

Royal High School Preservation Trust
(a company limited by guarantee)

**Trustees' report and audited accounts
for the year ended 31 March 2023**

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



**ROYAL HIGH SCHOOL PRESERVATION TRUST
FOR THE YEAR ENDED 31 MARCH 2023
CONTENTS**

	Page
Reference and administrative details	3
Trustees' annual report	4
Independent auditor's report	7
Statement of financial activities (including income and expenditure account)	12
Balance sheet	13
Statement of cash flows	14
Notes to the accounts	15-19

**ROYAL HIGH SCHOOL PRESERVATION TRUST
FOR THE YEAR ENDED 31 MARCH 2023
REFERENCE AND ADMINISTRATIVE DETAILS**

Trustees	Richard Austin WS Raymond Entwistle OBE (resigned 19 December 2022) Amanda Forsyth FCA (appointed 28 November 2022) Nicola Gordon (appointed 25 July 2022) Dr Carol Colburn Grigor CBE Beverley Hart (appointed 25 July 2022) Colin Liddell WS William Gray Muir (resigned 21 September 2023) Carol Nimmo (appointed 13 November 2023) Professor Michael Thorne CBE (resigned 29 July 2023)
Company Secretary	J&H Mitchell WS
Registered office	51 Atholl Road Pitlochry Perthshire PH16 5BU
Bankers	Hampden & Co 9 Charlotte Square Edinburgh EH2 4DR
Charity number	SC045779
Company number	SC504433
Independent auditor	Saffery LLP Edinburgh Quay 133 Fountainbridge Edinburgh EH3 9BA

**ROYAL HIGH SCHOOL PRESERVATION TRUST
FOR THE YEAR ENDED 31 MARCH 2023
TRUSTEES' ANNUAL REPORT**

The Trustees present their report along with the audited financial statements of the charity for the year ended 31 March 2023.

What We Do: Strategic objectives

The Trust was formed to conserve and preserve 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 specific charitable purposes of the Trust are as follows:

1. Conservation of the Thomas Hamilton Buildings
2. Protection of the setting of the Thomas Hamilton Buildings
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.

How we have done: Achievements and performance

At the beginning of 2023, the Trust secured a 125 year lease of the buildings from the city of Edinburgh Council at a one-off cost of £1.5m. An initial contract, removing later buildings and undertaking exploratory surveys in and around the Hamilton buildings themselves, took place between April 2023, marking the start of the Trust's occupation of the site, and October 2023.

In early 2023, the Trustees embarked upon a thorough review of the scope of the project, recognising the impact of exceptional construction cost inflation on all construction projects in the UK. The Trustees concluded, with great regret, and in consultation with St. Mary's Music School, that it was no longer possible to take forward those new-build elements which were intended to become a new home for the school, without jeopardising the delivery of the project as a whole.

RHSPT remains committed to its original goals of conserving the Thomas Hamilton buildings and protecting their setting, finding an economically sustainable and culturally suitable use for the whole site, and establishing substantial public access and use for the site and main building.

With later buildings demolished, the site is now closer to Thomas Hamilton's original vision than at any time since the 1850s. RHSPT's intention is to preserve this clarity by focusing on the potential of the restored buildings and grounds as the home of the National Centre for Music.

What we will do: Plans for future periods

RHSPT will finalise the revised vision for the restored building and seek amendment to the approved planning application. Its Trustees expect to be in a position to enter a main construction contract in 2025, with the goal of completing the project in 2026 or 2027.

Who we are: Structure, governance & management

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."*

**ROYAL HIGH SCHOOL PRESERVATION TRUST
FOR THE YEAR ENDED 31 MARCH 2023
TRUSTEES' ANNUAL REPORT (continued)**

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 nine, at least 75% of whom at any time shall be appointed by Dunard Fund (Scottish Charity Number SC046889). Any Trustees beyond that requirement may be appointed by the Board as it requires from time to time. The current directors and trustees are as noted at page 1.

As the Trust transitions from securing the site to the process of restoring the buildings, the Board is also transitioning with some Trustees leaving and others in the process of being recruited, as the Board ensures that it has the appropriate expertise and skills for the next stage.

The Trust is a company limited by guarantee and is also an independent Scottish charity, 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.

From the outset, the Trust has had financial support from Dunard Fund. Dunard Fund is also able to appoint up to 75% of the directors and trustees of RHSPT. Dunard Fund is a Scottish charity (Scottish Charity Number SC046889) which provides funding specifically, in the main, in support of culture and architecture generally and classical music to an international standard in particular.

Our finances: financial performance and funding

(a) Financial Review

Total income for the year was £9.23m (2022: £0.25m) of which £9.18m was donations received (2022: £0.25M). Expenditure on charitable activities was £3.25m (2022: £0.66M). Total funds at the end of the year were £6.34m (2022: £0.36m). During the year £1.77m of expenditure, being the cost of the building lease and design fees, was capitalized (2022: £nil).

(b) Funding

The principal source of funding for the Trust, at this stage in its development, is from Dunard Fund. The Trust has entered two donation agreements with Dunard Fund. The first is for £45m and covers the expected capital costs of the project. The second is for £10m and represents an endowment to ensure the long-term maintenance of the Thomas Hamilton buildings once their restoration and development are complete. Dunard Fund continues to give its enthusiastic support to the Trust.

As noted within note 12 to the accounts, the Trustees are of the view that the SORP criteria for income recognition of these grants was not met as at 31 March 2023.

(c) 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 present, the funds held by the Trust are sufficient to meet its reasonably foreseeable needs, and the investment approach of the directors and trustees is that these be held as cash on deposit to be available to meet those needs.

Our assessment of the risks facing the Trust

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 risks identified by the Trustees now relate to the delivery of the project, and in particular the costs and physical construction of the project. The Trustees are confident that these risks can be managed and controlled through the combined skills and experience of the Trustees, the executive team and the Trust's professional advisors.

**ROYAL HIGH SCHOOL PRESERVATION TRUST
FOR THE YEAR ENDED 31 MARCH 2023
TRUSTEES' ANNUAL REPORT (continued)**

Statement of Trustees' responsibilities

The Trustees (who are also directors of Royal High School Preservation Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

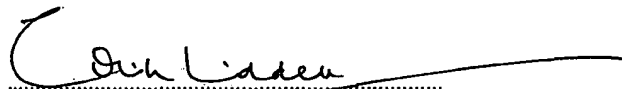
In so far as the Trustees are aware:

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

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 and signed on its behalf by:



Name:

Trustee

COLIN LIDDELL

Date:

15/11/23

**ROYAL HIGH SCHOOL PRESERVATION TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

Opinion

We have audited the financial statements of The Royal High School Preservation Trust for the year ended 31 March 2023 which comprise income and expenditure account, balance sheet, cashflow and notes to the financial statements, including 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 charitable company's state of affairs as at 31 March 2023 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 (as amended).

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 Auditor's 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**ROYAL HIGH SCHOOL PRESERVATION TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 Trustees' Annual Report which includes the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Director's Report 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 Trustees' Annual Report.

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

- proper and adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Trustees' Annual Report.

**ROYAL HIGH SCHOOL PRESERVATION TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the trustees (who are also 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 to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Office of the Scottish Charity Regulator.

**ROYAL HIGH SCHOOL PRESERVATION TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**ROYAL HIGH SCHOOL PRESERVATION TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

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 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 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, the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Kenneth McDowell (Senior Statutory Auditor)
for and on behalf of Saffery LLP
Chartered Accountants
Statutory Auditors

Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9BA

Date: 22 November 2023

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

ROYAL HIGH SCHOOL PRESERVATION TRUST
STATEMENT OF FINANCIAL ACTIVITIES
(Including income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted Funds 2023 £	Unrestricted Funds 2022 £
Income and endowments from:			
Donations and legacies	2	9,183,635	250,000'
Income from investments	3	44,578	1,132
Total income		<u>9,228,213</u>	<u>251,132</u>
Expenditure:			
Expenditure on charitable activities	4	(3,249,680)	(664,479)
Total expenditure		<u>(3,249,680)</u>	<u>(664,479)</u>
Net income/(expenditure) before taxation		5,978,533	(413,347)
Transfers between funds		<u>-</u>	<u>-</u>
Net movement in funds		5,978,533	(413,347)
Total funds brought forward		365,003	778,350
Total funds carried forward		<u>6,343,536</u>	<u>365,003</u>

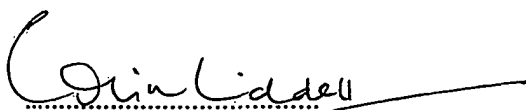
All of the above results were derived from continuing activities.

ROYAL HIGH SCHOOL PRESERVATION TRUST
BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	7	1,774,148	-
Current assets			
Debtors	8	1,215,565	5,000
Cash at bank and in hand		3,772,851	688,679
		<u>4,988,416</u>	<u>693,679</u>
Creditors			
Amounts falling due within one year	9	(419,028)	(328,676)
Total net assets		<u>6,343,536</u>	<u>365,003</u>
Accumulated funds			
Unrestricted funds		6,343,536	365,003
Total funds		<u>6,343,536</u>	<u>365,003</u>

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

The financial statements were approved by the Trustees on 15 November 2023., and are signed on their behalf by:


Colin Liddell - Trustee

Date: 15/11/23

Company No. SC504433
Charity number: SC045779

ROYAL HIGH SCHOOL PRESERVATION TRUST
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Page	2023 £	2022 £
Cash flows from operating activities:			
Net movement in funds	12	5,978,533	(413,347)
Income from investments		(44,578)	(1,132)
Decrease in debtors		(1,210,565)	-
Increase in creditors		90,352	316,026
Cash used in operating activities		<u>4,813,742</u>	<u>(98,453)</u>
Cash flows from investing activities:			
Investment income		44,578	1,132
Purchase of tangible fixed assets		(1,774,148)	-
Cash used in investing activities		<u>(1,729,570)</u>	<u>1,132</u>
Increase/(decrease) in cash and cash equivalents in the year		3,084,172	(97,321)
Cash and cash equivalents at the beginning of the year		688,679	786,000
Total cash and cash equivalents at the end of the year		<u><u>3,772,851</u></u>	<u><u>688,679</u></u>

**ROYAL HIGH SCHOOL PRESERVATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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 3. 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 2019), 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.

Tangible fixed assets

Property under construction is accounted for at cost, based on value of direct costs incurred in the period. They are not depreciated until the accounting period in which they are brought into use.

Leasehold property is not depreciated.

**ROYAL HIGH SCHOOL PRESERVATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

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.

Judgements of grants

In accordance with SORP FRS 102 requirements, the Trustees have not recognised a material grant pledged to the Charity as, although the pledge is measurable and probable at the year end, the Trustees are of the view that the charity is not entitled to the full funds at 31 March 2023, or at the date of signing.

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.

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.

ROYAL HIGH SCHOOL PRESERVATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

2. Analysis of income	2023	2022
	£	£
Donations and legacies		
Donation from Dunard Fund	<u>9,183,635</u>	<u>250,000</u>

3. Income from investments	2023	2022
	£	£
Bank interest	<u>44,578</u>	<u>1,132</u>

4. Expenditure on charitable activities	2023	2022
	£	£
Professional planning fees	3,240,140	579,090
Publicity and communication	-	77,126
Sundry expenses	-	93
Governance costs (note 5)	<u>9,540</u>	<u>8,170</u>
	<u>3,249,680</u>	<u>664,479</u>

5. Governance costs	2023	2022
	£	£
Legal and professional fees	-	364
Audit fees		
- Audit	9,540	1,836
- Tax advisory services	-	570
- VAT Advice	-	5,400
	<u>9,540</u>	<u>8,170</u>

Audit fees of £9,100 were incurred during the year and will be included in the 2023-24 statement of financial activity.

6. Staff costs

No trustees received remuneration, reimbursement of expenses or other benefits during the year (2022: None).

The charity has no employees (2022: None).

ROYAL HIGH SCHOOL PRESERVATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

7. Tangible fixed assets

	Leasehold property £	Total £
Cost		
At 31 March 2022	-	-
Additions	1,774,148	1,774,148
At 31 March 2023	<u>1,774,148</u>	<u>1,774,148</u>
Depreciation		
At 31 March 2022	-	-
Charge	-	-
At 31 March 2023	<u>-</u>	<u>-</u>
Net book value		
At 31 March 2023	<u><u>1,774,148</u></u>	<u><u>1,774,148</u></u>
At 31 March 2022	<u>-</u>	<u>-</u>

8. Debtors	2023 £	2022 £
Prepayments	1,215,565	5,000
	<u>1,215,565</u>	<u>5,000</u>

9. Creditors	2023 £	2022 £
Amounts falling due within one year:		
Trade creditors	392,039	209,296
Accruals and deferred income	26,989	119,380
	<u>419,028</u>	<u>328,676</u>

**ROYAL HIGH SCHOOL PRESERVATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

10. Ultimate controlling party

The ultimate controlling party is 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 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.

11. Related parties

A donation of £9,183,635 was awarded and received by Dunard Fund (2022: £250,000) in the year. Carol Grigor and Colin Liddell are common trustees of both charities. At the year-end a grant pledge totaling £33,966,365 (2022: £43,150,000) was outstanding from Dunard Fund and is detailed in note 12.

During the year project accounting and administrative fees of £28,800 and reimbursements of £1,269 (2022 - £14,400) inclusive of VAT were paid to Sundial Properties Limited a company owned by William Gray Muir. The amount due by RHSPT at the year-end was £3,379 (2022 - £2,400).

12. Contingent asset

During 2021 grants totalling £55,000,000 to Royal High School Preservation Trust were formally approved by the Trustees of Dunard Fund. £45,000,000 for capital development works and £10,000,000 for permanent endowment fund for future building maintenance.

At the year end, £33,966,365 (2022: £43,150,000) and £10,000,000 are still pledged to RHSPT. The Trustees have considered the income recognition requirements within SORP FRS 102 and whilst the pledges are measurable and, in the case of the £34m, probable, the Trustees are of the view that the charity is not entitled to the full funds at 31 March 2023, or at the date of accounts approval. The grants relate to capital works and the Trustees are of the view that further events have yet to happen, some out with the control of the charity, to secure entitlement to the funds. Consequently, in line with the Charities SORP these donations have not been recognised.

13. Post balance sheet events

A lease with City of Edinburgh Council was executed in April 2023 with an effective date of 15 March 2023.