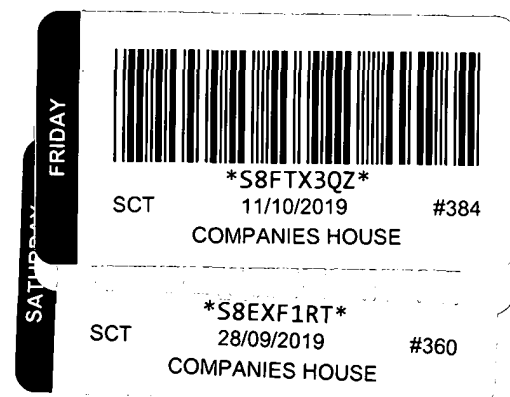


REGISTERED COMPANY NUMBER: SC328535 (Scotland)
REGISTERED CHARITY NUMBER: SC037425

**Report of the Trustees and
Audited Financial Statements for the Year Ended 31 December 2018
for
The Abbotsford Trust**

Douglas Home & Co (Audit) Limited
47-49 The Square
Kelso
TD5 7HW



**Contents of the Financial Statements
for the Year Ended 31 December 2018**

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 6
Report of the Independent Auditors	7 to 8
Consolidated Statement of Financial Activities	9
Statement of Financial Activities	10
Consolidated Statement of Financial Position	11
Consolidated Statement of Cash Flows	12
Notes to the Consolidated Statement of Cash Flows	13
Notes to the Financial Statements	14 to 31
Detailed Consolidated Statement of Financial Activities	32 to 34

**Reference and Administrative Details
for the Year Ended 31 December 2018**

TRUSTEES

J E Holloway
J R Wright (resigned 22.3.19)
P J Scott Plummer (resigned 14.12.18)
G R Dalglish (resigned 1.3.19)
Mrs J Douglas-Home (resigned 22.3.19)
J P H Scott (resigned 1.6.19)
D McClay (resigned 5.4.18)
M Maxwell-Scott
G Jackson QC
Caroline, Lady Dalmeny (resigned 31.12.18)
Mrs D Kerr
S Spencer
M Fairley (Trustee) (appointed 1.6.19)
Mrs C Riddell - Carre
A Moffat (Trustee) (appointed 1.6.18)
J Waddell
S J Fraser
Mrs S Robertson
Prof A Lumsden (Professor) (appointed 1.3.19)

COMPANY SECRETARY

G Ingram

REGISTERED OFFICE

Abbotsford
Melrose
Roxburghshire
TD6 9BQ

REGISTERED COMPANY NUMBER

SC328535 (Scotland)

REGISTERED CHARITY NUMBER

SC037425

AUDITORS

Douglas Home & Co (Audit) Limited
47-49 The Square
Kelso
TD5 7HW

BANKERS

Bank of Scotland
Galashiels
TD1 1BE

SOLICITORS

Anderson Strathern
3 Channel Street
Galashiels
TD1 1BE

**Report of the Trustees
for the Year Ended 31 December 2018**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2018. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the charity are:

- To advance the arts culture and heritage by the acquisition, preservation, protection and improvement of the buildings, land and policies of Abbotsford, together with its contents and any amenity or other land associated with Abbotsford or with Sir Walter Scott and his family or with the works of Sir Walter Scott, together with any moveables of family literary, historic or cultural significance, all for the benefit and enjoyment of the public; and
- To advance the education of the public in relation to the arts and literature and Scottish culture, and particularly the life and works and family of Sir Walter Scott and the history of Abbotsford.

The strategies employed to achieve the charity's objectives are to open Abbotsford from 1st March to 30th November every year as a minimum, 7 days a week, and to allow visits by appointment for the rest of the year, so that Abbotsford's unique architecture and contents as well as the garden and grounds, almost all the creation of Sir Walter Scott himself and much of it as it was when he died in 1832, is available for appreciation and learning to as many people as possible. In addition, the principal factor underlying all the trustees' work is to increase visitor numbers and educational opportunities for all by improving visitor facilities and interpretation of Scott's life and work, to secure the fabric of the house and gardens and to improve the financial viability of the Abbotsford Trust so that it can survive and prosper to the benefit of all for the long term.

To this end in 2018 a 10 year vision and plan was formulated whose sole aim is to enhance the opportunity for delivery of the charity's objectives as laid out above. This plan is called 'Abbotsford - Writing the next Chapter'. Our Vision is:

'By 2029 Abbotsford will be recognised as one of the world's most extraordinary literary homes. We will open the storybook that is Scott and Abbotsford, unlocking creativity, imagination, and enjoyment for more people.

We will be recognised for the professional care of our collections, we will have fully restored Scott's estate, and working with partners we will reach new audiences and communities.

The Abbotsford Trust will be a sustainable organisation able to look to the future with confidence.'

The Trust has continued throughout 2018 to engage with and be indebted to the invaluable services provided by a growing number of volunteers in almost all aspects of Abbotsford activities and operations.

**Report of the Trustees
for the Year Ended 31 December 2018**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Abbotsford's investment in the visitor offer in 2017-18 helped drive an overall 4% increase in paying visits to 41,259 and a revenue increase of 13% due to price adjustments. Group booking equated to 30% of total income. Abbotsford also welcomed approximately 20,600 visitors free of charge throughout the season. These visitors are those visiting the Visitor Centre in its own right, whether to dine at our cafe, use the shop or explore our free to access exhibition about Scott's life and legacy using a variety of material from the collection to tell our unique story. Free admissions to the house were 4,859. These free admissions were a combination of National Art Fund Pass holders, Historic Houses Association members and Association of Scottish Visitor Attraction members/pass holders, and also Friends of Abbotsford, carers and Blue Badge tourist guides.

Private donations in 2017 funded the provision of a new regular free minibus service for 2018 connecting Abbotsford to Tweedbank railway station, thereby improving access from Edinburgh. Woodland and estate works undertaken from 2016 and funded by the Forestry Commission, the KT Wiedemann Foundation and private donations, came to fruition in Spring 2018 with the launch of an improved estate path network and children's play equipment. In summer 2018 accessibility improvements to the Walled Garden were completed, improving wheelchair access.

2018 saw volunteer numbers reach 109, with 53 new volunteers recruited over the course of the year. The retention rate for 2018 was 92%, one percent up from 2017. Volunteers jointly contributed 12,295 hours and 24 minutes to the Trust, with Abbotsford being presented the Volunteer Friendly Award (VFA), a quality assurance scheme recognising organisations for their good practice in working with volunteers. According to the 2018 Volunteer Survey, 100% of volunteers would recommend volunteering at Abbotsford to friends and colleagues, with many finding the experience of huge value in their lives. The Trust wishes to thank Historic Environment Scotland for its grant support to volunteering at Abbotsford, without which these improvements would not have been possible.

'Learning in a Heritage Landscape', funded by the Heritage Lottery Fund and Leader funding through Scottish Borders Council, had a very successful first full year offering tailored experiences in Abbotsford's gardens to children and young adults with mixed abilities and wishing to improve their skills, training and employability.

School visits continued to be popular, continuing on from the exceptional growth of 2017 with approximately 400 school children visiting in 2018.

Curatorial and conservation work continued to be undertaken to high professional standards, ensuring the house and collections are kept in the best possible condition, and external research enquiries relating to the collection were facilitated. This is no small undertaking; the costs of this work remain significant and affordable only due to generous private donations.

During the year the Trust committed to a new Vision and 10 Year Plan. In doing so it increased expenditure on fundraising activities which are anticipated to show a return from 2019 onwards. These costs, together with unbudgeted repairs, led to the Trust making a loss of £36,889 on unrestricted funds.

The Trading Company made a loss for a third successive year of £25,677 in 2018. Revenues for the Hope Scott Wing accommodation exceeded expectation at £104,174. However, revenue from events and retail fell below target, resulting in a decision to cease offering large events and staff structure changes to support future retail development.

The invested Endowment Fund per Note 18 was valued at £3,040,217 (2017 £3,272,180). Continued funding for core activities was received during the year as well as other small grants for various projects.

The trustees consider that the continued improvement in professional business practices, the adoption of an ambitious vision for the next 10 years, and ongoing returns from Endowment Funds allows them to look at the future with a high level of confidence.

**Report of the Trustees
for the Year Ended 31 December 2018**

FINANCIAL REVIEW

Principal funding sources

During the year, the charity received donations and grants totalling £219,773, with £164,656 given to Restricted funds and £55,117 to Unrestricted Funds.

Resources expended within restricted funds are clearly shown in Note 24.

The subsidiary, The Abbotsford Trading Company Limited, made a loss of £25,677 as detailed under the charitable activities review.

The Trust itself incurred an overall deficit in the year of £439,979, this comprising a deficit on the Unrestricted fund of £36,889, the Endowment fund of £231,330 and on the Restricted funds of £171,760.

Reserves policy

The Abbotsford Board retains its policy of achieving its target of no less than £150,000 in Unrestricted Reserves. At the year end, the 31/12/17 position of £127,982 had reduced to £65,415 at 31/12/18, and it is anticipated that progress towards the target of £150,000 will continue and improve over the coming years.

FUTURE PLANS

The trustees, in consultation with staff and volunteers, adopted a new Vision and 10 Year Plan called 'Abbotsford – Writing the next Chapter'. This sets out a path for the Trust through to 2029, encompassing the 250th anniversary of Scott's birth in 2021-22.

Future planning refers to this plan, with a first development phase timed towards the 250th anniversary. Projects trustees aspire to realise include; leading a national 250th anniversary celebration; further restoration of the house and gardens; collections care and access; improvements to the visitor experience and the telling of Scott's story at Abbotsford; being a catalyst for improving the life of the region; and becoming a truly sustainable organisation.

The trustees believe that this vision will motivate funders and the general public. Together with continued increases in visitor numbers and exceptionally high levels of customer satisfaction, there is an increasingly firm foundation on which to generate increases in admissions and trading revenue. Together with continued fund raising towards the Endowment Fund and its sound investment, the Trust aims to improve its position year-on-year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is operated as a limited company, which is limited by guarantee and has no share capital. The charity's affairs are governed by its Memorandum and Articles of Association. It is registered as a charity in Scotland. The Board members are also Members of the company, each of whom agree to contribute £10 in the event of the charity winding up. Any individual or Corporate Body may apply to be a Member; the application will be considered by the Trustees.

Recruitment and appointment of new trustees

Potential new trustees being Members of the company can apply to the Board.

The trustees may at any time appoint any person to be a member of the Board either to fill a casual vacancy or as an addition to the existing membership (but not so as to exceed the maximum number of 15 trustees).

Any person so appointed shall hold office only until the following annual general meeting and shall then be eligible for re-election for a three year term. A Trustee shall be eligible for re-election at any AGM following the expiry of such three year period, provided he or she is willing to continue to act. There is no limit on the number of three year terms (including consecutive terms) that a Trustee can hold office.

The board of trustees administers the charity, meeting at least quarterly. It has sought to attract trustees with an interest in the Borders, in Sir Walter Scott and with business or other relevant experience. The Board has appointed a Chief Executive to manage the day to day operations of the charity and to act as company Secretary.

**Report of the Trustees
for the Year Ended 31 December 2018**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustee Declared Conflicts of Interest

None of the trustees has any conflicts of interest.

Related parties

The charity owns the share capital of The Abbotsford Trading Company Limited which carried out related trading activities at Abbotsford, such as operation of the shop and tea room plus weddings and other events.

Risk management

The trustees continue to reassess the major risks to which the charity is exposed and put into place systems to mitigate these risks. During 2018 the Corporate Risk Register was thoroughly reviewed, including through ongoing quarterly reviews by all trustees. Underlying this is the Collections Risk Register, adopted in 2016 by trustees and reviewed quarterly. Trustees are of the opinion that risks are being identified, assessed, mitigated for and reviewed on a timely basis.

Of all the risks, the one foremost in the minds of the trustees continues to be financial risk and the consequences were the Trust to fail for lack of funds. With the continued emphasis on improving trading performance, supported by the recruitment of experienced new trustees, continued investment in staff and volunteers, and with the support of the Endowment Fund, the trustees are confident that the Trust remains a going concern and will have sufficient funds to continue trading successfully well into the future.

The consolidated unrestricted reserves at 31/12/18 were £65,415 (2017 £127,982), and it remains the trustees' policy to build those reserves back up to a minimum of £150,000 over the next few years.

COMMENCEMENT OF ACTIVITIES

The charity was set up to receive the property of Abbotsford, land and policies from a charitable trust also called 'The Abbotsford Trust' and all remaining property held by the Executors of Dame Jean Maxwell-Scott, the last descendant of Sir Walter Scott to live at Abbotsford.

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- 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 charitable company will continue in business.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

The Abbotsford Trust (Registered number: SC328535)

**Report of the Trustees
for the Year Ended 31 December 2018**

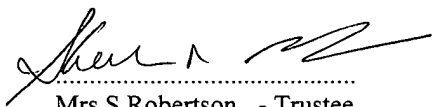
STATEMENT OF TRUSTEES RESPONSIBILITIES

AUDITORS

The auditors, Douglas Home & Co (Audit) Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

Approved by order of the board of trustees on 20/9/19 and signed on its behalf by:



Mrs S Robertson - Trustee

**Report of the Independent Auditors to the Trustees and Members of
The Abbotsford Trust (Registered number: SC328535)**

Opinion

We have audited the group and parent financial statements of The Abbotsford Trust (the 'charitable company') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

**Report of the Independent Auditors to the Trustees and Members of
The Abbotsford Trust (Registered number: SC328535)**

Matters on which we are required to report by exception

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

- the group and the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the group and parent financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

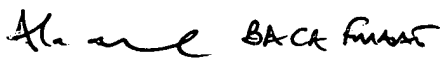
Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

 **Alan Drummond**

Alan Drummond BA CA FMAAT (Senior Statutory Auditor)
for and on behalf of Douglas Home & Co (Audit) Limited
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
47-49 The Square
Kelso
TD5 7HW

Date: 27th September 2019

**Consolidated Statement of Financial Activities
for the Year Ended 31 December 2018**

				31.12.18	31.12.17
	Notes	Unrestricted fund £	Restricted funds £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	55,117	164,656	-	219,773
Charitable activities	5				613,526
House and Gardens		322,689	-	-	296,166
Other trading activities	3	-	-	-	34,042
Commercial trading operations	3	328,735	-	-	316,138
Investment income	4	111,115	-	-	109,469
Other income		331	-	-	1,143
Total		817,987	164,656	-	982,643
EXPENDITURE ON					
Raising funds					
Raising donations and legacies	6	126,733	61,253	-	187,986
Commercial trading operations	3	314,556	-	-	297,477
Investment management costs	7	352	-	13,839	10,453
		441,641	61,253	13,839	466,794
Charitable activities	8				
House and Gardens		441,772	272,304	-	714,076
Total		883,413	333,557	13,839	1,230,809
Net gains/(losses) on investments		-	-	(217,491)	304,377
NET INCOME/(EXPENDITURE)		(65,426)	(168,901)	(231,330)	376,736
Transfers between funds	23	2,859	(2,859)	-	-
Net movement in funds		(62,567)	(171,760)	(231,330)	376,736
RECONCILIATION OF FUNDS					
Total funds brought forward		127,982	5,899,935	5,551,660	11,579,577
TOTAL FUNDS CARRIED FORWARD		65,415	5,728,175	5,320,330	11,579,577

The notes form part of these financial statements

**Statement of Financial Activities
for the Year Ended 31 December 2018**

				31.12.18	31.12.17
	Notes	Unrestricted fund £	Restricted funds £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	55,117	164,656	219,773	613,526
Charitable activities	5				
House and Gardens		322,689	-	322,689	296,166
Other trading activities	3	-	-	-	34,042
Investment income	4	150,971	-	150,971	144,829
Other income		<u>332</u>	<u>-</u>	<u>332</u>	<u>1,143</u>
Total		529,109	164,656	693,765	1,089,706
EXPENDITURE ON					
Raising funds					
Raising donations and legacies	6	126,733	61,253	187,986	158,864
Investment management costs	7	<u>352</u>	<u>-</u>	<u>13,839</u>	<u>10,453</u>
		127,085	61,253	202,177	169,317
Charitable activities	8				
House and Gardens		<u>441,772</u>	<u>272,304</u>	<u>714,076</u>	<u>831,331</u>
Total		568,857	333,557	916,253	1,000,648
Net gains/(losses) on investments		<u>-</u>	<u>-</u>	<u>(217,491)</u>	<u>304,377</u>
NET INCOME/(EXPENDITURE)		(39,748)	(168,901)	(439,979)	393,435
Transfers between funds	23	<u>2,859</u>	<u>(2,859)</u>	<u>-</u>	<u>-</u>
Net movement in funds		(36,889)	(171,760)	(439,979)	393,435
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>277,324</u>	<u>5,899,935</u>	<u>11,728,919</u>	<u>11,335,484</u>
TOTAL FUNDS CARRIED FORWARD		<u>240,435</u>	<u>5,728,175</u>	<u>11,288,940</u>	<u>11,728,919</u>

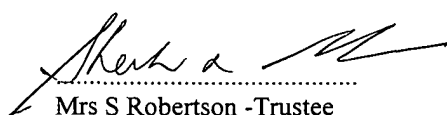
The notes form part of these financial statements

Consolidated Statement of Financial Position
At 31 December 2018

	Notes	Group 31/12/18 £	Group 31/12/17 £	Charity 31/12/18 £	Charity 31/12/17 £
FIXED ASSETS					
Intangible assets	15	1,009	3,728	1,009	3,728
Tangible assets	16	3,846,189	3,913,288	3,844,484	3,911,070
Heritage assets	17	3,847,959	3,845,459	3,847,959	3,845,459
Investments	18	3,040,217	3,272,180	3,041,217	3,273,180
		<u>10,735,374</u>	<u>11,034,655</u>	<u>10,734,699</u>	<u>11,033,437</u>
CURRENT ASSETS					
Stock		44,443	65,623	-	-
Debtors	19	109,921	313,675	337,543	555,986
Cash at bank and in hand		368,402	360,297	318,654	298,345
		<u>522,766</u>	<u>739,595</u>	<u>656,197</u>	<u>854,331</u>
CREDITORS					
Amounts falling due within one year	20	(144,220)	(194,673)	(101,926)	(158,849)
		<u>378,546</u>	<u>544,922</u>	<u>554,271</u>	<u>695,482</u>
NET CURRENT ASSETS					
		<u>11,113,920</u>	<u>11,579,577</u>	<u>11,288,940</u>	<u>11,728,919</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>11,113,920</u>	<u>11,579,577</u>	<u>11,288,940</u>	<u>11,728,919</u>
NET ASSETS					
		<u>11,113,920</u>	<u>11,579,577</u>	<u>11,288,940</u>	<u>11,728,919</u>
FUNDS	23				
Unrestricted funds		65,415	127,982	240,433	277,324
Restricted funds		5,728,175	5,899,935	5,728,175	5,899,935
Endowment funds		5,320,330	5,551,660	5,320,330	5,551,660
		<u>11,113,920</u>	<u>11,579,577</u>	<u>11,288,940</u>	<u>11,728,919</u>
TOTAL FUNDS					
		<u>11,113,920</u>	<u>11,579,577</u>	<u>11,288,940</u>	<u>11,728,919</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 20/9/19 and were signed on its behalf by:


Mrs S Robertson -Trustee

The notes form part of these financial statements

**Consolidated Statement of Cash Flows
for the Year Ended 31 December 2018**

	Notes	31.12.18 £	31.12.17 £
Cash flows from operating activities:			
Cash generated from operations	1	(52,102)	(40,144)
Interest paid		<u>(6,047)</u>	<u>(6,827)</u>
Net cash provided by (used in) operating activities		<u>(58,149)</u>	<u>(46,941)</u>
Cash flows from investing activities:			
Purchase of intangible fixed assets		-	(1,685)
Purchase of tangible fixed assets		(8,275)	(40,090)
Purchase of heritage assets		(2,500)	-
Purchase of fixed asset investments		(162,131)	(195,055)
Sale of fixed asset investments		176,604	199,347
Interest received		117	468
Dividends received		<u>106,278</u>	<u>104,025</u>
Net cash provided by (used in) investing activities		<u>110,093</u>	<u>67,010</u>
Cash flows from financing activities:			
Loan repayments in year		(30,000)	(50,000)
Income attributable to endowment		-	635
Expenditure attributable to endowment		<u>(13,839)</u>	<u>(9,889)</u>
Net cash provided by (used in) financing activities		<u>(43,839)</u>	<u>(59,254)</u>
Change in cash and cash equivalents in the reporting period		<u>8,105</u>	<u>(39,185)</u>
Cash and cash equivalents at the beginning of the reporting period	2	<u>360,297</u>	<u>399,482</u>
Cash and cash equivalents at the end of the reporting period	2	<u><u>368,402</u></u>	<u><u>360,297</u></u>

Notes to the Consolidated Statement of Cash Flows
for the Year Ended 31 December 2018

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.12.18	31.12.17
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(447,657)	376,736
Adjustments for:		
Depreciation charges	78,092	140,532
Losses/(gain) on investments	217,491	(304,377)
Interest received	(127)	(528)
Interest paid	6,047	6,827
Dividends received	(106,278)	(104,025)
Income attributable to endowment	-	(635)
Expenditure attributable to endowment	13,839	9,889
(Increase)/decrease in stock	21,180	(15,694)
Decrease/(increase) in debtors	185,764	(220,006)
(Decrease)/increase in creditors	(20,453)	71,167
Net cash provided by (used in) operating activities	<u>(52,102)</u>	<u>(40,114)</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31.12.18	31.12.17
	£	£
Cash in hand	<u>368,402</u>	<u>360,297</u>
Total cash and cash equivalents	<u>368,402</u>	<u>360,297</u>

**Notes to the Financial Statements
for the Year Ended 31 December 2018**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Group financial statements

These financial statements consolidate the results of the charity and its wholly owned subsidiary The Abbotsford Trading Company Limited on a line by line basis.

Income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities

Charitable activities include expenditure associated with conserving Abbotsford, public admissions and educational activities and include both direct costs and support costs relating to these activities.

Governance costs

Governance costs include those incurred in the general running of the charity including constitutional and statutory requirements and strategic planning costs contributing to the future development of the charity.

Allocation and apportionment of costs

Support costs are those administrative costs that cover all the above activities and have been allocated to each category on a basis consistent with the use of resources e.g. staff costs by time spent and other costs by proportional usage.

Computer software

Computer software is capitalised as an intangible asset and valued at cost less amortisation. Amortisation is charged on a straight line basis over the estimated useful life of three years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Visitor reception building	- Straight line over 50 years
Equipment	- 20% on cost
Fixtures and fittings	- 10% on reducing balance and at varying rates on cost
Motor vehicles	- 25% on reducing balance

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

1. ACCOUNTING POLICIES - continued

Heritage assets

The land and buildings at Abbotsford are reported in the financial statements at estimated market value at the time of the gift plus subsequent cost (see note 18). Ongoing repair and maintenance is charged to the Income & Expenditure Account when incurred. The life of the asset is indeterminate and the residual value is high and the Trustees do not therefore consider it appropriate to charge depreciation in respect of the property.

The collection items are reported in the financial statements at an estimate of value at the time of the gift. These items are deemed to have indeterminate lives and a high residual value, hence the Trustees do not consider it appropriate to charge depreciation. Further information on the collections is given in Note 18 to the financial statements.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds 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.

The heritage property received from the estate is kept in an endowment fund, as it cannot be used as if it were income, but must be conserved under the objectives of the charity. Also in endowment funds are assets donated into the collection and donations received towards an endowment fund to generate income for the charity.

The general fund is an unrestricted income fund.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Financial instruments

Financial assets and liabilities not specifically mentioned above are of a kind that qualify as basic financial instruments. They are initially recognised at transaction value and subsequently measured at their settlement value.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value.

Subsequent measurement is as follows:

Shares in group undertakings are unlisted and measured at cost,

Listed investments are measured at fair value as at the balance sheet date using closing quoted market price,

Cash held as part of the portfolio is measured at settlement value.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions and investor attitude.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

2. DONATIONS AND LEGACIES

	31.12.18	31.12.17
	£	£
Donations	57,876	51,645
Grants	<u>161,897</u>	<u>561,881</u>
	<u>219,773</u>	<u>613,526</u>

3. OTHER TRADING ACTIVITIES

Commercial Trading

The wholly owned trading subsidiary The Abbotsford Trading Company Ltd, incorporated in the United Kingdom, operates the gift shop, lettings, weddings and corporate events carried on at Abbotsford. The charity owns the entire share capital of 1,000 ordinary shares of £1 each. A summary of the trading results is shown below:

	2018	2017
	£	£
Turnover	291,568	279,206
Commissions	9,518	8,464
Rents received	26,400	26,400
Grants received and other income	<u>1,249</u>	<u>2,068</u>
	<u>328,735</u>	<u>316,138</u>
Cost of sales and administration costs	(314,556)	(297,477)
Rental paid to charity	<u>(39,856)</u>	<u>(35,360)</u>
	<u>(354,412)</u>	<u>(332,837)</u>
Net profit/(loss) retained in subsidiary	<u>(25,677)</u>	<u>(16,699)</u>

The assets and liabilities of the subsidiary were:

	£	£
Tangible Assets	1,705	2,218
Current Assets	109,390	144,217
Current Liabilities	(42,294)	(35,824)
Amount due to Parent Undertaking	<u>(242,821)</u>	<u>(258,953)</u>
	<u>(174,020)</u>	<u>(148,342)</u>
Share Capital	1,000	1,000
Reserves	<u>(175,020)</u>	<u>(149,342)</u>
	<u>(174,020)</u>	<u>(148,342)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

4. INVESTMENT INCOME

	Group 31/12/18	Group 31/12/17	Charity 31/12/18	Charity 31/12/17
	£	£	£	£
Rents received	4,720	4,976	44,576	40,336
Dividends	106,278	104,025	106,278	104,025
Deposit account interest	117	468	117	468
	<u>111,115</u>	<u>109,469</u>	<u>150,971</u>	<u>144,829</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.12.18 £	31.12.17 £
Admission Fees	House and Gardens	320,950	292,947
Learning & engagement	House and Gardens	<u>1,739</u>	<u>3,219</u>
		<u>322,689</u>	<u>296,166</u>

6. RAISING DONATIONS AND LEGACIES

	31.12.18 £	31.12.17 £
Staff costs	10,981	9,579
Fundraising costs	27,987	3,265
Professional costs	15,100	17,884
Support costs	<u>133,918</u>	<u>128,136</u>
	<u>187,986</u>	<u>158,864</u>

7. INVESTMENT MANAGEMENT COSTS

	31.12.18 £	31.12.17 £
Portfolio management	13,841	9,889
Property repairs	<u>350</u>	<u>564</u>
	<u>14,191</u>	<u>10,453</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 9) £	Support costs (See note 10) £	Totals £
House and Gardens	<u>536,727</u>	<u>177,349</u>	<u>714,076</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.12.18	31.12.17
	£	£
Staff costs	259,430	211,276
Rates and water	1,388	2,162
Insurance	33,685	30,525
Light and heat	21,256	20,148
Learning & education costs	15,563	17,755
PR and marketing	2,270	26,039
Repairs & renewals	50,773	39,313
Sundry expenses	13,460	9,408
Gardens and estates	120,197	242,996
Household and cleaning	598	518
Volunteer expenses	16,693	12,344
Finance costs	1,414	3,011
	<u>536,727</u>	<u>615,495</u>

10. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Raising donations and legacies	112,638	21,280	133,918
House and Gardens	<u>152,205</u>	<u>25,144</u>	<u>177,349</u>
	<u>264,843</u>	<u>46,424</u>	<u>311,267</u>

Support costs, included in the above, are as follows:

Management

			31.12.18	31.12.17
	Raising donations and legacies	House and Gardens	Total activities	Total activities
	£	£	£	£
Wages	42,267	61,052	103,319	86,210
Light and heat	3,469	5,012	8,481	9,734
Telephone	4,453	6,432	10,885	11,002
Postage and stationery	977	1,409	2,386	3,264
Sundries	3,682	5,739	9,421	5,785
Staff recruitment	90	129	219	1,792
Staff training	350	505	855	2,037
Motor and travel	598	2,590	3,188	1,968
PR and marketing	11,454	26,646	38,100	13,888
IT costs	1,445	2,086	3,531	7,982
Repairs and renewals	159	229	388	3,418
Amortisation of intangible fixed assets	2,719	-	2,719	2,349
Depreciation of tangible and heritage assets	38,798	35,996	74,794	137,782
Bank interest and charges	1,739	2,511	4,250	1,694
Bank loan interest	438	633	1,071	4,314
Subscriptions	-	1,236	1,236	964
	<u>112,638</u>	<u>152,205</u>	<u>264,843</u>	<u>294,183</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

10. SUPPORT COSTS - continued

Governance costs

			31.12.18	31.12.17
	Raising donations and legacies	House and Gardens	Total activities	Total activities
	£	£	£	£
Trustees' expenses	919	919	1,838	2,976
Wages	6,625	7,464	14,089	11,756
Auditors' remuneration	9,325	9,325	18,650	15,375
Auditors' remuneration for non audit work	1,503	1,504	3,007	5,558
Light and heat	578	578	1,156	1,327
Telephone	742	742	1,484	1,500
Postage and stationery	163	163	326	445
Professional fees	-	3,025	3,025	7,111
Staff recruitment	15	15	30	244
Staff training	59	58	117	278
IT costs	241	241	482	1,088
Sundry expenses	621	622	1,243	650
Motor & travel	99	99	198	196
Repairs & renewals	27	26	53	466
Bank interest and charges	290	290	580	231
Bank loan interest	73	73	146	588
	<u>21,280</u>	<u>25,144</u>	<u>46,424</u>	<u>49,789</u>

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.18	31.12.17
	£	£
Auditors' remuneration	18,650	15,375
Other non-audit services	3,007	5,558
Depreciation - owned assets	74,930	137,781
Computer software amortisation	<u>2,719</u>	<u>2,349</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There was no trustee's remuneration or other benefits for the year ended 31 December 2018 nor for the preceding year. Employee benefits in respect of other key management amounted to £72,388 (2017 - £70,985).

Trustees' expenses

Expenses reimbursed to two trustees for travel to meetings, accommodation and subsistence during the year totalled £1,638 (2017 - £2,608).

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

13. STAFF COSTS

Total staff costs for the Group comprise:

	31/12/18	31/12/17
	£	£
Wages and salaries	478,776	404,462
Social security	28,417	23,720
Pension costs	12,524	10,164
	<u>519,717</u>	<u>438,346</u>

The average monthly number of employees during the year was as follows:

31/12/18	31/12/17
<u>30</u>	<u>30</u>

One employee received employee benefits (excluding employer pension costs) for the year in excess of £60,000.

Pension contributions were paid during the year into individual employee's personal pensions and into a scheme set up for auto-enrolment for employees electing to join at this stage, at a rate of 4% for both employees and employers.

14. TAXATION

The company is a registered charity and is exempt from income and corporation tax.

The subsidiary is subject to corporation tax to the extent that profits are not gift aided to the parent charity. The subsidiary has tax losses not utilised against deferred tax and trading profits amounting to approximately £176,610.

15. INTANGIBLE FIXED ASSETS

Group & Charity	Computer software £
COST	
At 1 January 2018	<u>8,240</u>
AMORTISATION	
At 1 January 2018	4,512
Charge for year	<u>2,719</u>
At 31 December 2018	<u>7,231</u>
NET BOOK VALUE	
At 31 December 2018	<u>1,009</u>
At 31 December 2017	<u>3,728</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

16. TANGIBLE FIXED ASSETS

Group	Visitor reception building £	Equipment £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 January 2018	3,733,504	31,115	936,129	40,395	4,741,143
Additions	-	3,959	4,316	-	8,275
At 31 December 2018	<u>3,733,504</u>	<u>35,074</u>	<u>940,435</u>	<u>40,395</u>	<u>4,749,418</u>
DEPRECIATION					
At 1 January 2018	129,780	21,997	661,295	14,645	827,717
Charge for year	<u>23,433</u>	<u>3,836</u>	<u>41,808</u>	<u>6,435</u>	<u>75,512</u>
At 31 December 2018	<u>153,213</u>	<u>25,833</u>	<u>703,103</u>	<u>21,080</u>	<u>903,229</u>
NET BOOK VALUE					
At 31 December 2018	<u>3,580,291</u>	<u>9,241</u>	<u>237,342</u>	<u>19,315</u>	<u>3,846,189</u>
At 31 December 2017	<u>3,603,724</u>	<u>9,118</u>	<u>274,696</u>	<u>25,750</u>	<u>3,913,288</u>

Charity	Visitor reception building £	Equipment £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 January 2018	3,733,504	29,167	934,201	40,395	4,737,267
Additions	-	3,959	4,316	-	8,275
At 31 December 2018	<u>3,733,504</u>	<u>33,126</u>	<u>938,517</u>	<u>40,395</u>	<u>4,745,542</u>
DEPRECIATION					
At 1 January 2018	129,780	20,803	660,831	14,645	826,059
Charge for year	<u>23,433</u>	<u>3,612</u>	<u>41,519</u>	<u>6,435</u>	<u>74,999</u>
At 31 December 2018	<u>153,213</u>	<u>24,415</u>	<u>702,350</u>	<u>21,080</u>	<u>901,058</u>
NET BOOK VALUE					
At 31 December 2018	<u>3,580,291</u>	<u>8,711</u>	<u>236,167</u>	<u>19,315</u>	<u>3,844,484</u>
At 31 December 2017	<u>3,603,724</u>	<u>8,364</u>	<u>273,232</u>	<u>25,750</u>	<u>3,911,070</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

17. HERITAGE ASSETS

Group & Charity	Total £
MARKET VALUE	
At 1 January 2018	3,845,459
Additions	<u>2,500</u>
At 31 December 2018	<u>3,847,959</u>
NET BOOK VALUE	
At 31 December 2018	<u>3,847,959</u>
At 31 December 2017	<u>3,845,459</u>

Heritage Assets includes land & buildings, being the building, land and policies of Abbotsford House and these have been valued by the Trustees at the amount used by the estate for inheritance tax purposes prior to transfer of the property in 2007 of £2,000,000. This value represents, in the opinion of the Trustees, the open market value at that time for a house of this size, location and condition. In addition are amounts spent on the house to renovate, as well as create accommodation and offices during the restoration project, this is stated at cost. Due to its historical connections it is likely that the property could realise significantly more than this if it were to be sold on the open market.

Other heritage assets comprise gifted paintings, statues and books connected with the house or Sir Walter Scott. These are recorded at the value at the time of the gift, established by the Trustees/curatorial staff with reference where possible to commercial markets.

Five year financial summary of heritage asset transactions:

	2018	2017	2016	2015	2014
	£	£	£	£	£
Donations:					
Paintings	-	-	-	-	300,000
Statues	-	-	-	-	-
Other	2,500	-	-	5,000	-
Total Additions	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>300,000</u>

Further information on the Trust's heritage assets:

The Abbotsford Trust's collection comprises of approximately 4600 catalogued entries, some of which have been catalogued in composite lots. The vast majority of the collection comprises of those items originally found in the private residence at Abbotsford rather than the spaces on view to the public. These items primarily consist of furniture and ceramics (mostly from the Victorian period and first half of the twentieth century), textiles and clothing, and books and assorted family papers. A proportion of the larger pieces in the collection now furnish the letting accommodation wing where guests can enjoy them, and smaller items, particularly when precious or valuable, are housed in our collection stores. However, there are also approximately three hundred items in the collection collected by Sir Walter Scott himself that form part of the material on display to the public in the historic house. Some of these objects, particularly the paintings and artefacts, are amongst the most valuable in the collection.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

17. HERITAGE ASSETS - continued

In 2015 Abbotsford staff began the work needed in order to provide HMRC with the full inventory of the chattels by 2019. With the agreement of HMRC this will continue into 2020. This work involves aligning object data records on our system with their corresponding HMRC numbers and will take a considerable amount of time. In 2018 we completed a top-line survey of the uncatalogued paper ephemera referred to in the conditional exemption as the archive. This was commissioned with the aim of exploring the overall condition, breadth and historical significance of the material in this category. In 2019 the cataloguing process began with the appointment of a project officer, and is anticipated to continue into 2020.

Following the initial survey, and having discussed the matter with the Trust's insurers, the trustees are of the opinion that the costs of valuing the chattels and ephemera would exceed the benefit derived. As the items are either entirely unique or a significant part of value is due to their association with Scott and his descendants, they cannot be valued through a direct comparison with similar items on the market. As they cannot be replaced on a like for like basis, they have been insured on a repair only basis, and as such a valuation would serve no insurance benefit.

Security over Assets

A charge over the heritable land & buildings has been granted to Historic Environment Scotland and HLF..

18. FIXED ASSET INVESTMENTS

Group & Charity	Listed investments £	Cash and settlements pending £	Totals £
MARKET VALUE			
At 1 January 2018	3,241,572	30,608	3,272,180
Additions	161,118	1,013	162,131
Disposals	(187,208)	-	(187,208)
Revaluations	<u>(206,886)</u>	<u>-</u>	<u>(206,886)</u>
At 31 December 2018	<u>3,008,596</u>	<u>31,621</u>	<u>3,040,217</u>
NET BOOK VALUE			
At 31 December 2018	<u>3,008,596</u>	<u>31,621</u>	<u>3,040,217</u>
At 31 December 2017	<u>3,241,572</u>	<u>30,608</u>	<u>3,272,180</u>

Listed investments are all traded in quoted public markets, primarily the London Stock Exchange. They comprise 73.8% equities, 15.7% bonds and 10.5% alternatives. The investments are managed by Cazenove Capital.

Material holdings within the portfolio (>6%) are as follows:

	Value £	
Scottish Mortgage Investment Trust	507,845	16.88%
M&G Global Dividend Fund	223,170	7.42%
Schroder Income Fund	222,579	7.40%
Vanguard FTSE 100 UCITS ETF	199,677	6.64%
Majedie Asset UK Income Fund	198,678	6.60%
Schroder Strategic Credit Fund	197,976	6.58%
Charities Properties Fund	184,415	6.13%

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

18. FIXED ASSET INVESTMENTS - continued

The company's investments at the balance sheet date in the share capital of companies include the following:

The Abbotsford Trading Company Limited

Nature of business: Wedding, events and retail activities

Class of share:	% holding
Ordinary	100

The trading subsidiary The Abbotsford Trading Company Limited is wholly owned by the charity and operates the shop, tea room, weddings and corporate events. The subsidiary has been valued in the financial statements at the original nominal value.

19. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 31/12/18 £	Group 31/12/17 £	Charity 31/12/18 £	Charity 31/12/17 £
Trade debtors	12,985	52,230	3,039	38,733
Amounts owed by group undertakings	-	-	242,821	258,953
Other debtors	85,452	238,095	80,199	234,950
Prepayments	11,484	12,183	11,484	12,183
VAT	-	11,167	-	11,167
	<u>109,921</u>	<u>313,675</u>	<u>337,543</u>	<u>555,986</u>

Although amounts due to the charity by its subsidiary are payable on demand, the charity will only demand payment as the subsidiary generates profits and cash to enable this to occur. This recognises the complementary nature of the services provided by the subsidiary in achieving the charitable objectives and the support required until trading operations become established.

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 31/12/18 £	Group 31/12/17 £	Charity 31/12/18 £	Charity 31/12/17 £
Bank loans	-	30,000	-	30,000
Trade creditors	37,811	97,964	35,739	91,388
Social security and other taxes	4,153	3,829	4,153	3,829
VAT	6,816	-	6,816	-
Other creditors	5,820	7,534	5,820	7,534
Accruals and deferred income	89,620	55,346	49,398	26,098
	<u>144,220</u>	<u>194,673</u>	<u>101,926</u>	<u>158,849</u>

21. LOANS

An analysis of the maturity of loans is given below:

	31.12.18 £	31.12.17 £
Amounts falling due within one year on demand:		
Bank loans	-	30,000
	<u>328,756</u>	<u>305,577</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

				31.12.18	31.12.17
Group	Unrestricted fund	Restricted funds	Endowment fund	Total funds	Total funds
	£	£	£	£	£
Fixed assets	67,204	5,327,953	2,300,000	7,695,157	7,762,475
Investments	-	-	3,040,217	3,040,217	3,272,180
Net current assets (liabilities)	(1,791)	400,224	(19,887)	378,546	554,922
	<u>65,413</u>	<u>5,728,177</u>	<u>5,320,330</u>	<u>11,113,920</u>	<u>11,579,577</u>

				31.12.18	31.12.17
Charity	Unrestricted fund	Restricted funds	Endowment fund	Total funds	Total funds
	£	£	£	£	£
Fixed assets	65,499	5,327,953	2,300,000	7,693,452	7,760,257
Investments	1,000	-	3,040,217	3,041,217	3,273,180
Current assets (liabilities)	173,934	400,224	(19,887)	554,271	695,482
	<u>240,433</u>	<u>5,728,177</u>	<u>5,320,330</u>	<u>11,288,940</u>	<u>11,728,919</u>

23. MOVEMENT IN FUNDS

	At 1.1.18	Net movement in funds	Transfers between funds	At 31.12.18
	£	£	£	£
Unrestricted funds				
General fund - Group	127,982	(65,428)	2,859	65,413
General fund - Charity	277,324	(39,750)	2,859	240,433
Restricted funds – Group & Charity				
Orangery	250,051	-	-	250,051
Outdoor Learning Project	8,449	(2,803)	-	5,646
Learning and Engagement	332	(332)	-	-
Garden Fund	-	400	-	400
Various Small Funds	1,510	(174)	(1,000)	336
Restoration Fund	5,263,952	(63,235)	-	5,200,717
Commissioned Painting of Abbotsford	115,112	-	-	115,112
Heritage and Engagement	33,284	2,725	-	36,009
Travel Fund for Schools	2,800	(680)	-	2,120
Anne's Harp	5,441	-	-	5,441
HLF Transition	7,849	(4,990)	(2,859)	-
Ranger	999	(999)	-	-
Bank of Scotland - Cornerstone	2,370	(936)	-	1,434
Historic Environment Scotland	20,004	(16,579)	-	3,425
Portcullis Gate	39,005	(33,725)	-	5,280
Play Equipment	10,000	(8,348)	-	1,652
Learning in a Heritage Landscape	59,566	(29,906)	-	29,660
WIAT	59,126	(39,395)	-	19,731
Adopt-a-Book	1,004	593	-	1,597
Walled Garden Access	19,081	(10,515)	-	8,566
Murray Archive	-	40,000	-	40,000
Stone Roundal	-	-	1,000	1,000
	<u>5,899,935</u>	<u>(168,899)</u>	<u>(2,859)</u>	<u>5,728,177</u>
Endowment funds				
Endowment Fund	<u>5,551,660</u>	<u>(231,330)</u>	<u>-</u>	<u>5,320,330</u>
TOTAL RESTRICTED FUNDS	<u>11,451,595</u>	<u>(400,229)</u>	<u>(2,859)</u>	<u>11,048,507</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

23. MOVEMENT IN FUNDS - continued

Net movement in restricted funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted funds: Group & Charity				
Garden Fund	400	-	-	400
Various Small Funds	1,000	(1,174)	-	(174)
Heritage and Engagement	50,000	(47,275)	-	2,725
HLF Transition	(1)	(4,989)	-	(4,990)
Scottish Enterprise Business Improvement	8,997	(8,997)	-	-
Historic Environment Scotland	25,393	(41,972)	-	(16,579)
Portcullis Gate	7,000	(40,725)	-	(33,725)
Learning in a Heritage Landscape	18,943	(48,849)	-	(29,906)
WIAT	8,883	(48,278)	-	(39,395)
Adopt-a-Book	3,541	(2,948)	-	593
Walled Garden Access	-	(10,515)	-	(10,515)
Art Fund	500	(500)	-	-
Murray Archive	40,000	-	-	40,000
Outdoor Learning Project	-	(2,803)	-	(2,803)
Learning and Engagement	-	(332)	-	(332)
Restoration Fund	-	(63,235)	-	(63,235)
Travel Fund for Schools	-	(680)	-	(680)
Ranger	-	(999)	-	(999)
Bank of Scotland - Cornerstone	-	(936)	-	(936)
Play Equipment	-	(8,348)	-	(8,348)
	164,656	(333,555)	-	(168,899)
Endowment funds				
Endowment Fund	-	(13,839)	(217,491)	(231,330)
TOTAL RESTRICTED FUNDS	<u>164,656</u>	<u>(347,394)</u>	<u>(217,491)</u>	<u>(400,229)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

23. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.17 £	Net movement in funds £	Transfers between funds £	At 31.12.17 £
Unrestricted Funds				
General fund – Group	37,879	55,852	34,251	127,982
General fund - Charity	170,522	72,551	34,251	277,324
Restricted Funds: Group & Charity				
Orangery	250,334	(283)	-	250,051
Outdoor Learning Project	12,300	(3,851)	-	8,449
Learning and Engagement	1,000	(668)	-	332
Garden Fund	1,450	(1,450)	-	-
Various Small Funds	401	2,109	(1,000)	1,510
Finnis Scott	5,965	-	(5,965)	-
Restoration Fund	5,393,576	(129,624)	-	5,263,952
Commissioned Painting of Abbotsford	115,112	-	-	115,112
Heritage and Engagement	29,514	3,770	-	33,284
Travel Fund for Schools	3,870	(1,070)	-	2,800
Anne's Harp	5,441	-	-	5,441
HLF Transition	56,123	(48,274)	-	7,849
Scottish Enterprise Business Improvement	864	(863)	(1)	-
Ranger	2,999	(2,000)	-	999
Bank of Scotland - Cornerstone	8,942	(6,572)	-	2,370
Historic Environment Scotland	-	20,004	-	20,004
Portcullis Gate	10,530	28,475	-	39,005
Jim McCallum	4	-	(4)	-
Play Equipment	10,000	-	-	10,000
Learning in a Heritage Landscape	-	59,566	-	59,566
WIAT	-	59,126	-	59,126
Adopt-a-Book	-	1,004	-	1,004
Minibus Fund	-	27,281	(27,281)	-
Walled Garden Access	-	19,081	-	19,081
	5,908,425	25,761	(34,251)	5,899,935
Endowment funds				
Endowment Fund	5,256,537	295,123	-	5,551,660
TOTAL RESTRICTED FUNDS	<u>11,164,962</u>	<u>320,884</u>	<u>(34,251)</u>	<u>11,451,595</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

23. MOVEMENT IN FUNDS - continued

Comparative net movement in restricted funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted funds: Group & Charity				
Orangery	-	(283)	-	(283)
Outdoor Learning Project	-	(3,851)	-	(3,851)
Learning and Engagement	-	(668)	-	(668)
Garden Fund	-	(1,450)	-	(1,450)
Various Small Funds	3,339	(1,230)	-	2,109
Restoration Fund	-	(129,624)	-	(129,624)
Heritage and Engagement	50,000	(46,230)	-	3,770
HLF Transition	(2,907)	(45,367)	-	(48,274)
Scottish Enterprise Business Improvement Ranger	40,105	(40,968)	-	(863)
Bank of Scotland - Cornerstone	-	(2,000)	-	(2,000)
Historic Environment Scotland	-	(6,572)	-	(6,572)
Portcullis Gate	60,025	(40,021)	-	20,004
Learning in a Heritage Landscape	32,375	(3,900)	-	28,475
WIAT	81,585	(22,019)	-	59,566
SERI	280,125	(220,999)	-	59,126
Adopt-a-Book	4,000	(4,000)	-	-
Minibus Fund	1,030	(26)	-	1,004
Walled Garden Access	27,501	(220)	-	27,281
Travel Fund for Schools	19,081	-	-	19,081
	-	(1,070)	-	(1,070)
	596,259	(570,498)	-	25,761
Endowment funds				
Endowment Fund	635	(9,889)	304,377	295,123
TOTAL RESTRICTED FUNDS	<u>596,894</u>	<u>(580,387)</u>	<u>304,377</u>	<u>320,884</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

23. MOVEMENT IN FUNDS - continued

Restoration Fund

As the restoration is now completed this fund represents the assets created. At the year end the balance comprised the completed Visitor Reception Building £3,580,312, Heritage Land & Buildings of £1,399,752, fixtures and fittings of £220,653 and cash at bank £(313).

The Orangery Fund

This fund was established to allow the trust to start work on conserving the Grade A listed Orangery designed by Sir Walter Scott along with supporting the learning and engagement programmes that will utilise the space and interpreting the structure for visitors. This project had been put on hold. At the year end the balance on the fund was represented by cash at bank of £250,051.

Outdoor Learning Project

The aim of this project was to develop the use of the outdoor spaces at Abbotsford for learning, engagement and leisure purposes by local audiences and especially those from disadvantaged communities. During the year expenditure was incurred with the balance at the year end being represented by cash at bank of £5,696 and creditors of £(50).

Travel Fund for Schools

This fund was set up with funds from Southern & Scottish Energy to subsidise the travel costs for local schools to visit Abbotsford House. At the year end the fund was represented by cash at bank of £2,203 and creditors of £(83).

Commissioned Painting of Abbotsford

In 2011 the K T Wiedemann Foundation Inc commissioned for a historical oil painting of Abbotsford House to be painted by Richard Schmit. When completed the painting was gifted to Abbotsford and shipped from America to the trust and is currently displayed within the visitor reception building. The balance on the fund is therefore represented by Heritable assets of £115,112.

Heritage and Engagement Fund

This fund comprises grants to assist toward the cost of the Heritage and Engagement department salaries and curatorial costs. At the year end the balance on the fund is represented by cash at bank of £36,811, assets of £454 and creditors of £(1,256).

HLF Transition

This fund comprises a grant awarded by the Heritage Lottery Fund to cover the implementation of the transition plan to establish the future of the Trust. The fund was fully expended at the year end. The transfer to general funds represents expenditure met from unrestricted funds during 2017 which should have been allocated to the fund.

BoS - Cornerstone

This fund was set up with a grant award to cover staff costs for a project in conjunction with a local charity to enable beneficiaries to develop new skills and confidence by engaging in activities within the Abbotsford Estate. During the year further expenditure was incurred and at the year end this fund had a balance represented by cash at bank of £1,434.

Anne's Harp

This fund was set up to acquire and restore Anne Scott's harp for display within the house. At the year end the balance was represented by a Heritage asset of £5,000 together with cash at bank of £441.

Portcullis Gate

This fund was set up to receive donations towards the restoration of the portcullis gate. Restoration works were carried out during the year and the fund was represented by cash at bank of £17,320, debtors of £5,000 and creditors of £(17,040) at the year end.

Play Equipment

This fund was set up to fund the provision of toddler play equipment. Expenses totalling £8,348 were incurred in the year with the balance on the fund at the year end is represented by cash at bank of £1,652.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

23. MOVEMENT IN FUNDS - continued

Learning in a Heritage Landscape

This fund was set up to finance a project transforming the approach of Abbotsford Trust to sharing, caring for and developing the heritage gardens and estate by creating programmes for engagement and learning. Funding was received from HLF and LEADER and the fund balance at the year end was represented by fixed assets £4,078, debtors £62,155, cash at bank £(36,548) less creditors of £(25).

Historic Environment Scotland

This fund was set up to develop trading revenue and volunteering within the group. At the year end the balance was represented by fixed assets £2,592, debtor of £8,341 less cash at bank £(7,508).

WIAT

This fund was set up with assistance from the Forestry Commission and a trust grant to implement the woodland management plan for the estate. At the year end the work was substantially complete with the fund balance represented by cash at bank £20,312 and creditors £(581).

Adopt-a-book

Scheme to adopt particular books in the library, the donation for each book to cover the renovation cost. At the year end the fund balance was represented by cash at bank £1,597.

Walled Garden Access

This fund was set up with a grant to be used for disability access in the walled gardens. Work continued in the year and the closing balance on the fund was represented by cash at bank of £8,566.

Murray Archive

This fund is represented by £40,000 cash at bank which was money received to fund the salary of a project cataloguer for the archive. This role will commence in 2019.

Stone Roundel

This fund was set up to receive donations towards the purchase of a stone roundel which is currently on loan to the Trust. At the year end the balance on the fund is represented by £1,000 cash at bank.

Other Restricted Funds

The remaining restricted funds relate to monies received towards specific one-off projects which have largely been expended during the year. The total balance on these funds at the year end is represented by cash at bank £4,629.

ENDOWMENT FUNDS

The endowment funds are capital funds of a permanent nature. The capital fund initially represented the building, land and policies of Abbotsford House, gifted from the Abbotsford Trust (originally gifted from the estate of Dame Jean Maxwell-Scott), together with gifted shares and donated heritage assets. In addition in 2012 the trust was awarded a grant from the Heritage Lottery Fund via their Catalyst Fund where any donations received towards the endowment fund will be matched £1 for £1. The funds were gained over a 5 year period up to a maximum of £1 million.

At 31 December 2018, the fund is represented by heritage assets £2,300,000, investments £3,040,216 and cash at bank £(19,886).

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

24. CONTINGENT LIABILITIES

Grant monies received and subject to a 10 year clawback if certain preconditions are not met are as follows:

	£
Received in 2010	665,063
Received in 2011	1,516,437
Received in 2012	919,353
Received in 2013	418,449
	<hr/>
	<u>3,519,302</u>

Grant money received and subject to clawback if certain preconditions are not met are as follows.
This clawback has no time restriction:

	£
Received in 2014	473,078
Received in 2015	477,937
Received in 2016	207,985
	<hr/>
	<u>1,159,000</u>

25. RELATED PARTY DISCLOSURES

During the year The Abbotsford Trust paid for goods and services totalling £209,953 on behalf of its fully owned subsidiary, The Abbotsford Trading Company Limited. The Abbotsford Trust received rental income of £39,856 from The Abbotsford Trading Company Limited. At 31st December 2018, The Abbotsford Trading Company Limited were due The Abbotsford Trust £249,809. This loan is unsecured, interest free and repayable on demand.

During the year unconditional donations received from trustees and related parties amounted to £10,100.