decrease in stocks		376	338
(Increase) in debtors		(1,294)	(582)
Increase/(decrease) in creditors		11,390	(2,475)
Net cash (used in)/provided by operating activities		(55,459)	21,974

THE ST ANDREWS PRESERVATION TRUST LIMITED

Notes to the Financial Statements
for the year ended 31 December 2017**1 Accounting policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of Preparing the Financial Statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005, the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

These accounts are presented in pounds sterling, the functional currency of the charity.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

1.2 Fund accounting

Funds held by the charity are either unrestricted, restricted or endowment in purpose. Unrestricted funds are funds which can be used in accordance with the charitable objects at the discretion of the trustees. Restricted funds are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Endowment funds are funds which have been given on the condition that the original capital sum is not reduced, but the income therefrom is used for the purpose defined in accordance with the objects of the charity.

1.3 Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date.

Legacy gifts are recognised on a case by case basis, following Grant of Probate or Confirmation, when the administrator or executor for the estate has communicated in writing both the amount and settlement date.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor.

1.4 Expenditure and irrecoverable VAT

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1.5 Tangible fixed assets and depreciation

Individual fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives as described further below.

(i) Heritable Property

The Charities SORP requires that provision be made for depreciation of fixed assets having a finite useful life. The trustees are of the opinion that the properties owned by the charity have an indefinite life and their aggregate fair value is considerably in excess of cost. Any depreciation charge would therefore be immaterial. The charity has a policy and practice of regular maintenance and repair such that the heritable properties are kept in a condition to retain their value.

(ii) Alterations to Buildings - straight line method over 7 or 50 years**(iii) Computer Equipment - straight line method at 25%****(iv) Fittings and Other Equipment - reducing balance method at 15%****(v) Museum Fittings - reducing balance method at 5%**

THE ST ANDREWS PRESERVATION TRUST LIMITED

Notes to the Financial Statements for the year ended 31 December 2017 (continued)

1 Accounting policies (continued)

1.6 Fixed asset investments

Investments, other than properties, are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the closing mid-market price. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

The valuation and income from investments is apportioned between unrestricted and restricted funds based upon a quarterly review of the restricted fund balances as a proportion of total funds.

Investment property is included at fair value at the year end as detailed at Note 9 to the financial statements.

1.7 Realised and unrealised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between the sales proceeds and the opening carrying value or the purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and the carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

An annual transfer is made between the General Fund and the Unrestricted Revaluation Reserve to reflect the difference between the historic cost and opening carrying value of investments realised in the year.

2 Control

Control of the charity lies in the hands of the members who elect the trustees.

3 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

4 Income from grants, donations and legacies

	2017	2016
	£	£
Grants and Donations	11,243	21,442
Legacies	7	66,149
	<u>11,250</u>	<u>87,591</u>

In 2017 of the income from grants, donations and legacies £6,476 was attributable to restricted income funds (2016 £18,063) with the balance of £4,774 (2016 £69,528) adding to unrestricted funds.

5 Other trading activities

	2017	2016
	£	£
Events and Functions	8,603	10,628
Museum Entry Donations	3,286	3,111
Museum Income - Sales	3,839	3,466
Office Sales	1,115	1,496
	<u>16,843</u>	<u>18,701</u>

6 Expenditure on raising funds

	2017	2016
	£	£
Let Property Expenses	1,159	7,002
Depreciation: Let Property Fittings & Equipment	43	50
	<u>1,202</u>	<u>7,052</u>
Expenses of Events and Functions	2,138	2,446
Investment Manager Charges	1,927	1,372
	<u>5,267</u>	<u>10,870</u>

THE ST ANDREWS PRESERVATION TRUST LIMITED

Notes to the Financial Statements for the year ended 31 December 2017 (continued)

7 Expenditure on charitable activities	2017	2016
<i>Unrestricted General Fund</i>	£	£
Curatorial Costs (including salary and pension costs)	21,370	19,495
Secretarial Salary (including pension costs)	15,160	14,066
Cost of Goods for Re-sale	164	484
Costs of Productions and Publications	2,501	3,144
Museum Heat and Light	2,290	486
Office Heat and Light	939	1,291
Insurance and Rates (including Store at 4 Queens Gardens)	3,249	3,154
Telephone, Postage and Stationery	2,599	3,280
Advertising and Printing of Annual Report	1,570	1,682
Exhibition Costs	1,906	2,738
Expenses of Meetings	1,170	441
Miscellaneous Expenses	1,753	1,651
Subscriptions, Donations and Grants	501	1,067
Repairs and Maintenance	5,887	6,370
Planning Advisory Fees	10,470	2,000
Independent Examiner's Fee	2,520	3,060
Depreciation	4,367	2,948
Loss on disposal of assets	110	506
	78,526	67,863
<i>Restricted Funds</i>		
Museum Items Purchased (Museum Purchase Fund)	1,918	50
Insurance (Boase Wood Appeal)	384	203
Repairs and Maintenance (Boase Wood Appeal)	6,750	-
Museum Information and Storage System (Dr J Falconer Fund)	239	237
Garden Upkeep and Maintenance (Mrs D'Arcy Thompson Bequest Fund)	1,491	284
Kitchen and Toilet Refurbishment (Miss G Falconer Kitchen Upgrade Fund)	-	12,483
Garden Upkeep and Maintenance (Miss G. Falconer Fund)	70	1,249
Garden Upkeep and Maintenance (Miss G. Falconer South Border Fund)	8,512	-
Depreciation (Miss G Falconer Falconry Fund)	215	215
History Prize (Murray Income Fund)	-	733
Depreciation (Research Room Fund)	622	633
Pride of Place	328	-
Sensory Garden	4,267	3,000
	24,796	19,087
	103,322	86,950

Within the foregoing expenses of charitable activities the trustees regard the secretarial salary and fees as Support costs.

THE ST ANDREWS PRESERVATION TRUST LIMITED

**Notes to the Financial Statements
for the year ended 31 December 2017 (continued)**

8 Tangible fixed assets

Heritable Properties

	4 Queens Gardens St Andrews £	Museum / 12 North Street St Andrews £	Kenly Green Doocot Boarhills £	Doocot, Doocot Road Bogward £	Total £
Cost:					
As at 1 January 2017	78,353	127,394	13,868	-	219,615
Additions	-	5,901	-	4,789	10,690
As at 31 December 2017	<u>78,353</u>	<u>133,295</u>	<u>13,868</u>	<u>4,789</u>	<u>230,305</u>
Depreciation:					
As at 1 January 2017	10,947	5,747	680	-	17,374
Charge for year	467	2,337	-	-	2,804
As at 31 December 2017	<u>11,414</u>	<u>8,084</u>	<u>680</u>	<u>-</u>	<u>20,178</u>
Net book values:					
As at 31 December 2017	<u>66,939</u>	<u>125,211</u>	<u>13,188</u>	<u>4,789</u>	<u>210,127</u>
As at 31 December 2016	<u>67,406</u>	<u>121,647</u>	<u>13,188</u>	<u>-</u>	<u>202,241</u>

	Let Property Fittings / Equipment £	Office Equipment £	Museum Equipment £	Museum Fittings £	Total £
Cost:					
As at 1 January 2017	2,373	19,019	9,343	8,836	39,571
Additions	-	3,364	-	-	3,364
Disposals	-	(1,079)	-	-	(1,079)
As at 31 December 2017	<u>2,373</u>	<u>21,304</u>	<u>9,343</u>	<u>8,836</u>	<u>41,856</u>
Depreciation:					
As at 1 January 2017	2,089	13,483	7,156	3,217	25,945
Charge for year	43	1,791	328	281	2,443
On disposals	-	(417)	-	-	(417)
As at 31 December 2017	<u>2,132</u>	<u>14,857</u>	<u>7,484</u>	<u>3,498</u>	<u>27,971</u>
Net book values:					
As at 31 December 2017	<u>241</u>	<u>6,447</u>	<u>1,859</u>	<u>5,338</u>	<u>13,885</u>
As at 31 December 2016	<u>284</u>	<u>5,536</u>	<u>2,187</u>	<u>5,619</u>	<u>13,626</u>
Total net book values					
As at 31 December 2017					<u>224,012</u>
As at 31 December 2016					<u>215,867</u>

9 Investment property

At Valuation:	£
At 1 January and 31 December 2017	<u>200,000</u>

The property at 136 South Street, St Andrews was valued by the Trustees at the year end at £200,000 (2016 - £200,000). An independent expert valuation has not been carried out. The historical cost of the property is £6,710.

THE ST ANDREWS PRESERVATION TRUST LIMITED

Notes to the Financial Statements for the year ended 31 December 2017 (continued)

10 Fixed asset investments

Movement in fixed asset listed investments	2017 £	2016 £
Market value brought forward at 1 January 2017	785,774	638,415
Additions to investments at cost	71,111	111,787
Disposals at carrying value	(41,334)	(38,794)
Net gain/(loss) on revaluation	26,070	74,366
Market value as at 31 December 2017	<u>841,621</u>	<u>785,774</u>

Net cash invested in investments in the year was £31,611 (2016 - £69,305).

Investments at fair value comprised:	2017 £	2016 £
Bond funds	134,679	137,643
Equity funds	236,570	204,731
Equities	<u>470,372</u>	<u>443,400</u>
	<u>841,621</u>	<u>785,774</u>

The historical cost of investments at 31 December 2017 was £638,871 (2016 - £608,451)

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds and unit trusts are at mid-market price. The basis of fair value for quoted investments is equivalent to the market value, using the mid-market price. Asset sales and purchases are recognised at the date of trade cost (that is transaction value).

The significance of financial instruments to the ongoing financial sustainability of the charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

11 Debtors	2017 £	2016 £
Prepayments	2,941	1,492
Other debtors	450	605
	<u>3,391</u>	<u>2,097</u>

12 Employees, trustees and their remuneration

12.1 Employees

The average weekly number of employees during the year on a head count was two (2016 - two).

Staff costs of the above amounted to £35,666 (2016 - £33,483) (including employers' national insurance of £nil (2016 - £495)).

The employees can be categorised as one on direct charitable activities and one on supporting charitable activities. The directors consider the board of directors, who are the Trust's trustees, treasurer, trust administrator and the museum curator to be the key management personnel of the charity in charge of directing, controlling, running and operating the Trust on a day to day basis.

No employee earned at a rate of £60,000 pro-rata or more (2016 - none).

12.2 Trustees

No remuneration was paid to trustees during the year.

Donations to the charity during the year, from trustees, were £10 (2016 - £350).

THE ST ANDREWS PRESERVATION TRUST LIMITED

Notes to the Financial Statements for the year ended 31 December 2017 (continued)

13 Restricted funds

	At 1 January 2017	Income	Expenditure	Revaluation	At 31 December 2017
	£	£	£	£	£
Museum Purchase Fund	676	1,890	(1,918)	-	648
Gordon Christie Legacy Fund	14,027	604	-	-	14,631
Boase Wood Fund	11,516	993	(7,134)	-	5,375
Dr J Falconer Fund	956	38	(239)	-	755
Mrs D'Arcy Thompson Bequest Fund	2,143	1,968	(1,491)	-	2,620
Miss G Falconer Fund	680	26	(70)	-	636
Pride of Place Fund	596	-	(328)	-	268
Murray Revenue Fund	185	439	-	-	624
Falconer South Border Fund	11,368	257	(8,512)	-	3,113
Sensory Garden Fund	3,390	2,073	(4,267)	-	1,196
Restricted Revaluation Reserve	14,299	-	-	(1,735)	12,564
	<u>59,836</u>	<u>8,288</u>	<u>(23,959)</u>	<u>(1,735)</u>	<u>42,430</u>
<i>Funds where expenditure has been capitalised</i>					
Miss G Falconer Falconry Fund	9,701	-	(215)	-	9,486
Research Room Fund	16,067	-	(622)	-	15,445
	<u>85,604</u>	<u>8,288</u>	<u>(24,796)</u>	<u>(1,735)</u>	<u>67,361</u>

Restricted Funds

The Museum Purchase Fund is restricted by a requirement of the Museum and Galleries Commission's Registration Scheme whereby any monies received from the sale of a museum item must be placed in a fund and used only for the purchases of further museum items. Donations may also be received specifically for items to be included in the museum collection.

The Gordon Christie Legacy Fund is to be used in the provision and erection of plaques on buildings in St Andrews associated with well known personalities or events so that the inhabitants of St Andrews may be reminded of their outstanding heritage.

The Boase Wood Fund relates to monies raised and donated to meet the need to renew fencing, remove a number of potentially dangerous trees and to establish and implement a plan for future maintenance of Boase Wood.

The Dr J Falconer Fund is to assist with the cost of the new information and storage system to be installed at the museum.

The Mrs D'Arcy Thompson Bequest Fund is funds provided for the D'Arcy Thompson Garden at the museum.

The Miss G Falconer Fund is to assist with revenue expenditure at the Trust garden and museum.

The Pride of Place Fund is to assist with the Pride of Place awards run by the Trust.

The Murray Revenue Fund arises from the permanent endowment whose purpose is described in note 14 below.

The Falconer South Border Fund is to fund the costs of restoration of the garden border and the balance for other works in the museum garden excluding the sensory garden.

The Sensory Garden Fund is to assist with the development of the sensory garden in the Trust garden and museum. Whilst formally opened in the year to 31 December 2017, expenditure on further braille posts is anticipated.

The Miss G Falconer Falconry Fund is to assist with funding of the Falconry building and costs of £10,709 have been capitalised and are being written off as depreciation at 2% straight line annually.

The Research Room Fund represents grants and donations received to assist with the building of the new research room. Costs of £25,723 have been capitalised and are being written off as depreciation at 2% straight line and 5% reducing balance basis annually.

14 Endowment fund

This permanent endowment fund was established by an original donation to be maintained as capital with the income being applied to encourage and support the academic study of and, more particularly, original research into the historic heritage of the Royal Burgh of St Andrews.

15 Contingent assets and liabilities

The charity has been advised that it is a residuary beneficiary in two estates which have not been finalised. The value of the expected legacies has not been quantified with any accuracy and the charity has not been advised when it might expect to receive funds.

There were no contingent liabilities at the year end.