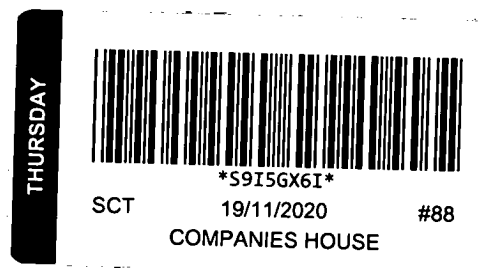


Royal High School Preservation Trust

(a company limited by guarantee)

**Trustees' report and unaudited accounts
for the year ended 31 March 2020**

**Company number: SC504433
Scottish charity number: SC045779**



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Reference and administrative details

Trustees	Richard Austin Raymond Entwistle Mrs. Carol Colburn Grigor Colin Liddell WS William Gray Muir (Chairman) Professor Michael Thorne
Company Secretary	J&H Mitchell WS
Registered office	51 Atholl Road Pitlochry Perthshire PH16 5BU
Independent Examiner	James Davidson CA MHA Henderson Loggie 11 Thistle Street Edinburgh EH2 1DF
Bankers	Hampden & Co 9 Charlotte Square Edinburgh EH2 4DR
Charity number	SC045779
Company number	SC504433

Trustees' annual report

Structure, governance & management

Governing Document

The Royal High School Preservation Trust ("RHSPT" or "the Trust") is a Scottish guarantee company registered under Company Number SC504433, and also registered as a Scottish Charity under Scottish Charity Number SC045779.

The RHSPT was incorporated on 27th April 2015. Under its Articles of Association the charitable purposes of the Trust are "*to conserve the history and heritage of the buildings comprising the Old Royal High School, Calton Hill, Edinburgh (which was built originally in 1825 - 1829) and to preserve these buildings for appropriate uses commensurate with their history, and both Category A-listed and UNESCO World Heritage status.*"

Appointment and Proceedings of Directors

The directors of the company are also the charity trustees for the purposes of charity law. Under the requirements of the Articles of Association the number of directors and trustees shall be no fewer than three nor more than six. Up to one director and trustee is appointed by Architectural Heritage Society of Scotland (Scottish Charity Number SC007554) and up to five directors and trustees are appointed by Dunard Fund (Scottish Charity Number SC039685 and England & Wales Charity Number 295790 until 31st January 2017 and Scottish Charity Number SC046889 since that date).

The current directors and trustees are as noted at page 1.

Organisational Structure

The structure of the Trust is a single-tier Guarantee Company, whose directors and trustees: set the strategy and policy of the Trust, generally control and supervise the activities of the Trust and, in particular, are responsible for monitoring its financial position and, where there are no employees or managers appointed, are responsible also for the day-to-day management of the Trust; and, where necessary, act as members of the Trust.

Risk Management

The Trustees have conducted a review of the major risks to which the charity is exposed and a register of risks is maintained and updated on a regular basis following review by the Board of the Trust. The key risk to the Trust would be the failure to gain the right to develop the former Royal High School. This would be likely in the event that either of the proposed hotel development were granted listed building and planning consent on appeal, or if the hotel developer were successful in a subsequent listed building and planning application. To mitigate this risk the Trust appointed legal and planning advisers to participate in the appeal process and were represented at the Planning Inquiry relating to the appeal. Even if the hotel developer were unsuccessful, there is no guarantee that City of Edinburgh Council, the owners of the building, would offer development rights for the building to the Trust. In either case the costs accrued to date would be written off, and any surplus funds returned to the original donors.

Group Structure and Related Parties

The Trust is a stand-alone guarantee company which is also an independent Scottish charity.

From the outset, however, the Trust has had financial support from Dunard Fund and Dunard Fund is also able to appoint up to five of the six directors and Trustees of RHSPT. Dunard Fund is an Edinburgh-based charity (Scottish Charity Number SC039685 and England & Wales Charity Number 295790 until 31st January 2017 and Scottish Charity Number SC046889 since that date) which provides funding for a wide variety of charitable purposes notably in relation to promotion and advancement of the Arts. In particular, the Trustees of Dunard Fund seek to engage with recipients to enable the long-term development of projects and initiatives which will have major and lasting significance in the following areas:

- The training and performance of classical music at the highest standard.
- The education and display of visual arts at an international standard.
- The rehabilitation of endangered architectural masterpieces and the design and construction of new architectural masterpieces.

Trustees' annual report *(continued)*

Structure, governance & management *(continued)*

Group Structure and Related Parties (continued)

Dunard Fund has been the one of the largest philanthropic funders of the Arts in Scotland for more than 30 years. Two of the Trust's six directors and trustees currently are also Trustees of Dunard Fund.

J&H Mitchell WS, a law firm and Hampden & Company Plc, a bank, each connected to one Trust director, provided services to the Trust in the year. These services were provided on normal commercial terms in terms of a written remuneration agreement entered into between the individual organisations, the Trust directors concerned and the Trust.

Objects and Activities

Achievements and Performance

The Trust was formed to save the former Royal High School buildings at Calton Hill in Edinburgh (notably the world-class Thomas Hamilton building), and to identify and establish a suitable and sustainable reuse of those buildings, which would not compromise the significance of the main Thomas Hamilton building or its setting.

The detailed aims of the Trust are as follows:

1. Conservation of the Thomas Hamilton Building
2. Protection of the setting of the Thomas Hamilton Building
3. An economically sustainable use for the site
4. A culturally suitable use for the site
5. A suitable and sustainable public or charitable use for the site.

The Trust has applied for and been granted Planning Permission and Listed Building consent (15/05662/FUL and 15/05665/LBC) to convert the building into a new home for St. Mary's Music School ("the School"). The Trust's proposals would create three new public auditoria within Thomas Hamilton's building, accessed from Regent Road. These venues would become important new performance spaces within Edinburgh and be available for a wide variety of cultural and other uses. The new auditoria will support the proposed re-location of St. Mary's Music School to the remainder of the site, returning it to its original use as a place for educating young people from across Scotland and beyond.

The proposals could go ahead only if alternative proposals to convert the building into an international hotel are rejected by Scottish Ministers. The trustees of the Trust, and many other interested bodies, believe the hotel proposals are an inappropriate use for the existing buildings and site and would have a materially adverse impact on Edinburgh's architectural heritage, its setting and its international cultural standing.

The trustees of the Trust have formally objected to both the hotel developer's first and second planning and listed building applications, both of which were rejected by the local council's planning committee and both of which are now the subject of planning appeal. The Trust was an active participant in the public inquiry into the appeals lodged in relation to the hotel proposals. The Trustees understand that a report for this case was submitted to Scottish Ministers on or before 2nd June, 2020. A decision by Scottish Ministers will be made in due course.

Trustees' annual report *(continued)*

Financial Review

Principal Funding Sources

As stated above, the principal source of funding for the Trust, at this stage in its development, is from Dunard Fund. This is likely to be the case for the time being but, as and when the project can proceed, with the School as the preferred prospective tenant at the former Royal High School buildings, it is likely that other sources of funding for the project may become available.

Dunard Fund and Dunard Fund USA have given enthusiastic support for the project, and will continue to do so.

Investment Policy

At present, the funds held by the Trust are sufficient to meet its reasonably foreseeable needs, and the Investment Policy of the directors and trustees is that these be held therefore as cash on deposit, so as to be available to meet those needs. As and when additional funding is obtained, which can be retained for a longer period of time, the Trust may consider other forms of investment within a more detailed Investment Policy.

Reserves Policy

The Trustees seek to retain sufficient cash reserves to meet (a) the committed liabilities of the Trust and (b) the foreseeable liabilities of the Trust for at least 6 months ahead.

At the Trust's year end funds of £891,947 were held on the unrestricted reserves allowing the Trust to fully comply with the Reserves Policy.

Plans for Future Periods

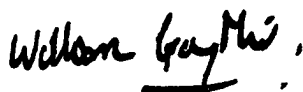
The Trustees intend to continue to actively oppose the hotel plans for the site. In the event that the hotel plans are finally rejected the Trust shall seek to gain development rights for the site. It is assumed that this would be by way of a competitive tendering process with City of Edinburgh Council.

The Trust will continue to oppose the current hotel schemes for the site, which the Trustees believe would be highly damaging to the long term interests of the building, the site and the City of Edinburgh.

Approval of the Trustees' Annual Report

This report has been prepared in accordance with the 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 (FRS102)

Approved by the Board on 11 September 2020 and signed on its behalf by:



William Gray Muir
Chairman

Independent Examiner's Report to the trustees of the Royal High School Preservation Trust

I report on the financial statements of the charity for the year ended 31 March 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes.

This report is made to the directors, as a body, in accordance with the terms of my engagement. My work has been undertaken to enable me to report my opinion as set out below and for no other purpose. To the fullest extent permitted by law I do not accept or assume responsibility to anyone other than the directors, as a body, for my work or for this report.

Respective responsibilities of directors and examiner

The charity's trustees are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. 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 financial statements as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements with those records. It also includes consideration of any unusual items or disclosures in the financial statements, 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 financial statements.

Independent examiner's statement

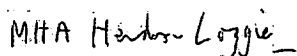
In the course of my examination, no matter has come to my attention:

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 financial statements 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 financial statements to be reached.



James Davidson CA

17 November 2020

Statement of financial activities (including income and expenditure account)
for the year ended 31 March 2020

	2020	2019
	Unrestricted	Unrestricted
<i>Note</i>	£	£
Income		
Donations and legacies	2 -	350
Income from investments	3 5,703	7,168
	<hr/>	<hr/>
Total income	5,703	7,518
	<hr/>	<hr/>
Expenditure		
Expenditure on charitable activities	4 (63,145)	(393,101)
	<hr/>	<hr/>
Total expenditure	(63,145)	(393,101)
	<hr/>	<hr/>
Net (expenditure)	(57,442)	(385,583)
Transfers between funds	-	-
	<hr/>	<hr/>
Net movements in funds	(57,442)	(385,583)
Total funds brought forward	949,389	1,334,972
	<hr/>	<hr/>
Total funds carried forward	891,947	949,389
	<hr/>	<hr/>

All of the above results were derived from continuing activities.

Balance sheet at 31 March 2020

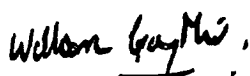
	Note	2020 £	2019 £
Current assets			
Cash at bank and in hand		899,692	1,056,848
		<hr/>	<hr/>
			1,056,848
Creditors			
Amounts falling due within one year	7	(7,745)	(107,459)
		<hr/>	<hr/>
Net current assets		891,947	949,389
		<hr/>	<hr/>
Accumulated funds			
Unrestricted funds		891,947	949,389
		<hr/>	<hr/>
Total funds		891,947	949,389
		<hr/>	<hr/>

For the financial year ended 31 March 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and were approved and authorised for issue by the board on 11 September 2020 and signed on their behalf by.



William Gray Muir
Chairman

Company number: SC504433

Statement of cash flows
For the year ended 31 March 2020

	2020 £	2019 £
Cash flows from operating activities		
Net movement in funds	(57,442)	(385,583)
Income from investments	(5,703)	(7,168)
Decrease in creditors	(99,714)	(11,051)
	<hr/>	<hr/>
Cash used in operating activities	(162,859)	(403,802)
Cash flows from investing activities		
Investment income	5,703	7,168
	<hr/>	<hr/>
Cash provided by investing activities	5,703	7,168
	<hr/>	<hr/>
Decrease in cash and cash equivalents in the year	(157,156)	(396,634)
Cash and cash equivalents at the beginning of the year	1,056,848	1,453,482
	<hr/>	<hr/>
Total cash and cash equivalents at the end of the year	899,692	1,056,848
	<hr/>	<hr/>

Notes to the accounts

1 Accounting policies

A summary of principal accounting policies, all of which have been applied consistently throughout the year and the preceding year is set out below.

Basis of accounting

The accounts have been prepared on a going concern basis in accordance with applicable accounting standards and under the historical cost convention. The charity is a Public Benefit Entity, a company limited by guarantee, incorporated in Scotland with the registered office as noted on page 1. The accounts are compliant with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, the Statement of Recommended Practice (SORP) FRS 102 "Accounting and Reporting by Charities" (revised 2016), and in accordance with Financial Reporting Standard 102 (FRS 102).

Going concern

These accounts have been prepared on the going concern basis which assumes that the charity will continue its operations. There are no material uncertainties that exist or material changes in the way the charity operates and the Trustees consider it appropriate to prepare accounts on a going concern basis.

Income

Income is recognised when the charity has entitlement to the funds, when it is probable that the income will be received and the amount can be measured reliably. Donations, legacies and similar incoming resources are included in the year in which they are receivable, which is when the charity becomes entitled to the resource.

Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and monies held in short term deposits.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the charitable company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Notes to the accounts (continued)

Taxation

The Trust is recognised as a charitable company by HMRC and therefore enjoys significant tax exemption.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are those funds which are subject to restrictions on their expenditure imposed by the funder.

Financial instruments

The charity only enters into basic financial instruments. Financial assets are initially measured at transaction price and subsequently held at cost, less any impairment. Financial liabilities are initially measured at transaction price and subsequently held at amortised cost.

2 Analysis of income

	2020 £	2019 £
Donations and legacies		
Public donations	-	350
	<u> </u>	<u> </u>

3 Income from investments

	2020 £	2019 £
Bank interest	5,703	7,168
	<u> </u>	<u> </u>

4 Expenditure on charitable activities

	2020 £	2019 £
Professional planning fees	25,638	277,276
Publicity and communication	35,062	112,599
Sundry expenses	42	98
Governance costs (note 5)	2,403	3,128
	<u> </u>	<u> </u>
	63,145	393,101
	<u> </u>	<u> </u>

5 Governance costs

	2020 £	2019 £
Legal and professional fees	247	913
Independent examiners fees		
- Independent examination	1,596	1,642
- Tax advisory services	560	573
	<u> </u>	<u> </u>
	2,403	3,128
	<u> </u>	<u> </u>

Notes to the accounts (continued)

6 Staff costs

No trustees received remuneration during the year (2019: None).

The charity has no employees (2019: None).

7 Creditors

	2020 £	2019 £
Amounts falling due within one year		
Trade creditors	-	3,722
Accruals and deferred income	7,745	3,737
Loan from the Dunard Fund	-	100,000
	<hr/>	<hr/>
	7,745	107,459
	<hr/>	<hr/>

8 Related party transactions

During the year the Royal High School Preservation Trust repaid a £100,000 short-term loan from Dunard Fund, a charity of which, Carol Grigor and Colin Liddell were also trustees. A balance of £Nil was outstanding at the year end (2019: £100,000).

J&H Mitchell LLP, a law firm in which Colin Liddell is a partner performed services to the value of £247 (2019: £913) on normal commercial terms for legal services during the year to 31 March 2020. £247 (2019: £913) is provided and included within accruals at the year end. The provision of services is in line with the Trust's Articles of Association and the terms of a written remuneration agreement entered into between Colin Liddell, J&H Mitchell LLP and the Trust.

Hampden & Company Plc, a bank of which Raymond Entwistle was Chairman until 25 September 2018, has been paid an account fee of £40 in 2019 by the Trust and paid interest of £3,183 in 2019 to the Trust in the period until his resignation. All transactions were in line with the Trust's Articles of Association and the terms of a written remuneration agreement between Raymond Entwistle, Hampden & Company Plc and the Trust on normal commercial terms.

9 Ultimate controlling party

The ultimate controlling party is the Dunard Fund, a charity registered in Scotland with charity registration number SC046889 and company registration number SC546564, which has the power to elect a majority of trustees of the Trust. The primary purpose of the Dunard Fund is the advancement of; education, health & saving of lives, citizenship & community development, arts heritage and culture & environmental protection or improvement. Consolidated accounts can be obtained from 51 Atholl Road, Pitlochry, Perthshire, PH16 5BU.