

# Financial Statements

## Dunard Fund

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For the Year Ended 31 March 2018

Company Number: SC546564  
Scottish Charity Number: SC046889

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## Officers and Professional Advisors

Principal Address	Dunard Fund 4 Royal Terrace Edinburgh EH7 5AB
Trustees	Carol Colburn Grigor Colin Liddell Catherine Colburn Hogel Erik Colburn Hogel Peter Thierfeldt Elisabeth Lenz (appointed 29 January 2018)
Bankers	Adam and Company 25 St Andrew Square Edinburgh EH2 1AF  Hampden & Company 9 Charlotte Square Edinburgh EH2 4DR
Solicitors	J & H Mitchell WS 51 Atholl Road Pitlochry Perthshire PH16 5BU
Independent Auditor	Grant Thornton UK LLP 7 Exchange Crescent Conference Square Edinburgh EH3 8AN

## Report of the Trustees

The trustees present their report along with the audited financial statements of the charity for the year ended 31 March 2018.

### **Structure, governance and management**

Dunard Fund is a registered charity in Scotland (number SC046889) and was incorporated on 29 September 2016 under Scottish company number SC546564. The trustees who have served during the year are set out on page 3. The Articles of Association state that the number of trustees shall be no fewer than three nor more than six and that the power of appointing new or additional trustees vests with Carol Colburn Grigor during her lifetime.

When new trustees are appointed they are given an introduction to the work of the charity and provided with the information they need to fulfil their roles. All the existing trustees have experience of being a charity trustee. In addition, one of the trustees is an accredited specialist in Charity Law.

The trustees consider that the principal risks faced by Dunard Fund include:

- a. An operational risk of dependence on one primary source of income. This is mitigated by the trustees' knowledge of that source, and the assurances which have been given to them that donations are likely to continue. Notwithstanding this, the trustees intend, over time, to add more funds to the designated Endowment Fund.
- b. The operational risk of trustees having conflicts of interest. This is mitigated by the trustees having a thorough understanding of conflicts of interest, which they declare when any potential or real conflict arises and through thorough management of that conflict, whereby any trustee actually or potentially conflicted does not take part in a decision where such conflict could have an implication.
- c. A financial risk relating to potential failure of financial institution in which funds are held. In this respect, the trustees recognise good practice to spread risk and to seek as high rates of return as appropriate. They now have accounts with two banks but, because of the expending nature of their funds, the trustees know that they need to keep a reasonable amount of readily-accessible funds with forward planning of only one – three years. This makes it less likely that, apart from the designated Endowment Fund, the trustees can invest in the Stock Market.
- d. A financial risk of failing to ensure that grants are spent correctly. This risk is mitigated by the trustees knowing well most of their recipients, by entering into Donation Agreements where appropriate, and by ensuring that fulsome feedback is received from recipients which enable assessment of the grants being spent correctly.

The key management personnel are the trustees. The trustees received no remuneration during the year. Refer to note 12 for related party remuneration arrangements.

Dunard Fund is administered on a day-to-day basis by staff seconded from Dunard Limited. All expenditure is approved by the trustees.

The trustees confirm that they have referred to the guidance on public benefit provided by OSCR and when reviewing Dunard Fund's charitable purposes and strategy and in planning future activities.

## Report of the Trustees (continued)

### **Consolidated financial statements**

The trustees of Dunard Fund have the power to appoint 5 out of the 6 trustees of the Royal High School Preservation Trust (RHSPT), a charitable company limited by guarantee which was incorporated on 27 April 2015, and accordingly consolidated financial statements have been prepared to include the results and assets and liabilities of that Trust. Currently two of Dunard Fund's trustees (Carol Colburn Grigor and Colin Liddell) are also trustees of the Royal High School Preservation Trust. The Royal High School Preservation Trust was formed to save the former Royal High School buildings at Calton Hill in Edinburgh and to identify and establish a stable and sustainable reuse of those buildings. The net assets and reserves of the Royal High School Preservation Trust are treated as unrestricted reserves in these consolidated financial statements.

### **Objectives and activities for the public benefit**

In line with their objectives to promote and advance the arts in Scotland, the trustees of Dunard Fund make donations principally for:

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

The trustees usually dedicate a very small percentage of the fund each year to certain environmental and other projects.

As a matter of general policy, the trustees prefer to engage with recipients to enable long-term development of projects and initiatives which have major and lasting significance. They are therefore less inclined to provide one-off donations.

Within these parameters, the trustees endeavour to follow a policy not to discriminate in favour of or against any organisation or on the basis of nationality, ethnicity, religion, sexual orientation, or political affiliation.

Dunard Fund's activities consist principally of making donations for the benefit of the areas highlighted above.

Donations are made at the discretion of the trustees, largely following applications from organisations seeking funds. Donations, and occasionally, performance related investments, are offered subject to conditions determined on a case-by-case basis.

### **Achievements and performance**

The trustees are satisfied that this year's objectives have been met, as listed above, and that Dunard Fund's expenditure has been made in line with its guidelines.

## Report of the Trustees (continued)

### **Financial review**

Donations of £9.3 million were received in the year and £5 million was expended on charitable activities. Dunard Fund has unrestricted reserves of £37 million as at 31 March 2018 (2017: £32.1 million) and restricted reserves held for special projects of £33 million (2017: £35 million). In addition, there were unrestricted reserves of £1.3 million held in respect of the RHSP (2017: £1.5 million).

There are no restrictions on Dunard Fund's power to invest. Any excess cash funds are deposited in a monthly money market fund or fixed term deposit managed by its bankers.

### **Reserves policy**

Because the trustees engage in longer term relationships with recipients, they will often wish to maintain a reasonable level of free reserves to enable them to provide significant support to the development of certain projects and initiatives which have major and lasting significance. In addition, the trustees set aside funds to build up the Endowment Fund as and when they decide.

### **Statement of trustees' responsibilities**

The trustees are responsible for preparing the trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The Charities and Trustee Investment (Scotland) Act 2005, and the regulations made thereunder, require the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland), which give a true and fair view of the state of affairs of the charity and the group and of the income and expenditure, of the charity and the group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles set out in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare financial statements on a going concern basis unless it is inappropriate to presume that the group will continue in business.

## Report of the Trustees (continued)

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's and group's transactions and disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the trustees

Colin Liddell  
Trustee

A handwritten signature in black ink, appearing to read 'Colin Liddell', is written over the printed name. A long horizontal line is drawn under the signature.

Date:

12/12/18



# Independent Auditor's Report to the Members and Trustees of Dunard Fund

## Opinion

We have audited the financial statements of Dunard Fund (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the consolidated statement of financial activities, the consolidated balance sheet, Dunard Fund balance sheet, statement of cashflows and the related 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, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 parent charitable company's affairs as at 31 March 2018 and of the group's 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 regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## Basis for opinion

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts. 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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.

## Who we are reporting to

This report is made solely to the charitable company's members and trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under Chapter 3 of Part 16 of the Companies Act 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

## 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 group's or the parent 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.





## Independent Auditor's Report to the Members and Trustees of Dunard Fund (continued)

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, set out on pages 3 to 6 other than the financial statements and our auditor's report 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.

### **Opinion 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 Strategic Report and the Directors' Report, prepared for the purposes of company law, included in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Trustees' Report have been prepared in accordance with applicable legal requirements.

### **Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report included in the Trustees' Report.

### **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:

- proper and adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.



## Independent Auditor's Report to the Members and Trustees of Dunard Fund (continued)

### **Responsibilities of trustees for the financial statements**

As explained more fully in the Trustees' Responsibilities Statement set out on pages 5 and 6, 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 group and the parent 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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's 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 an auditor's report 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

*Grant Thornton UK LLP*

**Diana Penny**

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

**Edinburgh**

**13 DECEMBER 2018**

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

## Consolidated Statement of Financial Activities

		Unrestricted	Restricted - Special Projects	Un- restricted RHSPT	2018	2017
	Note	£	£	£	£	£
<b>Income from:</b>						
Donation from Dunard		-	-	-	-	68,822,802
Donations		9,379,000	-	-	9,379,000	125,000
Bank interest received		170,019	185,296	4,543	359,858	104,996
Dividend Income		15,114	16,473	-	31,587	-
Unrealised gain on investments		13,200	-	-	13,200	-
<b>Total income</b>		<b>9,577,333</b>	<b>201,769</b>	<b>4,543</b>	<b>9,783,645</b>	<b>69,052,798</b>
<b>Expenditure on charitable activities:</b>						
Classical music		3,100,150	-	-	3,100,150	360,931
Visual arts		226,446	2,000,000	-	2,226,446	987,923
Architectural		206,265	-	168,310	374,575	383,599
Humanitarian and environmental		(504,762)	-	-	(504,762)	229,958
<b>Total expenditure</b>	<b>3</b>	<b>3,028,099</b>	<b>2,000,000</b>	<b>168,310</b>	<b>5,196,409</b>	<b>1,962,411</b>
<b>Loss on foreign exchange</b>		<b>(1,366,997)</b>	<b>-</b>	<b>-</b>	<b>(1,366,997)</b>	<b>(147,600)</b>
<b>Net income/(expenditure)</b>		<b>5,182,237</b>	<b>(1,798,231)</b>	<b>(163,767)</b>	<b>3,220,239</b>	<b>66,942,787</b>
Total funds brought forward	<b>10</b>	<b>32,146,033</b>	<b>35,034,537</b>	<b>1,498,739</b>	<b>68,679,309</b>	<b>1,736,522</b>
<b>Total funds carried forward</b>	<b>10</b>	<b>37,328,270</b>	<b>33,236,306</b>	<b>1,334,972</b>	<b>71,899,548</b>	<b>68,679,309</b>

The accompanying notes form part of these financial statements.

## Consolidated Balance Sheet as at 31 March 2018

	Note	Un- restricted £	Restricted £	Total 2018 £	Total 2017 £
<b>Fixed assets</b>					
Investments	5	3,788,445	-	3,788,445	-
Fixed assets	6	4,515,382	-	4,515,382	487,000
		<u>8,303,827</u>	<u>-</u>	<u>8,303,827</u>	<u>487,000</u>
<b>Current assets</b>					
Debtors	6	192,542	-	192,542	195,053
Cash at bank		35,009,817	33,236,306	68,246,123	72,127,883
		<u>35,202,359</u>	<u>33,236,306</u>	<u>68,438,665</u>	<u>72,322,936</u>
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	8	(3,952,944)	-	(3,952,944)	(1,920,627)
<b>Net current assets</b>		<u>31,248,415</u>	<u>33,236,306</u>	<u>64,485,721</u>	<u>70,402,309</u>
<b>Total assets less current liabilities</b>		<u>39,552,242</u>	<u>33,236,306</u>	<u>72,789,548</u>	<u>70,889,309</u>
<b>Long-term liabilities</b>					
Creditors: amounts falling due after more than one year	8	(890,000)	-	(890,000)	(2,210,000)
<b>Net assets</b>		<u>38,662,242</u>	<u>33,236,306</u>	<u>71,899,548</u>	<u>68,679,309</u>
<b>Funds</b>					
Unrestricted funds	10	38,663,242	-	38,663,242	31,646,033
Restricted funds	10	-	33,236,306	33,236,306	37,033,276
		<u>38,663,242</u>	<u>33,236,306</u>	<u>71,899,548</u>	<u>68,679,309</u>

Approved by the trustees and signed on their behalf by

  
Colin Liddell  
Trustee

Date: 12/12/18

Scottish Charity Number: SC046889

Company Number: SC 546564

The accompanying notes form part of these financial statements.

# Dunard Fund Balance Sheet as at 31 March 2018

	Note	Unrestricted £	Restricted £	2018 £	2017 £
<b>Fixed assets</b>					
Investments	5	3,788,445	-	3,788,445	-
Tangible assets	6	4,515,382	-	4,515,382	487,000
		<u>8,303,827</u>	<u>-</u>	<u>8,303,827</u>	<u>487,000</u>
<b>Current assets</b>					
Debtors	7	292,542	-	292,542	195,053
Cash at bank		33,556,335	33,236,306	66,792,641	70,618,056
		<u>33,848,877</u>	<u>33,236,306</u>	<u>67,085,183</u>	<u>70,813,109</u>
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	8	(3,934,434)	-	(3,934,434)	(1,909,539)
<b>Net current assets</b>		<u>29,914,443</u>	<u>33,236,306</u>	<u>63,150,749</u>	<u>68,903,570</u>
<b>Total assets less current liabilities</b>		<u>38,218,270</u>	<u>33,236,306</u>	<u>71,454,576</u>	<u>69,390,570</u>
<b>Long-term liabilities</b>					
Creditors: amounts falling due after more than one year	8	(890,000)	-	(890,000)	(2,210,000)
<b>Net assets</b>		<u>37,328,270</u>	<u>33,236,306</u>	<u>70,564,576</u>	<u>67,180,570</u>
<b>Funds</b>					
Unrestricted funds	10	37,328,270	-	37,238,270	32,146,033
Restricted funds	10	-	33,236,306	33,236,306	35,034,537
		<u>37,328,270</u>	<u>33,236,306</u>	<u>70,564,576</u>	<u>67,180,570</u>

Approved by the trustees and signed on their behalf by

  
Colin Liddell  
Trustee

Date: 12/12/18

Scottish Charity Number: SC046889  
Company Number: SC546564

The accompanying notes form part of these financial statements.

## Consolidated Statement of Cash Flows

		2018	Period ended 31 March 2017
	Note	£	£
<b>Cash flows from operating activities</b>	<b>9</b>	<b>3,503,483</b>	<b>70,268,056</b>
<b>Cash flows from investing activities:</b>			
Bank interest		386,797	104,996
Dividend income		31,587	-
Purchase of fixed assets		(4,028,382)	-
Purchase of investments		(3,775,245)	-
<b>Net cash used in/provided by investing activities</b>		<b>(7,385,243)</b>	<b>104,996</b>
<b>Change in cash and cash equivalents in the period</b>		<b>(3,881,760)</b>	<b>70,373,052</b>
Cash and cash equivalent brought forward		72,127,883	1,754,831
<b>Cash and cash equivalents carried forward</b>		<b>68,246,123</b>	<b>72,127,883</b>

The accompanying notes form part of these financial statements.

# Notes to the financial statements

## **1. Accounting Policies**

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The trust constitutes a public entity as defined by FRS 102.

### **Going concern**

The financial statements have been prepared on the going concern basis. The Fund has significant unrestricted reserves and the trustees confirm that these are sufficient to support the work of the Fund for at least 12 months from the date of approval of these financial statements.

### **Consolidated financial statements**

The financial statements consolidate the results of Dunard Fund and Royal High School Preservation Trust on a line-by-line basis.

### **Unrestricted funds**

Unrestricted funds are available for use at the trustees' discretion in accordance with the charitable objectives of the charity. The funds of the Royal High School Preservation Trust are treated as unrestricted in these financial statements although they are unavailable for use by Dunard Fund.

### **Restricted funds**

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor.

### **Donations**

All donations are accounted for when the charity is legally entitled to the income, it is probable that it will be received, and the movement can be quantified with reasonable accuracy.

### **Investment income**

Investment income consists of bank interest and is accounted for when receivable. It is allocated to unrestricted or restricted funds based on the balance brought forward at the start of the year.

## Notes to the financial statements (continued)

### **1. Accounting Policies (continued)**

#### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is included on an accruals basis.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised when the conditions attaching are fulfilled. Grants offered subject to conditions within the charity's control and which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

Support costs have been apportioned to the four main activity areas on the basis of the value of grant expenditure on each area.

Project costs are allocated against the applicable restricted fund.

#### **Tangible fixed assets**

Fixed assets include heritable land at Findlay Court, which adjoins the National Portrait Gallery in Queen Street, Edinburgh and has been developed as an amenity site. It is low-maintenance and substantially all its value is represented by land. The land is not depreciated.

Fixed assets also include an art collection. The art collection is not depreciated but is reviewed for impairment on an annual basis.

During the year a property at 35 St Andrew Square, Edinburgh, was purchased by the fund. This property is not depreciated.

#### **Taxation**

The fund is a charity and is recognised as such by HM Revenue and Customs for taxation purposes. As a result there is no liability to taxation on any of its income. The charity is not registered for Value Added Tax and accordingly expenditure includes VAT where appropriate.

#### **Cash at Bank**

Cash at bank includes short term highly liquid investments with a short maturity from the date of acquisition or opening of the deposit or similar account.

#### **Debtors**

Debtors consist of bank interest receivable but not credited to the bank account by the year end date. Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### **Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured reliably or estimated reliably.

#### **Foreign Currencies**

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Foreign currency bank accounts are held at the balance sheet date.



## Notes to the financial statements (continued)

### 2. Staff costs and trustees' remuneration

Dunard Fund does not directly employ any staff. The charity is administered on a day to day basis by two employees of Dunard Limited. At present, the value of this service is not included in the charity's accounts as the trustees cannot quantify its value with accuracy.

The Trust considers its key management personnel to comprise the trustees. Trustees received no remuneration (2017: £nil) and were not reimbursed for any of their expenses in the year (2017: £nil). No indemnity for trustees' liability has been purchased by the charity.

Royal High School Preservation Trust has no employees and no trustees received any remuneration in the year.

### 3. Expenditure on charitable activities

#### Year ended 31 March 2018

	Grants £	Other Costs £	Dunard Total £	RHSPT £	Total £
<b>Unrestricted</b>					
Classical music	3,068,200	31,950	3,100,150	-	3,100,150
Visual Arts	203,500	22,946	226,446	-	226,446
Architectural	204,140	2,125	206,265	168,310	374,575
Humanitarian and environmental	(505,950)	1,188	(504,762)	-	(504,762)
	<u>2,969,890</u>	<u>58,209</u>	<u>3,028,099</u>	<u>168,310</u>	<u>3,196,409</u>
<b>Restricted</b>					
Grants					
- Visual arts	2,000,000	-	2,000,000	-	2,000,000
	<u>4,969,890</u>	<u>58,209</u>	<u>5,028,099</u>	<u>168,310</u>	<u>5,196,409</u>

#### Period ended 31 March 2017

	Grants £	Other Costs £	Dunard Total £	RHSPT £	Total £
<b>Unrestricted</b>					
Classical music	381,210	11,680	392,890	-	392,890
Visual Arts	450,000	5,964	455,964	-	455,964
Architectural	13,000	172	13,172	-	13,172
Humanitarian and environmental	226,950	3,008	229,958	-	229,958
	<u>1,071,160</u>	<u>20,824</u>	<u>1,091,984</u>	<u>-</u>	<u>1,091,984</u>
<b>Restricted</b>					
Grants -					
architectural	-	-	-	370,427	370,427
Classical music	500,000	-	500,000	-	500,000
	<u>1,571,160</u>	<u>20,824</u>	<u>1,591,984</u>	<u>370,427</u>	<u>1,962,411</u>

## Notes to the financial statements (continued)

**3. Expenditure on charitable activities (continued)**

The support costs have been apportioned to the four main activity areas on the basis of the value of grant expenditure on each area. Support costs comprise:

	2018	Period ended 31 March 2017
	£	£
Auditor remuneration – audit fees	14,400	7,500
Accounts fee	8,120	2,500
Legal fees	15,373	10,800
Miscellaneous	20,316	24
<b>Total support costs</b>	<b>58,209</b>	<b>20,824</b>

**4 Grants**

	Classical Music	Visual Arts	Architect -ural	Humanitarian and Environmental	Total
	£	£	£	£	£
Grants paid in the year (4a)	2,702,810	2,203,500	409,140	89,050	5,404,500
Grants pledged carried forward (4b)	1,509,100	125,000	1,950,000	75,000	3,659,100
Grants pledged brought forward from prior period (4c)	(1,143,710)	(125,000)	(2,155,000)	(670,000)	(4,093,710)
<b>Total grants expended (note 3)</b>	<b>3,068,200</b>	<b>2,203,500</b>	<b>204,140</b>	<b>(505,950)</b>	<b>4,969,890</b>
Of which:	£	£	£	£	£
Unrestricted	3,068,200	203,500	204,140	(505,950)	2,969,890
Restricted	-	2,000,000	-	-	2,000,000
<b>Total grants expended (note 3)</b>	<b>3,068,200</b>	<b>2,203,500</b>	<b>204,140</b>	<b>(505,950)</b>	<b>4,969,890</b>

Total grants expended for humanitarian and environmental purposes includes the cancellation of a prior year pledge for NVA Kilmahew Woodland Cardross of £520,000. This project did not go ahead and therefore the pledge was no longer required.

## Notes to the financial statements (continued)

### 4 Grants (continued)

#### a. Grants paid - monetary

		Period ended 31 March
	2018	2017
	£	£
<b>Classical music</b>		
Children's Classic Concerts	1,000	-
City of Birmingham Symphony Orchestra	40,000	-
Dunedin Consort Brandenburg Recordings	70,000	-
East Neuk Festival	15,000	-
Edinburgh International Festival	671,555	-
ENO	100,000	-
Glyndebourne Music Festival	250,000	-
London Philharmonic Orchestra	378,117	100,000
Ludus Baroque	43,000	-
Monteverdi Choir & Orchestra	150,000	-
Music Hospitals in Scotland	5,000	-
National Youth Choir of Scotland	30,000	-
National Youth Orchestra	4,000	-
Perth Festival of the Arts	12,810	-
Pitlochry Festival Theatre	5,000	-
Royal Philharmonic Orchestra	68,400	-
Royal Scottish National Orchestra	50,000	40,000
Scottish Chamber Orchestra	375,000	-
Scottish Opera	125,000	-
Sherbourne Abbey Festival	2,500	-
St Mary's Music School	106,428	-
The English Concert- The Big Give	60,000	-
The Leeds International Piano Competition	10,000	-
The Marian Consort	10,000	-
The Monteverdi Choir & Orchestra	100,000	-
The Sixteen	20,000	-
<b>Total classical music</b>	<b>2,702,810</b>	<b>140,000</b>

## Notes to the financial statements (continued)

### **a. Grants paid – monetary (continued)**

	2018	Period ended 31 March 2017
	£	£
<b>Visual Arts</b>		
Edinburgh International Culture Summit Limited	25,000	-
George Wyllie Fund	120,000	-
International Music and Performing Arts Charitable Trust Scotland Ltd	2,000,000	500,000
Pushkin Prizes Scotland	2,500	-
The Cockburn Association	1,000	-
The National Galleries of Scotland	-	450,000
The Royal Drawing School	25,000	-
V&A Dundee	30,000	-
<b>Total visual arts</b>	<b>2,203,500</b>	<b>950,000</b>
	2018	Period ended 31 March 2017
	£	£
<b>Architectural</b>		
Bothwell Parish Church	-	25,000
The Royal Academy of Arts	150,000	200,000
Royal Opera House	150,000	150,000
Mavisbank Trust	-	18,000
Scottish Historic Buildings Trust	5,000	-
Society of Antiquaries in Scotland	4,140	-
The Willow Tearooms Trust	100,000	-
<b>Total architectural</b>	<b>409,140</b>	<b>393,000</b>
	2018	Period ended 31 March 2017
	£	£
<b>Humanitarian and environmental</b>		
British Red Cross	1,000	-
The Maggie Keswick Jencks Cancer Caring Centres Trust	-	100,000
Refuge	75,000	75,000
RSPB	5,000	-
Scottish Grantmakers	550	950
The Children's Parliament	2,500	-
The Hall School Endowment Trust	5,000	-
The Salvation Army	-	1,000
<b>Total humanitarian and environmental</b>	<b>89,050</b>	<b>176,950</b>
<b>Total grants paid – monetary</b>	<b>5,404,500</b>	<b>1,659,950</b>

## Notes to the financial statements (continued)

### 4 Grants (continued)

#### b. Grants committed for payment in a later year

	Payable within one year £	Payable later than one year £	Total £
<b>Classical music</b>			
Bodleian Library	250,000	-	250,000
Dunedin Consort Brandenburg Recordings	50,000	50,000	100,000
East Neuk Festival	15,000	-	15,000
Glyndebourne Music Festival	450,000	-	450,000
Monteverdi Choir & Orchestra	150,000	-	150,000
New Town Concerts Society	18,000	-	18,000
Opera Holland Park - Ariadne	75,000	-	75,000
Perth Festival of the Arts	13,600	-	13,600
Royal Scottish National Orchestra	150,000	-	150,000
Sherborne Abbey Festival	2,500	-	2,500
St Mary's Music School	90,000	90,000	180,000
The English Concert – The Big Give	60,000	-	60,000
Wigmore Hall – Baroque Concerts	45,000	-	45,000
	<u>1,369,100</u>	<u>140,000</u>	<u>1,509,100</u>
<b>Visual arts</b>			
Edinburgh International Culture Summit Limited	25,000	-	25,000
Edinburgh Print Makers	25,000	-	25,000
Royal Drawing School	75,000	-	75,000
	<u>125,000</u>	<u>-</u>	<u>125,000</u>
<b>Architectural</b>			
London Philharmonic Orchestra	500,000	500,000	1,000,000
Royal Opera House	300,000	150,000	450,000
V&A Dundee	250,000	-	250,000
Yorkshire Sculpture Park	150,000	100,000	250,000
	<u>1,200,000</u>	<u>750,000</u>	<u>1,950,000</u>
<b>Humanitarian and environmental</b>			
Refuge	75,000	-	75,000
<b>Total grants committed to, not paid in year</b>	<u>2,769,100</u>	<u>890,000</u>	<u>3,659,100</u>

## Notes to the financial statements (continued)

### **c. Grants pledged but not paid (brought forward from prior year)**

	Payable within one year £	Payable in more than one year £	Total £
<b>Classical music</b>			
Dunedin Consort Brandenburg Recordings	-	50,000	50,000
East Neuk Festival	15,000	-	15,000
Edinburgh International Culture Summit Limited	25,000	25,000	50,000
Glyndebourne	250,000	150,000	400,000
Monteverdi Choir & Orchestra	150,000	150,000	300,000
Perth Festival of the Arts	12,810	-	12,810
Royal Philharmonic Orchestra	68,400	-	68,400
Royal Scottish National Orchestra (RSNO)	50,000	-	50,000
Scottish Opera	125,000	-	125,000
Sherborne Abbey Festival	2,500	-	2,500
The English Concert (The Big Give)	60,000	-	60,000
The Leeds International Piano Competition	-	10,000	10,000
	<u>758,710</u>	<u>385,000</u>	<u>1,143,710</u>
<b>Visual arts</b>			
Edinburgh Printmakers Limited	-	25,000	25,000
The Royal Drawing School	25,000	75,000	100,000
	<u>25,000</u>	<u>100,000</u>	<u>125,000</u>
<b>Architectural</b>			
Horsecross Arts	100,000	-	100,000
London Philharmonic Orchestra	-	1,000,000	1,000,000
Royal Academy of the Arts	100,000	-	100,000
Royal Opera House	450,000	150,000	600,000
Scottish Historic Buildings Trust – Riddles Court	5,000	-	5,000
The Willow Tearooms Trust	100,000	-	100,000
V & A (Dundee) Limited	-	250,000	250,000
	<u>755,000</u>	<u>1,400,000</u>	<u>2,155,000</u>
<b>Humanitarian and environmental</b>			
NVA Kilmahew Woodland Cardross	270,000	250,000	520,000
Refuge	75,000	75,000	150,000
	<u>345,000</u>	<u>325,000</u>	<u>670,000</u>
<b>Total grants committed to in a previous year</b>	<u>1,883,710</u>	<u>2,210,000</u>	<u>4,093,710</u>

## Notes to the financial statements (continued)

### 5 Investments

	£
At 1 April 2017	-
Additions	3,775,245
Unrealised gains	13,200
	<hr/>
At 31 March 2018	<u>3,788,445</u>

Listed investments are included at market value. The original cost of these investments was £3,775,245.

### 6 Fixed assets

Cost and net book value	Land £	Art Collection £	Buildings £	Total £
As at 1 April 2017	287,000	200,000	-	487,000
Additions	-	-	4,028,382	4,028,382
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2018	<u>287,000</u>	<u>200,000</u>	<u>4,028,382</u>	<u>4,515,382</u>

The heritable land at Findlay Court, which adjoins the National Portrait Gallery in Queen Street Edinburgh has been developed as an amenity site. It is low-maintenance and substantially all its value is represented by land. For this reason, the Trustees have decided to retain the asset at cost (£287,000) and not charge depreciation. It is let out on a 100-year lease for a rent of £1p.a. (all paid up in advance).

The art collection is not depreciated but is reviewed for impairment on an annual basis.

During the year, Dunard Fund purchased a property at 35 St Andrew Square, Edinburgh. This property is not depreciated.

### 7 Debtors

Group	2018 £	2017 £
Accrued bank interest	168,114	195,053
Prepayments	24,428	-
	<hr/>	<hr/>
	<u>192,542</u>	<u>195,053</u>
 Dunard Fund	 2018	 2017
	£	£
Loan	100,000	-
Accrued bank interest	168,114	195,053
Prepayments	24,428	-
	<hr/>	<hr/>
	<u>292,542</u>	<u>195,053</u>

During the year, the charity advanced a loan to The Royal High School Preservation Trust (see note 12). The loan is repayable within one year and is interest free.

## Notes to the financial statements (continued)

### 8 Creditors

#### Amounts due within one year

	2018	2017
	£	£
<b>Group</b>		
Grants committed not yet paid – Notes 4b	2,769,100	1,883,710
Trade Creditors (RHSPT)	18,510	11,088
Amounts owed to related parties	1,109,295	-
Accruals	56,039	25,829
	<u>3,952,944</u>	<u>1,920,627</u>

	2018	2017
	£	£
<b>Dunard Fund</b>		
Grants committed not yet paid – Notes 4b	2,769,100	1,883,710
Amounts owed to related parties	1,109,295	-
Accruals	56,039	25,829
	<u>3,934,434</u>	<u>1,909,539</u>

#### Amounts due over one year

	2018	2017
	£	£
<b>Group and Dunard Fund</b>		
Grants committed not yet paid – Notes 4b	<u>890,000</u>	<u>2,210,000</u>

### 9 Reconciliation of net income to net cash flow from operating activities

	2018	Period ended 31 March 2017
	£	£
Net income for the year	3,220,239	66,942,787
(Increase)/decrease in debtors	(24,428)	(195,053)
Increase in creditors	712,317	4,112,318
Interest received	(359,858)	(104,996)
Dividend income	(31,587)	-
Unrealised gain on investments	(13,200)	-
Deduction of incoming donation of fixed assets	-	(487,000)
Net cash provided by operating activities	<u>(3,503,483)</u>	<u>70,268,066</u>



## Notes to the financial statements (continued)

### 10 Funds

Group	Un-restricted £	Special Project Fund 1 £	Special Project Fund 2 £	Special Project Fund 3 £	Un-restricted RHSPT £	Total £
<b>At 1 April 2017</b>	32,146,033	12,259,384	10,732,253	12,042,900	1,498,739	68,679,309
Donations received	9,379,000	-	-	-	-	9,379,000
Investment income	185,133	70,603	61,809	69,357	4,543	391,445
Unrealised gain on investments	13,200	-	-	-	-	13,200
Loss on foreign exchange	(1,366,997)	-	-	-	-	(1,366,997)
Charitable expenditure	(3,028,099)	(2,000,000)	-	-	(168,310)	(5,196,409)
<b>At 31 March 2018</b>	<u>37,328,270</u>	<u>10,329,987</u>	<u>10,794,062</u>	<u>12,112,257</u>	<u>1,334,972</u>	<u>71,899,548</u>

Dunard Fund	Un-restricted £	Special Project Fund 1 £	Special Project Fund 2 £	Special Project Fund 3 £	Total £
<b>At 1 April 2017</b>	32,146,033	12,259,384	10,732,253	12,042,900	67,180,570
Donations received	9,379,000	-	-	-	9,379,000
Investment income	185,133	70,603	61,809	69,357	386,902
Unrealised gain on investments	13,200	-	-	-	13,200
Loss on foreign exchange	(1,366,997)	-	-	-	(1,366,997)
Charitable expenditure	(3,028,099)	(2,000,000)	-	-	(5,028,099)
<b>At 31 March 2018</b>	<u>37,328,270</u>	<u>10,329,987</u>	<u>10,794,062</u>	<u>12,112,237</u>	<u>70,564,576</u>

#### Unrestricted funds

Unrestricted funds are for use in accordance with the general objectives of the charity. RHSPT is the Royal High School Preservation Trust which is a separate charitable company. The funds of RHSPT are treated as unrestricted although they are unavailable for use by Dunard Fund.

#### Restricted funds

Special project fund 1 is to be used to support the future construction of a new performance centre in Edinburgh with any unused balance to be used to support the new performance centre's operation.

Special project fund 2 is to be used to preserve the buildings of the former Royal High School in Edinburgh.

Special project fund 3 is to be used for both or either music, education and performance projects in Edinburgh, to be used to preserve the buildings of the former Royal High School in Edinburgh or to support the future construction of a performance centre in Edinburgh with any unused balance to be used to support the new performance centre's operation.

## Notes to the financial statements (continued)

### 11 Assets split by funds

Group	Unrestricted	Special Project Fund 1	Special Project Fund 2	Special Project Fund 3	Unrestricted RHSPT	Total
	£	£	£	£	£	£
Fixed assets	4,515,382	-	-	-	-	4,515,382
Investments	3,788,445	-	-	-	-	3,788,445
Net current assets	29,914,443	10,329,987	10,794,062	12,112,257	1,334,972	64,485,721
Long term liabilities	(890,000)	-	-	-	-	(890,000)
	<u>37,328,270</u>	<u>10,329,987</u>	<u>10,794,062</u>	<u>12,112,257</u>	<u>1,334,972</u>	<u>71,899,548</u>

Dunard Fund	Unrestricted	Special Project Fund 1	Special Project Fund 2	Special Project Fund 3	Total
	£	£	£	£	£
Fixed assets	4,515,382	-	-	-	4,515,382
Investments	3,788,445	-	-	-	3,788,445
Net current assets	29,914,443	10,329,987	10,794,062	12,112,257	63,150,749
Long term liabilities	(890,000)	-	-	-	(890,000)
	<u>37,328,270</u>	<u>10,329,987</u>	<u>10,794,062</u>	<u>12,112,257</u>	<u>70,564,576</u>

### 12 Related party transactions

The charity received various donations of services from Dunard Limited. These included the rent and running costs of the office premises and staff time spent on administration of the charity. The value of these donated services could not be quantified with accuracy and therefore have not been included in these financial statements. Ms Carol Colburn Grigor, a Trustee of Dunard Fund, is both director and shareholder of Dunard Limited.

All donations received by the charity in the current and prior period were from a trustee or a party related to a trustee.

The charity also received legal services from J & H Mitchell WS of Pitlochry, of which Colin Liddell, a Trustee of Dunard Fund, is a partner, at a total value of £30,960 (2017: £18,000). A written Remuneration Agreement exists between the trustees of Dunard Fund, J & H Mitchell WS and Colin Liddell. The firm also provides legal services to the following grant recipients listed: Children's Parliament, George Wyllie Fund and Pitlochry Festival Theatre. A similar written Remuneration Agreement exists with RHSPT with advice at a total value of £745 (with £745 of that included in accruals at the year-end).

Three trustees of the Fund also served as trustees of charities which received grants from Dunard Fund per note 4 as follows:

London Philharmonic Orchestra	£378,117	Catherine Colburn Hogel
Pitlochry Festival Theatre	£5,000	Colin Liddell

## Notes to the financial statements (continued)

### **12 Related party transactions (continued)**

At 31 March 2018 there is an outstanding balance within creditors, owed to Carol Grigor, for £1,109,295. This relates to a grant and expenses paid by Carol Grigor, which is to be repaid by Dunard Fund.

During the year, Dunard Fund advanced a loan of £100,000 to Royal High School Preservation Trust, a separate charitable company in which Carol Colburn Grigor and Colin Liddell are also Trustees. This loan is repayable within one year and is interest free.

### **13 Other professional services provided by the auditors**

In common with many other entities of its size and nature the charity uses its auditors to assist with the preparation of the financial statements. A separate team from the auditors performs the preparation of the financial statements.