

**The Great Steward of Scotland's Dumfries House Trust**  
**(A company limited by guarantee)**  
**Trustees' report and financial statements**  
Charity Number SC038770  
Company Number SC331738  
For the year ended 31 March 2016

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## Letter from the Chairman

It has been an extraordinary journey since our Founder and President, His Royal Highness The Prince Charles, Duke of Rothesay rescued Dumfries House for the nation and the Great Steward of Scotland's Dumfries House Trust was created. Little did I realise when I first became Chairman in 2011, the extraordinary amount we would be able to achieve in such a short time. The House and the unique collection of furniture and paintings have largely been restored as have the grounds. In partnership with other of His Royal Highness's charities, including The Prince's Trust, The Royal Drawing School, The Prince's Foundation for Building Communities and The Prince's School of Traditional Arts, Dumfries House has become a beacon of Heritage Led Regeneration in this marginalised area of Scotland.

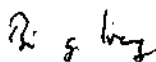
The Trustees firmly believe that regeneration - economic, cultural and spiritual, fostered, stimulated and inspired by the heritage - can best be achieved through the opportunities provided by education and practical training. To this end, the Trust has built on the Dumfries House Estate, through the enormous generosity of a number of benefactors, six bespoke education and training hubs, and is working with communities and schools throughout the south west of Scotland to deliver a focused menu of training opportunities.

This year has been one of great change. Within the year, staff numbers have grown from 106 to 138. This is in large part due to the expansion of both events and education activities and reflects the Trust taking on the Knockroon development and creating the Dumfries House Development and Training Company, providing apprenticeship opportunities for local young people.

It was with great sadness and much gratitude that we said goodbye to our Curator, Charlotte Rostek, and Estate Manager, Oliver Middlemiss. After eight years with us, Charlotte has gone on to become the Head of the Glasgow Office of Lyon & Turnbull Auctioneers, and I am delighted that she has accepted the honorary title, Dumfries House Curator Emeritus. Oliver has departed south to become Rural Estates Director for Gascoyne Cecil Estates in Hertfordshire. The Board of Trustees has also changed: my thanks to Sir Angus Grossart, Mr David Windmill and Ms Fiona Lees for all their hard work and support over the years and a warm welcome to Mrs Jayne-Anne Gadhia CBE and Mr Robert Lovie.

As we approach the tenth anniversary of the Trust, we are not minded to rest on our laurels. We are ever more mindful of His Royal Highness's vision for Heritage Led Regeneration. Indeed, as capital projects on the Estate are funded and completed, so the Trust has turned its attention to the wider community with the development at Knockroon, the regeneration of New Cumnock and the work with local children, young people and older people, addressing: education and training; social isolation and health issues; working with partners in local education, government and healthcare to create a joined-up effective approach with real outcomes.

Finally, but by no means of least importance, my thanks to all the people who have made Dumfries House and all its successes possible. Thank you for the huge generosity of our donors, thank you to the loyal and hardworking staff, and to all of our partners who have made this journey possible.



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Sir Brian Ivory CBE

Chairman

The Great Steward of Scotland's Dumfries House Trust

## Strategic Report for the year ended 31 March 2016

### Review of the business

The Trust is one of 13 charities of which His Royal Highness The Prince Charles, Duke of Rothesay is President. While each of these charities is an independent entity with a separate Board of Trustees, they all work together within "The Prince's Charities" group with a view to ensuring good practice in operations and governance.

Total income received during the year was £11,352,791 (2015: £9,694,578) with fund balances in the year growing to £72,189,782 (2015: £66,308,448)

The level of donations saw a significant increase, reflecting funding provided by donors for a number of capital projects undertaken during the year. Revenues from commercial operations were 43% higher, reflecting the growing scope and activities of the Trust and the benefits of development projects undertaken in previous accounting periods. Expenditure on charitable activities grew by a pleasing 38%. Costs associated with operations grew by 51% reflecting the increased scope of operations and ongoing business development activities with most of the increase arising from the successful growth of commercial and fundraising activities.

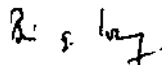
The Trustees are currently undertaking a review of expected future financial and fundraising needs. The ultimate aim of the Trustees is to establish a level of unrestricted reserves which will enable the Trust to operate from a financial perspective with a degree of certainty and flexibility. Successful discussions have taken place with several interested parties and the Trustees feel that such discussions can only be accelerated now that the majority of the Estate projects have been completed.

### Principal risks and uncertainties

The Trustees are required to assess the major risks to which the Trust is exposed. The key strategic risks are as follows:

- Loss or damage to the House and its contents. The risk is controlled using a number of condition monitoring, theft and fire detection systems along with overnight security guards. Security has been enhanced with the introduction of a security firm who provide appropriate cover in and outside the House. In addition, comprehensive insurance cover is in place.
- Ability to grow revenue and attract more visitors and/or functions business. To monitor this risk, visitor numbers and income are accounted for monthly and compared to budget. To mitigate this risk, there has been increased focus on marketing, especially through the auspices of the Dumfries House website which has been significantly improved. During the period, visitor numbers continued to increase.
- A lack of funds to continue with new capital projects. This risk has been substantially mitigated now that the majority of such projects have been completed.

ON BEHALF OF THE BOARD:



Sir Brian Ivory CBE  
Chairman

## Report of the trustees for the year ended 31 March 2016

### Objectives and activities

#### Objectives

The overarching charitable objective of the Trust, as set out in its Memorandum and Articles of Association, is for the Heritage Led Regeneration of Dumfries House, Cumnock, Ayrshire which includes:

1. The preservation of Dumfries House and its contents,
2. The encouragement of tourists and visitors to Dumfries House and Estate,
3. The advancement of education, principally for the benefit of young people from the local community & specific areas of Scotland.

Within these objectives, the Trust seeks to provide a first class visitor experience as well as to act as a catalyst for regeneration of the local area. Additionally, the Trust seeks to minimise its environmental impact and where practicable, apply the principles of sustainability to its actions.

#### Strategic Plan 2016 - 2021

In 2015, a strategic review of the Trust was undertaken, led by the senior management team. This culminated in a strategic plan which was approved by the Board in January 2016. Attention is now turning to the wider community, and work beginning on ensuring the impact and benefit of Heritage Led Regeneration is fully realised.

#### Our Vision

As defined and led by our President, His Royal Highness The Prince Charles, Duke of Rothesay, Dumfries House will be used as a beacon of hope and a catalyst for regeneration in an area of economic and social deprivation. Our mission is to ensure that, through our initiatives, we will have a positive impact upon the lives of all within our local communities regardless of gender, age, politics, wealth or religion.

#### Heritage Led Regeneration

This strap-line title, which has become synonymous with the Trust, refers to His Royal Highness's pioneering work and vision for Dumfries House: to take a place of historic and cultural importance and significance, and make it relevant to the needs of the surrounding local communities in terms of leadership, leisure, culture, training and education, employment and wellbeing.

#### A Sustainable Legacy

Throughout the next five years, our focus will be to build upon all of our main initiatives and aims, ensuring they are sustainable for generations to come, and to secure the long term financial future of the Trust.

#### Our Strategic Plan is based on the following seven pillars, which outline how the vision for the Trust will be realised:

1. Protecting and promoting our heritage and making it accessible to others;
2. Providing educational opportunities that will open minds and broaden horizons;
3. Giving access to employment and employability training;
4. Promoting personal wellbeing and supporting healthier lifestyles;
5. Revitalising our surrounding communities through raising aspirations for a stronger sense of community;
6. Establishing Dumfries House as a Scottish Hub of HRH's main charitable initiatives;
7. Supporting our charitable and regeneration initiatives through profitable commercial activities.

**Report of the trustees for the year ended 31 March 2016 (continued)**  
**Achievements and performance**

**Achievements in 2015-16**

There has been a considerable increase in visitors to the Estate, not strictly measured as access to the grounds is free to all 365 days a year. However, we know that 24,000 people visited the House during the year and an estimated 100,000 visited the grounds. This expansion in visitor numbers has led to a planned increase in car park facilities which was completed at the end of spring 2016. In addition, we have completed a much needed resurfacing of most of the internal tracks throughout the Estate thus making it more visitor friendly for drivers.

Events are up by 190% against last year, largely led by the popularity of House Weddings, and the continued success of the Lodge in providing essential accommodation to these events.

For the first time in the history of this annual event, the Boswell Book Festival was held at Dumfries House featuring an all-star cast of renowned authors. Such was its success, that it is planned that Dumfries House will become the permanent home for this prestigious event.

Under the heading of Integrated Health & Wellbeing, this year we have hosted a series of monthly Tea Dances in the pavilion at the back of the House. Catering for elderly people in supported accommodation within East Ayrshire, the primary aim is to help tackle the issue of isolation of the elderly. This initiative, and others aimed at pre-diabetics, has been so successful that future initiatives are planned and two health co-ordinators have been recruited. By March 2017, the Wellbeing Centre at Stockiehill on the Estate will be completed, incorporating two existing buildings linked by a new build facility. The Centre will act both as a hub and venue for many future projects under the Health and Wellbeing banner including, but not restricted to, those at risk of diabetes, women's health groups and complementary therapies.

In December 2015, we introduced the required Auto Enrolment Pension Plan to our entire eligible workforce. This is a joint contributory scheme and take up was 95%.

Over the course of the last 2 years, more than 16,000 young people have experienced at least one form of educational experience across the Estate. These include day visits, school residential and youth residential activity trips to the Tamar Manoukian Outdoor Centre and visits to the Education Garden, the Cookschool, the Engineering Centre, and The Royal Drawing School. When the Education Farm opens next year, it is expected numbers will continue to increase.

**Current Capital Projects on the Estate**

**Café extension.** During the year, the extension to the Café was completed to address a marked increase in demand. This revamped and enlarged facility has had a huge positive impact on the turnover of the Café, with like for like revenues almost doubling.

**The Queen Elizabeth Walled Garden Pavilion Tearoom.** An enchanting addition to this corner of the estate, the Tearoom's offerings reward those visitors who have made it all the way to the Walled Garden. The Tearoom was opened in April 2015 and can also be booked in advance for special events for smaller companies.

**The Maze.** Built to the specification of an old plan which was never realised, the Maze was opened by Their Royal Highnesses the Duke and Duchess of Rothesay in June 2016.

**The Education Farm.** Started in the summer of 2015 and assisted initially by members of The Prince's Foundation for Building Communities, it is envisaged that this adventurous project will prove to be a magnet for children's groups from near and far to see the wide variety of farm animals. Lecture rooms are incorporated within the central building and it is expected that it will be completed in early 2017.

**The Temple restoration.** Although initial work was started on the Temple restoration as far back as 2013, work only began in earnest in May 2015 and was formally completed in September 2016. To complement the status and position of this magnificent edifice, 2 separate avenues have been designed (The Duke and Duchess of Rothesay Avenues), one running toward the outer extremity of the estate from the Temple and the other towards to Arboretum/Walled Garden area. The Duchess of Rothesay Avenue was completed during the year and The Duke of Rothesay Avenue was completed in September 2016.

**Report of the trustees for the year ended 31 March 2016 (continued)**

**Achievements and performance -continued**

**Current Capital Projects not on the Estate**

**New Cumnock Town Hall.** The Town Hall was taken over from the Council and a complete regeneration done on what was effectively a dilapidated and disused building. HRH The Duke of Rothesay opened the resurrected building in October 2016.

**Performance**

The Trustees believe that the success of the Trust is measured in maintaining, and where possible enhancing, the artistic and aesthetic qualities of the house and the collections it houses, increasing visitor numbers (in a way that is compatible with the proper preservation of the house and the collections) and increasing the breadth and take up of our education and other community offerings.

The Trustees are of the view that the Trust has met all of these objectives during 2015/16.

The Trust funds a proportion of its activities through the commercial operations undertaken by its trading subsidiaries but it is reliant upon philanthropic donations for a significant proportion of its income. The philanthropic donations are sourced from private individuals or other legal persons such as trusts and, more rarely, companies. Funds are not sought from the general public and for that reason, no payments were made to intermediaries or any other third party for public fundraising activities.

Sufficient funds were raised from philanthropic donations to fund the educational activity planned for the year and a significant programme of development activity. Details of the development projects and, where applicable, information about the expected future benefits arising from them, can be found elsewhere in this report.

**Financial review**

During the financial year, the Trust had an income of £11,352,791, of which £7,446,484 was unrestricted and £3,906,307 restricted, an increase of 17% from the previous year. The Trust received unrestricted donations of £5,056,762 and unrestricted grants and gifts in kind of £80,617. These unrestricted funds were supplemented by income generated from the Trust's commercial operations which totalled £1,565,147. In addition the Trust received £251,004 income from rentals, and from the activities of Dumfries House Home Farm Ltd and Dumfries House Development & Trading Limited. There was no income from the activities of Dumfries Farming & Land Limited.

The level of donations saw a significant increase, reflecting funding provided by donors for a number of capital projects undertaken during the year.

**Reserves policy**

Total funds within the consolidated accounts as at 31st March 2016 were £72,189,782. Of this amount £42,254,911 represents endowment funds, £9,256,679 represents restricted funds and £20,678,192 represents unrestricted funds, of which the amount represented by tangible fixed assets and not capable of immediate realisation is £16,531,015.

The Trustees recognise the challenges associated with having significant funds held in assets that are not immediately realisable. In the longer term, the Trustee's preference is to hold sufficient unrestricted reserves in the form of an endowment to provide the desired level of financial certainty and flexibility and continue to work to achieve that objective.

**Report of the trustees for the year ended 31 March 2016 (continued)**  
**Plans for the future**

**Future capital projects planned on the Estate**

**The Glenside Applied Arts Centre Project.** This project, which will be the largest undertaken on the Estate thus far, will incorporate three of the Prince's Charities: The Prince's Foundation for Building Communities, The Royal Drawing School and The Prince's School of Traditional Arts. Situated on the site of the disused Glenside Farm, work is expected to begin towards the end of 2016. The complex will contain lecture rooms, overnight accommodation plus a fully kitted out training facility for call centre and related skills.

**Knockroon.** It is the intention that Dumfries House Development & Training Company Limited will have finished all of the necessary remedial work to Phase 1 at Knockroon by March 2017, including the completion of the last 4 houses of this phase.

**The Chinese Bridge.** Building was planned to start in late spring 2016 and the bridge was formally opened by HRH in September 2016. The newly built bridge will form a fascinating comparison to the original Adam Bridge. The Chinese Bridge was designed by Robert Weir Schulz in the Chinese Chippendale style.

**Smaller projects planned to be started in 2016-17.** These include the renovation of the Crucifix on the Stockiehill side of the Estate, the renovation of the east wing kitchen to better service all of the Marquee events plus the upgrading of our IT capabilities within the House and across the whole Estate, including the planned Glenside development.

**Heritage Led Regeneration**

During the course of the year, we successfully applied to extend the objects of Dumfries House Trust to include not only the House and the Estate, but also East Ayrshire and Scotland as a whole. As a direct result of this, we took up the task of regenerating the town centre in the nearby village of New Cumnock as detailed below.

Since the end of this financial year, we have amended our objects once again and extended the scope of the Trust to Scotland. It is our intention to support other undertakings where opportunities present themselves. To this end, we are in the process of satisfying a real need in the town of Ballater by refurbishing an empty property in the village centre, with the ultimate intention of creating a restaurant and gift shop.

**Future capital projects planned off the Estate**

**New Cumnock Swimming Pool.** Whilst this present facility is still in operation, it is the intention to give it a complete makeover in order to enhance its standing in the community. This will be done in addition to the creation of a village square adjacent to the swimming pool.



**Report of the trustees for the year ended 31 March 2016 (continued)**

**Structure, governance and management**

**Structure**

The Great Steward of Scotland's Dumfries House Trust (the Trust) is a company limited by guarantee incorporated in 2007, and a registered charity, charity number SC038770 and company registration number SC331738. The Trust currently has four wholly owned subsidiary companies:

Dumfries House Trust Trading Limited (incorporated October 2007, registration number SC333119) operates all of the Trust's commercial activities including House admissions, gift shop, café, weddings and events and the bed and breakfast and holiday letting activities.

Dumfries House Home Farm Limited (incorporated January 2004, registration number SC261878) manages the Trust's estate management activities including (since October 2015) the farming activities previously undertaken via the Morrison's joint venture (see next section of this report and note 14).

Dumfries House Development & Training Company Limited (incorporated May 2015, registration number SC506606) was formed to be the construction arm of the Trust. As well as delivering development activities on behalf of the Trust and other customers (as appropriate), a particular focus will be the development of residential properties on the land at Knockroon.

Dumfries Farming and Land Limited (incorporated October 2007, registration number 06391121) owns land that is used for farming and residential development purposes. Ownership of the share within Dumfries Farming and Land Limited was transferred from The Prince of Wales's Charitable Foundation to the Trust on the 10th of September 2015. The company has ownership of the site at Knockroon that will be developed by Dumfries House Development and Training Company Limited.

**The Board of Trustees**

The Trust is administered by a Board of up to 12 Trustees or directors which meets at least 4 times each year. The Trustees are selected from a variety of relevant backgrounds including heritage, education, business and finance and will have a local interest. The Board of Trustees sets and oversees the strategic direction of the Trust and is responsible for all policy decisions. A majority of Trustees, present in person, represents a quorum. The first and current President of the Trust is His Royal Highness The Prince Charles, Duke of Rothesay.

Serving Trustees may appoint any person to be a Trustee, following prior approval by His Royal Highness, either to fill a vacancy or as an additional Trustee. When a new Trustee joins, they receive a briefing on the work and future plans of the charity appropriate to their skills and experience. Remuneration of senior staff is set by Trustees by reference to comparable organisations and the prevailing pay rates needed to attract suitably qualified and experienced staff.

**Profiles of the Trustees**

**Mr Rufus Bird Oct 2014 - present**

Mr Bird was appointed in 2010 by Her Majesty The Queen to the post of Deputy Surveyor of The Queen's Works of Art. The Deputy Surveyor is the senior curator of Decorative Arts at Royal Collection Trust, one of the five departments of the Royal Household. Previously, he was a Director of Christie's, London, from 1997 to 2010 where he was responsible for sales of English Furniture, including cataloguing for sale the furniture at Dumfries House. He is a graduate of Peterhouse, Cambridge, where he read History of Art.

**Mr David Brownlow April 2013 – present**

Mr Brownlow entered the recruitment industry with Hays Accountancy Personnel in 1989. In 1996, he co-founded his own consultancy, Huntswood. In 1999 the business expanded into business process outsourcing. Mr Brownlow stood down as CEO in 2011 and is now Deputy Chairman. He runs his own investment and trading group, Havisham Assets Ltd, acquiring Astbury Marsden in April 2013. Mr Brownlow is also on the board of The Prince's Foundation for Building Communities (Chairman from 2014 to the present).

**Report of the trustees for the year ended 31 March 2016 (continued)**  
**Structure, governance and management**

**Profiles of the Trustees - continued**

**Mr Charles Cator April 2013 - present**

Having worked for Christie's since 1973, Mr Cator is currently Deputy Chairman of Christie's International (2007 to the present), previously he was Chairman of Christie's UK (2001-2007). Mr Cator was appointed to the board of The Monument Trust in 2010. He also serves on a variety of academic boards.

**Mrs Heather Dunk, OBE (Interim Chair Finance Committee) April 2014 - present**

Mrs Dunk was appointed as Principal of Ayrshire College in 2013, having led the successful merger of the three legacy colleges in Ayrshire to create the new regional organisation. Prior to her move to Ayrshire, Mrs Dunk was Vice Principal of West Lothian College and formerly Director of Education with PLATO Learning. She has extensive knowledge of large capital projects and successfully led the development of the new £54m college campus which opened in Kilmarnock in 2016. Mrs Dunk is a member of the Developing the Young Workforce Group reporting to the Scottish Government. She received an Outstanding Leadership Award from the Association of Scottish Business Women in 2010, and in 2014, was honoured with an OBE for services to further and higher education.

**Mrs Jayne-Anne Gadhia CBE December 2015 – present**

Mrs Gadhia is the CEO of Virgin Money. A Chartered Accountant, she spent six years at Norwich Union (now Aviva) before becoming one of the founders of Virgin Direct in 1995. In 1998, she set up the Virgin One account which was acquired by the Royal Bank of Scotland in 2001. After five years at RBS as part of the Retail Executive Committee, she returned to Virgin as the CEO of Virgin Money. In 2012 Virgin Money acquired Northern Rock and, in 2014, successfully listed on the London Stock Exchange. A vocal supporter of businesses' responsibility to make a positive contribution to society, Mrs Gadhia is a Trustee of Business in the Community. In November 2016, she was announced as the Government's Women in Finance Champion.

**Sir Angus Grossart, QC CBE DL Nov 2007 – Dec 2015**

Sir Angus is Chairman of Noble Grossart Limited, the Scottish merchant bank which he jointly founded in 1969. He has served as a director of nearly 20 listed public companies in the UK, the USA and Canada. He served as chairman of the National Museums of Scotland, the National Galleries of Scotland, the Heritage Lottery Fund in Scotland, the Fine Art Society and as deputy chairman of the National Heritage Memorial Fund. He is currently Chairman of Edinburgh Partners, Lyon & Turnbull, Scotland International, The Burrell Renaissance, Edinburgh International Culture Summit and the restoration of St Giles High Kirk, Edinburgh. A Queen's Counsel, Sir Angus was born in Lanarkshire and graduated from the University of Glasgow with degrees in both Law and the Arts before becoming an advocate and serving at the Scottish bar. He is a Deputy Lieutenant of the City of Edinburgh, was awarded a CBE in 1990 and was knighted by the Queen in 1997.

**Sir Brian Ivory, CBE (Chair) Dec 2009 - present**

Sir Brian has served as Chairman or director of many listed companies in the UK and France in sectors such as whisky, banking, insurance, information technology, investment management and property. He has reviewed the Royal Opera Company and the Royal Opera House on behalf of the Government, chaired the National Galleries of Scotland and served on the Arts Council of Great Britain. Currently, amongst others, he chairs Marathon Asset Management, Arcus European Infrastructure Fund, is Deputy Chairman of IPSX Limited and a director of Insight Investment Management Limited.

**Ms Fiona Lees Nov 2007- Dec 2015**

Ms Fiona Lees is Chief Executive of East Ayrshire Council, a post she has held since April 2004. Ms Lees has nearly 40 years' service in local government and held a number of positions in support of community regeneration, before becoming East Ayrshire Council's Depute Chief Executive, at the inception of the Council in 1995. Ms Lees served as a Trustee from November 2007 to December 2015.

**Mr Robert Lovie Dec 2015 – present**

Mr Lovie is a Scottish entertainer, presenter, broadcaster and host. He is also property manager for the National Trust of Scotland at Fyvie Castle and Haddo House north east of Aberdeenshire.

**Report of the trustees for the year ended 31 March 2016 (continued)**  
**Structure, governance and management**

**Profiles of the Trustees - continued**

**Mr David Windmill (Chair Finance Committee) Nov 2007 – Dec 2015**

Mr Windmill stepped down as Chief Executive of The Royal Zoological Society of Scotland 2010. He currently serves as Chairman of the Scottish Seabird Centre and is Honorary Consul General for Norway in Edinburgh (since 2008). Armed with a degree in biological sciences, his career began in international banking. He moved to Booker plc in 1983 where he was responsible for its salmon farming business before becoming managing director of the world's second largest aquaculture company, Marine Harvest, until 2000.

**Our staff**

At the beginning of April 2015, the Trust employed 106 staff. By the end of March 2016, the Trust employed a total of 138 staff. This is in large part, due to the expansion of both events and education activities and reflects the Trust taking on the Knockroon development and creating the Dumfries House Development and Training Company, providing apprenticeship opportunities for local young people.

**Finance Committee**

The Finance Committee was set up in 2011. During the year 2015-16 members included:

- Mr David Windmill (Chairman) stood down Dec 2015;
- Mrs Heather Dunk (Interim Chairman) Dec 2015 – Mar 2016;
- The Finance Director;
- The Executive Director.

**Disclosure of information to auditor**

The Trustees who held office at the date of approval of this Trustees' report, confirm that, so far as they are each aware, there is no relevant audit information of which the Trust's auditor is unaware; and each Trustee has taken all reasonable steps, as a Trustee, to make him or her aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

**Report of the trustees for the year ended 31 March 2016 (continued)**  
**Reference and Administrative Information**

Charity name:	The Great Steward of Scotland's Dumfries House Trust	
Charity registration number:	SC038770	
Company registration number:	SC331738	
Registered office and operational office:	Dumfries House Dumfries House Estate Cumnock Ayrshire KA18 2NJ	
President:	His Royal Highness The Prince Charles KG,KT, Duke of Rothesay, Earl of Carrick, Baron of Renfrewshire, Lord of the Isles and Prince and Great Steward of Scotland.	
Trustees:	Sir Brian Ivory, CBE Chairman David Brownlow Charles Cator Heather Dunk Rufus Bird Sir Angus Grossart CBE DL (resigned 03 December 2015) Fiona Lees (resigned 03 December 2015) David Windmill (resigned 03 December 2015) Robert Gordon Lovie (appointed 03 December 2015) Jayne- Anne Gadhia CBE (appointed 03 December 2015) Douglas Connell (appointed 01 October 2016)	
Secretary:	Kenneth Dunsmuir	
Senior management team	Michael Fawcett	Executive Director
	Robert Hall	Financial Director (retired 07 October 2016)
	Kenneth Dunsmuir	Deputy Executive Director
Bankers:	Coutts & Co 440 Strand London WC2R 0QS	
Auditors	Sinclair Scott (Scotland) Limited 3 Wellington Square Ayrshire Ayr KA7 1EN	
Solicitors:	Brechin Tindal Oatts 48 St Vincent Street Glasgow G2 5HS	
Land agents:	Buccleuch John Sale 22 Castle Street Dumfries DG1 1DR	

**Statement of trustees' responsibilities in respect of the trustees' report and the financial statements**

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

The law applicable to charities in Scotland, the Charities and Trustee Investment (Scotland) Act 2005, Charities Accounts (Scotland) Regulations 2006 and the provisions of the charity's constitution 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

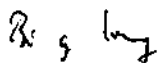
- Select suitable accounting policies and then apply them consistently;
- observe the methods and principals in the charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the charitable company and enable them to ensure that its financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the charity's constitution. They 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.

**Auditor**

The auditors, Sinclair Scott (Scotland) Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

By order of the board



Sir Brian Ivory CBE  
Chairman  
Date 21/02/2016.....

Dumfries House  
Dumfries House Estate  
Cumnock  
KA18 2NJ

#### **Report of the independent Auditors to the Trustees of the Great Steward of Scotland's Dumfries House Trust**

We have audited the financial statements of The Great Steward of Scotland's Dumfries House Trust for the year ended 31 March 2016 set out on pages 9 to 42. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, in accordance with Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an 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 the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditors**

As explained more fully in the Statements of Trustees' Responsibilities set out on page 11, 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.

We have been appointed as auditors under Section 44(1)(c) of the Charities and Trustee Investments (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2016 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 regulation 10 of the Charities Accounts (Scotland) Regulations 2006.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, the information given in the report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Trustees of the Great Steward of Scotland's Dumfries House Trust  
(continued)**

**Matters on which we are required to report by exception**

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

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



Stephen Wilkie (Senior Statutory Auditor)  
For and on behalf of Sinclair Scott (Scotland) Limited  
Chartered Accountants  
Registered Auditor  
3 Wellington Square  
Ayr  
KA7 1EN

Date: ..... 21/12/16 .....

**Consolidated statement of financial activities**  
**(Incorporating an income and expenditure account)**  
*for the year ended 31 March 2016*

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2016 £	Total 2015 £
<b>Income and endowments from:</b>						
<b>Donations and legacies</b>						
Donations	2	5,056,762	3,729,190	-	8,785,952	7,847,091
Grants and gift in kind	3	80,617	177,117	-	257,734	370,819
<b>Other trading activities</b>						
Rental Income		35,447	-	-	35,447	9,964
Commercial trading operations	14	1,565,147	-	-	1,565,147	1,092,581
Home Farm	14	45,699	-	-	45,699	42,749
Development & Training	14	169,858	-	-	169,858	-
Farming & Land	14	-	-	-	-	-
<b>Investments</b>						
Gift Aid from trading activities	14	135,551	-	-	135,551	22,331
Gift Aid from farming activities	14	-	-	-	-	24,608
Gift Aid from farming & land operations	14	-	-	-	-	-
<b>Other</b>	4	<u>357,403</u>	<u>-</u>	<u>-</u>	<u>357,403</u>	<u>284,435</u>
<b>Total</b>		<u>7,446,484</u>	<u>3,906,307</u>	<u>-</u>	<u>11,352,791</u>	<u>9,694,578</u>
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Rented property maintenance		(8,855)	-	-	(8,855)	(6,465)
Rent		(2,733)	-	-	(2,733)	(7,830)
Commercial trading costs	14	(1,429,596)	-	-	(1,429,596)	(947,572)
Farming costs	14	(131,759)	-	-	(131,759)	(8,148)
Farming & land	14	(1,000)	-	-	(1,000)	-
Fundraising costs		(587,623)	-	-	(587,623)	(294,899)
	5	<u>(2,161,566)</u>	<u>-</u>	<u>-</u>	<u>(2,161,566)</u>	<u>(1,264,914)</u>
<b>Charitable activities</b>						
Wages & salaries		(1,322,012)	-	-	(1,322,012)	(1,099,776)
Administration costs		(6,577)	-	-	(6,577)	(32,904)
Exhibition & promotion costs		(759,012)	-	-	(759,012)	(35,834)
Preservation of contents		(353,578)	(132,606)	(30,946)	(517,130)	(476,488)
Restoration of buildings		(688,721)	(403,636)	(57,612)	(1,149,969)	(1,082,013)
Maintenance of the estate		(517,508)	(4,354)	-	(521,862)	(418,745)
Education		(141,106)	-	-	(141,106)	(140,034)
Walled Garden		(3,514)	-	-	(3,514)	(89,106)
Development & Training	14	(225,424)	-	-	(225,424)	-
Donations made		(30,000)	-	-	(30,000)	-
	6	<u>(4,047,452)</u>	<u>(540,596)</u>	<u>(88,558)</u>	<u>(4,676,606)</u>	<u>(3,374,900)</u>
<b>Other resources expended</b>						
Gift Aid to Trust from trading operations	14	(135,551)	0	0	(135,551)	(22,331)
Gift Aid to Trust from farming & land operations		-	-	-	-	(24,608)
		<u>(135,551)</u>	<u>-</u>	<u>-</u>	<u>(135,551)</u>	<u>(46,939)</u>
<b>Other costs</b>	7	<u>(445,885)</u>	<u>-</u>	<u>-</u>	<u>(445,885)</u>	<u>(252,101)</u>
<b>Total</b>		<u>(6,790,454)</u>	<u>(540,596)</u>	<u>(88,558)</u>	<u>(7,419,608)</u>	<u>(4,938,854)</u>



**Consolidated statement of financial activities**  
**(incorporating an income and expenditure account) (continued)**  
*for the year ended 31 March 2016*

	<i>Notes</i>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
<b>Total expenditure</b>		<u>(6,790,454)</u>	<u>(540,596)</u>	<u>(88,558)</u>	<u>(7,419,608)</u>	<u>(4,938,854)</u>
Net income/(expenditure) for the year before taxation and transfers	8	656,030	3,365,711	(88,558)	3,933,183	4,755,724
Taxation		-	-	-	-	-
Net income/(expenditure) for the year before transfers		656,030	3,365,711	(88,558)	3,933,183	4,755,724
Gross transfers between funds	25	<u>3,906,307</u>	<u>(3,906,307)</u>	-	-	-
Net movements in funds		4,562,337	(540,596)	(88,558)	3,933,183	4,755,724
<b>Reconciliation of funds:</b>						
Fund balances at 1 April 2015	18	14,167,704	9,797,275	42,343,469	66,308,448	61,552,724
Introduction of Dumfries Farming and Land Limited reserves		<u>1,948,151</u>	-	-	<u>1,948,151</u>	-
Fund balances at 31 March 2016	18	<u><u>20,678,192</u></u>	<u><u>9,256,679</u></u>	<u><u>42,254,911</u></u>	<u><u>72,189,782</u></u>	<u><u>66,308,448</u></u>

For the current and previous year's, all activities arise from continuing operations.

The net income for the period for Companies Act purposes comprises net incoming resources before other recognised gains and losses and totals £3,933,183 (2015: £4,755,724).

The notes on pages 19 to 42 form part of these financial statements.

The Great Steward of Scotland's Dumfries House Trust  
Trustees' report and financial statements  
For the year ended 31 March 2016

Consolidated balance sheet  
at 31 March 2016

	Notes	2016 £	2016 £	2015 £	2015 £
<b>Fixed assets</b>					
Endowment assets	11	42,254,911		42,343,470	
Other tangible assets	13	<u>29,288,730</u>		<u>26,611,413</u>	
			71,543,641		68,954,883
<b>Current assets</b>					
Stock		2,326,562		55,386	
Debtors	15	625,640		496,354	
Cash at bank and in hand		<u>185,173</u>		<u>116,816</u>	
		3,137,375		668,556	
Creditors: amounts falling due within one year	16	<u>(2,487,364)</u>		<u>(3,314,991)</u>	
<b>Net current assets / (liabilities)</b>			650,011		<u>(2,646,435)</u>
Creditors: amounts falling due after more than one year	16		<u>(3,870)</u>		
<b>Net assets</b>			<u>72,189,782</u>		<u>66,308,448</u>
<b>Funds</b>					
Unrestricted	18		20,678,192		12,249,396
Restricted	18		9,256,679		9,797,275
Endowment	18		42,254,911		42,247,753
Revaluation reserve	19				<u>2,014,024</u>
			<u>72,189,782</u>		<u>66,308,448</u>

The notes on pages 19 to 42 form part of these financial statements.

These financial statements were approved by the Trustees on 21/2/2016 and were signed on their behalf by:

*R. g. Ivory*

Sir Brian Ivory CBE  
Chairman

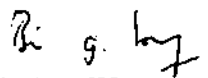
The Great Steward of Scotland's Dumfries House Trust  
Trustees' report and financial statements  
For the year ended 31 March 2016

Trust balance sheet  
at 31 March 2016

	Notes	2016 £	2016 £	2015 £	2015 £
<b>Fixed Assets</b>					
Endowment assets	11	42,254,911		42,343,470	
Other tangible assets	13	25,787,694		23,216,173	
Investments	14	5		3	
Investments in joint ventures	16			10,000	
			68,042,610		65,569,646
<b>Current assets</b>					
Debtors: amounts falling due within one year	15	1,034,516		550,877	
		1,034,516		550,877	
Creditors: amounts falling due within one year	16	(2,105,471)		(3,218,547)	
Net current assets / (liabilities)			(1,070,955)		(2,667,670)
Creditors: amounts falling due after more than one year	16		(3,870)		(10,000)
Net assets			66,967,785		62,891,976
<b>Funds</b>					
Unrestricted	18		15,456,195		10,751,232
Restricted	18		9,256,679		9,797,275
Endowment	18		42,254,911		42,247,753
Endowment asset revaluation reserve	19				95,716
			66,967,785		62,891,976

The notes on pages 19 to 42 form part of these financial statements.

These financial statements were approved by the trustees on 21/03/2016 and were signed on their behalf by:



Sir Brian Ivory CBE  
Chairman

**Consolidated cash flow statement  
for the year ended 31 March 2016**

Cash flow statement	Notes	2016 £	2015 £
Cash flows from operating activities		4,977,963	6,286,945
Interest paid		(45,446)	(23,024)
Interest element of hire purchase and finance lease rental		(1,569)	(979)
<b>Net cash provided by (used in) operating activities</b>		<u>4,930,948</u>	<u>6,262,942</u>
<b>Cashflows from investing activities</b>			
Purchase of tangible fixed assets	11,13	(4,080,712)	(9,311,997)
Disposal of tangible fixed assets	11,13	<u>40,896</u>	<u>2,233</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(4,039,816)</u>	<u>(9,309,764)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>891,132</u>	<u>(3,046,822)</u>
<b>Cash and cash equivalents at the beginning of the period</b>		<u>(2,291,144)</u>	<u>755,678</u>
<b>Cash and cash equivalents at the end of the period</b>		<u>(1,400,012)</u>	<u>(2,291,144)</u>

**Note 1 Reconciliation of net income/(expenditure) to net cash flow from operating activities**

<b>Net income/( expenditure) for the reporting period (as per the statement of financial activities)</b>		3,933,183	4,755,724
<b>Adjustments for:</b>			
Depreciation, amortisation and impairment charges	11,13	1,451,057	1,403,566
Net interest receivable		-	-
Interest paid		45,446	23,024
Interest element of hire purchase and finance lease rental		1,569	979
(Increase) in stock		(271,176)	(11,904)
(Increase)/decrease in debtors	15	(129,286)	299,901
(Decrease)/increase in creditors	16	(52,830)	(184,345)
<b>Net cash provided by (used in) operating activities</b>		<u>4,977,963</u>	<u>6,286,945</u>

**Note 2**

**Reconciliation of net cash flow**

<b>Increase/(Decrease) in cash in the period</b>		<u>891,132</u>	<u>(3,046,822)</u>
Movement in net funds in the period	20	891,132	(3,046,822)
Net cash at start of the year		<u>(2,291,144)</u>	<u>755,678</u>
<b>Net cash at the end of the year</b>	20	<u>(1,400,012)</u>	<u>(2,291,144)</u>

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's and Trust's financial statements

#### *Basis of preparation*

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities and Trustee Investment (Scotland) Act 2005. The financial statements have been prepared under the historic cost convention rules modified to include revaluation of land and buildings and sporting rights, and on the going concern basis.

The financial statements have been prepared in accordance with applicable accounting standards on a going concern basis which assumes the Trust will continue to trade for a period of 12 months from the date of approval by the Trustees.

#### *Company status*

The Trust is a company limited by guarantee. The members of the Trust are the Board of Trustees named on page 10. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

#### *Basis of consolidation*

The consolidated financial statements include the financial statements of the Trust, its subsidiary undertakings and its share of the joint venture company. The joint venture ceased by mutual agreement in October 2015.

The financial statements of its subsidiary companies', Dumfries House Trust Trading Limited, Dumfries House Home Farm Limited and Dumfries House Development & Training Company Limited have been fully consolidated on a line by line basis in accordance with FRS 102. Only transactions that incurred from the date of transition have been included for Dumfries Farming & Land Limited within the statement of financial activities.

In the Trust's financial statements, the joint venture and the investment in its subsidiaries are stated at cost. The joint venture was ceased by mutual agreement in October 2015.

#### *Funds*

The Trust maintains three types of fund.

General funds are unrestricted funds which are available for use for any purpose at the discretion of the Trustees in furtherance of the general objectives of the charity.

Endowment funds represent heritage assets which are recognised and valued in line with the Trust's fixed asset policies.

Restricted funds are those donations received to which specific terms and conditions over the application of these funds are attached.

#### *Income*

All incoming resources are included in the statement of financial activities once the Trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reasonably.

*Notes (continued)*

**1 Accounting policies (continued)**

The following policies are applied to particular categories of income:

**Income and endowments from:**

***Donations and donated services***

Donations receivable for the general purposes of the Trust are credited to unrestricted funds. Restricted donations are accounted for as restricted funds matched against the related expenditure.

Where services that would normally be purchased from the Trust's suppliers are provided as a donation, this contribution is included in the financial statements at an estimate based on the value of the contribution to the Trust.

***Grants and gifts in kind***

Income from grants is recognised on an accruals basis to the extent that grants are for services to be provided over a specified period. If the grants are conditional upon the delivery of a specified level of service which the Trust has not yet provided, they are accounted for as deferred income.

Gifts to the Trust of fixed assets are recognised as incoming resources and within the relevant fixed asset category of the balance sheet when receivable, at an estimate of their gross value to the Trust. Other gifts in kind (such as donations of time) are included within donated services.

***Other trading activities***

Income from commercial trading operations represents income from the Dumfries House admissions, shops, café and functions along with income from a bed and breakfast business and House tours within Dumfries House Estate. Income from Dumfries House admissions and the shop is accounted for on an accruals basis. Income from other commercial activities is recognised in the period in which it is received.

Income from Home Farm represents income from Dumfries House Home Farm Limited. Rental income is accounted for on an accruals basis. Income from livestock sales is recognised in the period in which it is received.

Income from Development and Training represents income from Dumfries House Development and Training Company Limited. Income is recognised on an accruals basis.

***Investment income***

Interest receivable is credited to income in the period to which it relates and is recorded in unrestricted funds.

During the year, Gift Aid was received from Dumfries House Trust Trading Limited and Dumfries House Home Farm Limited. These were recorded within unrestricted funds.

<u>Gift Aid received from subsidiaries</u>	<b>31.03.2016</b>	<b>31.03.2015</b>
Dumfries House Trust Trading Limited	135,551	22,331
Dumfries House Home Farm Limited	-	24,608
Dumfries Farming & Land Limited	-	-
Dumfries Development & Training Company Limited	-	-

**Expenditure**

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

**Notes (continued)**

**1 Accounting policies (continued)**

**Resources expended (continued)**

Raising funds	represents direct costs of the Trust's subsidiary operations and rented property maintenance.
Charitable activities	represents direct costs of operating and maintaining the House and estate, the costs incurred by staff to support this work and costs of the subsidiary, Dumfries House Development & Training Limited.
Other	represents costs incurred in connection with the general running of the charity as opposed to the management and administration of its activities. They include costs relating to statutory requirements.
Other resources expended	represents Gift Aided profits from Dumfries House Trust Trading Limited for the current year. Please see investment income for further details.

Resources expended in the statement of financial activities include support costs of running the Trust. These are charged as charitable expenditure or other costs as appropriate, being expenses incurred in the ordinary operations of the Trust.

Support costs are allocated to the categories of charitable activities on a pro-rata basis if it is not possible to allocate the costs on a specific basis.

The costs of conservation, restoration and preservation of endowment assets are charged to the endowment fund.

**Heritage assets**

The heritage assets within the Trust are accounted for by applying the principals of accounting standard FRS 102.

Heritage assets comprise Dumfries House, the stables and coach house and the contents of Dumfries House, many of which date back to the commissioning of the House in the 1750s, which are held in support of the Trust's primary objective of preserving the collection for the nation and providing reasonable public access to it, as a contribution to the nation's culture and education, both nationally and locally.

The House collection is reported in the balance sheet at a valuation when received.

A valuation of the House contents has been based on an external valuation carried out by Christie's, auctioneers, in 2007 for the proposed sale of the contents at that time. The valuation was based on Christie's catalogue prices at that time.

A valuation of the freehold land and buildings on the basis of the market value was performed by Buccleuch John Sale, Chartered Surveyors, as at 31 March 2008, in accordance with the Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors (the Red Book).

A valuation of sporting rights was carried out on the basis of market value by Buccleuch John Sale, as at 31 March 2008.

Expenditure which, in the Trustees' view, is required to preserve or prevent further deterioration of individual collection items is recognised in the income and expenditure account when it is incurred, as part of the Trust's charitable activities. Expenditure which, in the Trustees' view, adds to the value of individual items is capitalised, in accordance with FRS 102. Due to a continuous restoration programme, the heritage assets are subject to an annual impairment review rather than amounts being depreciated on a systematic basis.

**Tangible fixed assets (excluding heritage assets) and depreciation**

Land and buildings are stated at market value, defined as "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion", using professional valuations carried out by independent valuers on a five year basis.

**Notes (continued)**

**1 Accounting policies (continued)**

**Tangible fixed assets (excluding heritage assets) and depreciation - continued**

Market valuations are carried out in accordance with the Appraisal and Valuations Standards published by the Royal Institute of Chartered Surveyors (the Red Book).

Other tangible fixed assets are stated at historic cost.

All assets costing more than £1,000 are capitalised, although lower value items may be pooled and capitalised where they constitute an integral group.

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	Up to 60 years
Plant and machinery	-	3 to 10 years
Fixtures, fittings, tools and equipment	-	2 to 5 years
Motor vehicles	-	5 years

No depreciation is provided on freehold land.

**Investment in joint ventures**

The gross equity method of consolidation is used for joint ventures. The Trust had one joint venture investment in The Morrison Farm at Dumfries House. By mutual agreement this joint venture ceased on 31st October 2015.

**Stocks**

Stocks are stated at the lower of cost and net realisable value.

Livestock is valued within the accounts at fair value which includes any future costs to bring the stock to the point of sale.

Land within stock is stated at its revalued amount.

**Leases**

Operating lease rentals are charged to the statement of financial activities on a straight line basis over the period of the lease.

**Pensions**

The Trust contributes to individuals' personal pension schemes. Pension costs are charged to the statement of financial activities in the period to which the employees' services relate.

**Taxation**

The Trust is considered to pass the tests set out in Schedule 30 and 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within the categories covered in Chapter 3 Part 11 Corporation Tax Act 2010 to the extent that such income or gains are applied exclusively to charitable purposes.

The company's trading activities, which are undertaken by the subsidiary companies Dumfries House Trust Trading Limited, Dumfries House Home Farm Limited, Dumfries Farming and Land Limited and Dumfries Development and Training Company Limited are not exempt from UK taxation. However, the subsidiary companies have an agreement in place to donate all profits to the Trust through Gift Aid, resulting in no tax liability for the subsidiaries.

The Trust is registered for Value Added Tax and accordingly, income and expenditure is recognised and reported on a net basis.



Notes (continued)

2 Donations and legacies

	General Fund £	Restricted Fund £	Total 2016 £	Total 2015 £
Donations received	5,056,762	3,729,190	8,785,952	7,847,091
	<u>5,056,762</u>	<u>3,729,190</u>	<u>8,785,952</u>	<u>7,847,091</u>

The following projects were partly funded by donations that were in excess of £300,000:

	£
New Cumnock Engineering	625,000
Maze	383,100
Chinese Bridge Education	769,956
Glenside Project	340,000
	934,153
	500,000

3 Grants and gifts in kind

	General Fund £	Restricted Fund £	Total 2016 £	Total 2015 £
<b>Grants received</b>				
Scottish Government	-	-	-	79,000
Historic Environment Scotland	75,000	177,117	252,117	275,307
Renewable Heat Incentive	5,617	-	5,617	14,974
DWP	-	-	-	1,138
Women's Engineering Society	-	-	-	400
	<u>80,617</u>	<u>177,117</u>	<u>257,734</u>	<u>370,819</u>
Donated goods and services	-	-	-	-
	<u>80,617</u>	<u>177,117</u>	<u>257,734</u>	<u>370,819</u>

4 Other

	General Fund £	Restricted Fund £	Total 2016 £	Total 2015 £
Education	222,510	-	222,510	144,031
Walled Garden	-	-	-	16,568
Recharge of Havisham Assets wages	85,803	-	85,803	80,378
Management fee and service charges income	18,000	-	18,000	18,977
RHI income	-	-	-	10,848
SIACS	12,395	-	12,395	-
Wayleave income	-	-	-	2,398
Insurance claim	5,843	-	5,843	-
Other Income	12,852	-	12,852	11,235
	<u>357,403</u>	<u>-</u>	<u>357,403</u>	<u>284,435</u>

Notes (continued)

5 Raising funds

	General Fund £	Restricted Fund £	Total 2016 £	Total 2015 £
Rented property maintenance	(8,855)	-	(8,855)	(6,465)
Rent	(2,733)	-	(2,733)	(7,830)
Commercial trading costs	(1,429,596)	-	(1,429,596)	(947,572)
Farm costs	(131,759)	-	(131,759)	(8,148)
Farming and land costs	(1,000)	-	(1,000)	-
Fundraising costs	(587,623)	-	(587,623)	(294,899)
	<u>(2,161,566)</u>	<u>-</u>	<u>(2,161,566)</u>	<u>(1,264,914)</u>

6 Charitable activities

	Direct costs £	Support Costs £	Total 2016 £	Total 2015 £
<b>Unrestricted fund</b>				
Wages & salaries	-	(1,322,012)	(1,322,012)	(1,099,776)
Administration costs	-	(6,577)	(6,577)	(32,904)
Exhibition & promotions costs	-	(759,012)	(759,012)	(35,834)
Preservation of contents	(226,296)	(127,282)	(353,578)	(324,567)
Restoration of buildings	-	(688,721)	(688,721)	(413,702)
Maintenance of the estate	(465,625)	(51,883)	(517,508)	(408,878)
Education department	(141,106)	-	(141,106)	(140,034)
Walled Garden	(3,514)	-	(3,514)	(89,106)
Development & training costs	(225,424)	-	(225,424)	-
Donations made	(30,000)	-	(30,000)	-
	<u>(1,091,965)</u>	<u>(2,955,487)</u>	<u>(4,047,452)</u>	<u>(2,544,801)</u>
<b>Restricted fund</b>				
Preservation of contents	-	(132,606)	(132,606)	(151,921)
Restoration of buildings	-	(403,636)	(403,636)	(610,699)
Maintenance of estate	-	(4,354)	(4,354)	(9,867)
	<u>-</u>	<u>(540,596)</u>	<u>(540,596)</u>	<u>(772,487)</u>
<b>Endowment fund</b>				
Preservation of contents	-	(30,946)	(30,946)	-
Restoration of buildings	-	(57,612)	(57,612)	(57,612)
	<u>-</u>	<u>(88,558)</u>	<u>(88,558)</u>	<u>(57,612)</u>
<b>Total</b>	<u>(1,091,965)</u>	<u>(3,584,641)</u>	<u>(4,676,606)</u>	<u>(3,374,900)</u>

Support costs are allocated to the categories of charitable activities on a pro-rata basis where it is not possible to allocate the costs on a specific basis.

Notes (continued)

7 Support and other costs

	General Fund £	Restricted Fund £	Endowment Funds £	Total 2016 £	Total 2015 £
<b>Support costs</b>					
Staff costs	(1,322,012)	-	-	(1,322,012)	(1,097,735)
Marketing, communication and exhibition costs	(784,799)	-	-	(784,799)	(59,081)
Depreciation	(845,011)	(540,596)	(57,612)	(1,443,219)	(1,403,598)
Loss on disposal of assets	-	-	(30,946)	(30,946)	-
Miscellaneous	(3,665)	-	-	(3,665)	(27,349)
	<u>(2,955,487)</u>	<u>(540,596)</u>	<u>(88,558)</u>	<u>(3,584,641)</u>	<u>(2,587,763)</u>
<b>Governance costs</b>					
Legal	(750)	-	-	(750)	(6,900)
Auditor's remuneration	(6,500)	-	-	(6,500)	(5,500)
Bank interest and charges	(53,979)	-	-	(53,979)	(47,036)
Consulting & professional fees	(384,656)	-	-	(384,656)	(192,665)
	<u>(445,885)</u>	<u>-</u>	<u>-</u>	<u>(445,885)</u>	<u>(252,101)</u>

8 Net incoming/(outgoing) resources are stated after charging

	2016 £	2015 £
<b>Auditor's remuneration:</b>		
Audit of Trust financial statements	6,500	5,500
Audit of subsidiary financial statements	8,750	3,750
Assistance in preparation of subsidiary accounts	2,000	-
Depreciation and amortisation	<u>1,451,057</u>	<u>1,403,566</u>

9 Staff Costs

	2016 £	2015 £
Wages and salaries	1,876,088	1,420,507
Social security costs	134,464	99,714
Other pension costs	<u>52,795</u>	<u>4,297</u>
	<u>2,063,347</u>	<u>1,524,518</u>

Notes (continued)

9 Staff Costs (continued)

The number of employees whose annual emoluments were:

	2016	2015
Between £50,000 and £90,000	<u>1</u>	<u>-</u>

The number of employees during the period was as follows:

Central	21	16
Da Vinci Café	10	8
Dumfries House Home Farm Limited	3	-
Dumfries House Development & Training Limited	1	-
Dumfries House Trust Trading Limited	101	54
Estate and Trust staff	<u>39</u>	<u>27</u>
	<u>175</u>	<u>105</u>

55 (2015: 41) of the employees were employed on a seasonal basis.

Staff costs are split between The Great Steward of Scotland's Dumfries House Trust, Dumfries House Trust Trading Limited, Dumfries House Home Farm Limited and Dumfries House Development & Training Company Limited.

No Trustees received any remuneration in respect of their role as Trustees in this year or the preceeding year.

The key management personnel of the parent charity, the Trust, comprise the Trustees, the Executive Director, Finance Director and Deputy Executive Director. The total employee benefits of the key management personnel of the Trust were £135,089.

10 Comparatives for the Consolidated Statement of Financial Activities

	General funds £	Restricted funds £	Endowment funds £	Total funds £
<b>Income and endowments from:</b>				
Donations and legacies				
Donations	1,237,370	6,609,721	-	7,847,091
Grants & gifts in kind	90,374	280,445	-	370,819
Other trading activities				
Rental income	9,964	-	-	9,964
Commercial trading operations	1,092,581	-	-	1,092,581
Farming income	42,749	-	-	42,749
Investments				
Gift aid from trading activities	22,331	-	-	22,331
Gift aid from farming activities	24,608	-	-	24,608
Other	<u>284,435</u>	<u>-</u>	<u>-</u>	<u>284,435</u>
<b>Total</b>	<u>2,804,412</u>	<u>6,890,166</u>	<u>-</u>	<u>9,694,578</u>

Notes (continued)

10 Comparatives for the Statement of Financial Activities- continued

	General funds £	Restricted funds £	Endowment funds £	Total funds £
<b>Total</b>	<u>2,804,412</u>	<u>6,890,166</u>	<u>-</u>	<u>9,694,578</u>
<b>Expenditure</b>				
<b>Raising funds</b>				
Activities for generating funds				
Rented property maintenance	(6,465)	-	-	(6,465)
Rent	(7,830)	-	-	(7,830)
Commercial training costs	(947,572)	-	-	(947,572)
Farming costs	(8,148)	-	-	(8,148)
Fundraising costs	<u>(294,899)</u>	<u>-</u>	<u>-</u>	<u>(294,899)</u>
	<u>(1,264,914)</u>	<u>-</u>	<u>-</u>	<u>(1,264,914)</u>
<b>Charitable activities</b>				
Wages & salaries	(1,099,776)	-	-	(1,099,776)
Administration costs	(32,904)	-	-	(32,904)
Exhibition & promotions costs	(35,834)	-	-	(35,834)
Preservation of contents	(324,567)	(151,921)	-	(476,488)
Restoration of buildings	(413,702)	(610,699)	(57,612)	(1,082,013)
Maintenance of estate	(408,878)	(9,867)	-	(418,745)
Education	(140,034)	-	-	(140,034)
Walled Garden	<u>(89,106)</u>	<u>-</u>	<u>-</u>	<u>(89,106)</u>
	<u>(2,544,801)</u>	<u>(772,487)</u>	<u>(57,612)</u>	<u>(3,374,900)</u>
<b>Other resources expended</b>				
Gift aid to Trust from trading operations	(22,331)	-	-	(22,331)
Gift aid to Trust from farming operations	<u>(24,608)</u>	<u>-</u>	<u>-</u>	<u>(24,608)</u>
	<u>(46,939)</u>	<u>-</u>	<u>-</u>	<u>(46,939)</u>
<b>Other costs</b>	<u>(252,101)</u>	<u>-</u>	<u>-</u>	<u>(252,101)</u>
<b>Total</b>	<u>(4,108,755)</u>	<u>(772,487)</u>	<u>(57,612)</u>	<u>(4,938,854)</u>
Net income/(expenditure) for the year before taxation and transfers	(1,304,343)	6,117,679	(57,612)	4,755,724
Taxation	-	-	-	-
Net income/(expenditure) for the year before transfers	(1,304,343)	6,117,679	(57,612)	4,755,724
Gross transfers between funds	<u>6,890,168</u>	<u>(6,890,168)</u>	<u>-</u>	<u>-</u>
Net movements in funds	5,585,825	(772,489)	(57,612)	4,755,724
<b>Reconciliation of funds:</b>				
Fund balances at 1st April 2014	<u>8,581,879</u>	<u>10,569,764</u>	<u>42,401,081</u>	<u>61,552,724</u>
Fund balances at 31st March 2015	<u>14,167,704</u>	<u>9,797,275</u>	<u>42,343,469</u>	<u>66,308,448</u>

Notes (continued)

Trust statement of financial activities  
(incorporating an income and expenditure account)  
for the year ended 31 March 2016

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2016 £	Total 2015 £
<b>Income and endowments from:</b>					
Donations and legacies					
Donations	5,056,762	3,729,190	-	8,785,952	7,847,091
Grants and gift in kind	80,617	177,117	-	257,734	370,819
Other trading activities					
Rental income	35,447	-	-	35,447	9,964
Investments					
Gift Aid from trading activities	135,551	-	-	135,551	22,331
Gift Aid from farming activities	-	-	-	-	24,608
Gift Aid from farming and land	-	-	-	-	-
<b>Other</b>	<b>357,403</b>	<b>-</b>	<b>-</b>	<b>357,403</b>	<b>284,435</b>
<b>Total</b>	<b>5,665,780</b>	<b>3,906,307</b>	<b>-</b>	<b>9,572,087</b>	<b>8,559,248</b>
<b>Expenditure on:</b>					
Raising funds					
Rented property maintenance	(8,855)	-	-	(8,855)	(6,465)
Rent	(2,733)	-	-	(2,733)	(7,830)
Fundraising costs	(587,623)	-	-	(587,623)	(294,899)
	<b>(599,211)</b>	<b>-</b>	<b>-</b>	<b>(599,211)</b>	<b>(309,194)</b>
<b>Charitable activities</b>					
Wages & salaries	(1,322,012)	-	-	(1,322,012)	(1,099,776)
Administration costs	(6,577)	-	-	(6,577)	(32,904)
Exhibition & promotion costs	(759,012)	-	-	(759,012)	(35,834)
Preservation of contents	(353,578)	(132,606)	(30,946)	(517,130)	(476,488)
Restoration of buildings	(688,721)	(403,636)	(57,612)	(1,149,969)	(1,082,013)
Maintenance of the estate	(517,508)	(4,354)	-	(521,862)	(418,745)
Education	(141,106)	-	-	(141,106)	(140,034)
Walled Garden	(3,514)	-	-	(3,514)	(89,106)
Donations made	(30,000)	-	-	(30,000)	-
	<b>(3,822,028)</b>	<b>(540,596)</b>	<b>(88,558)</b>	<b>(4,451,182)</b>	<b>(3,374,900)</b>
<b>Other costs</b>	<b>(445,885)</b>	<b>-</b>	<b>-</b>	<b>(445,885)</b>	<b>(252,101)</b>
<b>Total</b>	<b>(4,867,124)</b>	<b>(540,596)</b>	<b>(88,558)</b>	<b>(5,496,278)</b>	<b>(3,936,195)</b>
Net income/(expenditure) for the year before taxation and transfers	798,656	3,365,711	(88,558)	4,075,809	4,623,053
Taxation	-	-	-	-	-
Net income/(expenditure) for the year before transfers	798,656	3,365,711	(88,558)	4,075,809	4,623,053
Gross transfers between funds	3,906,307	(3,906,307)	-	-	-
Net movements in funds	4,704,963	(540,596)	(88,558)	4,075,809	4,623,053
<b>Reconciliation of funds:</b>					
Fund balances at 1 April 2015	10,751,232	9,797,275	42,343,469	62,891,976	61,552,724
Fund balances at 31 March 2016	15,456,195	9,256,679	42,254,911	66,967,785	66,175,777

Notes (continued)

11 Endowment Assets

Group and Trust	Heritage assets £	Freehold land & buildings £	Sporting Rights £	Total 2016 £	Total 2015 £
<b>Cost or valuation</b>					
At 1 April 2015	38,814,422	3,885,140	65,000	42,764,562	42,764,563
Additions	-	-	-	-	-
Disposals	(30,946)	-	-	(30,946)	-
Transfers	-	-	-	-	-
At 31 March 2016	<u>38,783,476</u>	<u>3,885,140</u>	<u>65,000</u>	<u>42,733,616</u>	<u>42,764,563</u>
<b>Depreciation</b>					
At 1 April 2015	-	421,093	-	421,093	363,481
Charge for the period	-	57,612	-	57,612	57,612
At March 2015	-	<u>478,705</u>	-	<u>478,705</u>	<u>421,093</u>
<b>Net book value</b>					
At 31 March 2016	<u>38,783,476</u>	<u>3,406,435</u>	<u>65,000</u>	<u>42,254,911</u>	<u>42,343,470</u>
At 31 March 2015	<u>38,814,422</u>	<u>3,464,047</u>	<u>65,000</u>	<u>42,343,469</u>	<u>42,401,082</u>

On transition to FRS 102, the Trust has taken advantage to use a previous Generally Accepted Accounting Principals (GAAP) revaluation as deemed cost on items of property, plant and equipment.

12 Heritage Assets

Heritage assets within the Endowment Funds comprise Dumfries House, the stables and coach house and the contents of Dumfries House, many of which date back to the commissioning of the House in the 1750s. Dumfries House itself was built between 1754 and 1759 for the 5th Earl of Dumfries by the Adam brothers. The most important additional works to the building were undertaken by the architect Robert Weir Schultz in the 1890s.

Dumfries House has an unrivalled collection of furniture made or bought for the house when first built. Around 55 pieces by Thomas Chippendale, which represent his early rococo or "Director" phase, include bookcases, a bed, and items such as shaving tables and washstands. With most of the original invoices surviving, these pieces testify to Chippendale's early success in Scotland. This comprehensive body of furniture is complemented by work from the contemporary Edinburgh-based wrights Alexander Peter, Francis Brodie, and William Mathie. The range of luxury furniture produced by this group is unique in the world, both in terms of its quantity and quality. The contents are complemented by ceramics, carpets, chandeliers and other smaller objects, many of which can still be found in their original locations.

Included in freehold land and buildings is £1,284,726 relating to bare agricultural land and woodland.

The Trust also owns the Avenue Bridge, the Dovecote, the Temple and the Ice House which are classified as heritage assets, but cannot be valued and are therefore not recorded in the financial statements.

The heritage assets within the Trust, comprise largely of 18th century, 19th century and 20th century fine furniture, items of decorative and applied art and works of art. Assets acquired during the period are purchased to enhance the current collections within the House. Assets disposed of during the year are believed to no longer be of need within the collections.

Records of the collection are kept in the form of a digital database and hard copies, both of which are regularly updated. Access to the assets within the House is only permitted on the guided tours throughout the year. Any items not on the public route of these tours can be accessed by prior appointment with the collection manager.

On transition to FRS 102, the charity has taken advantage of the transitional relief to use the previous GAAP revaluation of the heritage assets as the deemed cost. A full revaluation of the heritage assets held within the Trust is due to be carried out for the next financial year.

Notes (continued)

12 Heritage Assets (continued)

Summary analysis of heritage asset transactions

	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Purchases and additions	-	-	180,001	187,500	402,048
Transfers	-	-	-	164,300	-
<b>Total additions</b>	<b>-</b>	<b>-</b>	<b>180,001</b>	<b>351,800</b>	<b>402,048</b>
Charge for impairment	-	-	-	-	-
Disposals	30,946	-	-	-	-
Proceeds from disposals	-	-	-	-	-

13 Tangible fixed assets

Group and Trust

	Land & Buildings	Plant & Machinery	Fixtures & Fittings	Motor vehicles	Improvements to Property	Total 2016
	£	£	£	£	£	£
<b>Cost or valuation</b>						
At 1 April 2015	28,186,883	153,660	1,957,686	98,443	-	30,396,672
Additions	3,923,140	112,045	24,527	-	21,000	4,080,712
Disposals	-	(9,950)	-	-	-	(9,950)
Transfers	-	-	-	-	-	-
<b>At 31 March 2016</b>	<b>32,110,023</b>	<b>255,755</b>	<b>1,982,213</b>	<b>98,443</b>	<b>21,000</b>	<b>34,467,434</b>
<b>Depreciation</b>						
At 1 April 2015	2,452,510	92,284	1,186,686	53,779	-	3,785,259
Charge for period	1,092,357	26,130	259,923	13,889	1,312	1,393,611
Disposals	-	(166)	-	-	-	(166)
<b>At 31 March 2016</b>	<b>3,544,867</b>	<b>118,248</b>	<b>1,446,609</b>	<b>67,668</b>	<b>1,312</b>	<b>5,178,704</b>
<b>Net book value</b>						
At 31 March 2016	28,565,156	137,507	535,604	30,775	19,688	29,288,730
At 31 March 2015	25,734,373	61,376	771,000	44,664	-	26,611,413

On transition to FRS 102, the Trust has taken advantage to use a previous GAAP revaluation as deemed cost on items of property, plant and equipment.



Notes (continued)

13 Tangible fixed assets (continued)

Trust	Land & Buildings	Plant & Machinery	Fixtures & Fittings	Motor vehicles	Improvements to Property	Total 2016
	£	£	£	£	£	£
<b>Cost or valuation</b>						
At 1 April 2015	24,791,643	153,660	1,957,686	98,443	-	27,001,432
Additions	3,919,080	24,035	23,964	-	-	3,967,079
Disposals	-	(9,950)	-	-	-	(9,950)
Transfers	-	-	-	-	-	-
At 31 March 2016	<u>28,710,723</u>	<u>167,745</u>	<u>1,981,650</u>	<u>98,443</u>	<u>-</u>	<u>30,958,561</u>
<b>Depreciation</b>						
At 1 April 2015	2,452,510	92,284	1,186,686	53,779	-	3,785,259
Charge for period	1,092,357	19,641	259,888	13,889	-	1,385,775
Disposals	-	(166)	-	-	-	(166)
At 31 March 2016	<u>3,544,867</u>	<u>111,759</u>	<u>1,446,574</u>	<u>67,668</u>	<u>-</u>	<u>5,170,868</u>
<b>Net book value</b>						
At 31 March 2016	<u>25,165,856</u>	<u>55,986</u>	<u>535,076</u>	<u>30,775</u>	<u>-</u>	<u>25,787,693</u>
At 31 March 2015	<u>22,339,133</u>	<u>61,376</u>	<u>771,000</u>	<u>44,664</u>	<u>-</u>	<u>23,216,173</u>

On transition to FRS 102, the Trust has taken advantage to use a previous GAAP revaluation as deemed cost on items of property, plant and equipment.

Notes (continued)

14 Fixed asset investment

The Trust's investment in the subsidiary company is stated at cost and represents the holding of one ordinary share of £1, the whole of the issued capital, in Dumfries House Trust Trading Limited, a company incorporated in Great Britain and registered in Scotland. The registered address of the company is Dumfries House, Dumfries House Estate, Cumnock, Ayrshire, KA18 2NJ. The subsidiary represents the commercial trading arm of the Trust.

The results of the subsidiary undertaking are as follows:

	2016	2015
	£	£
Turnover	1,565,147	992,191
Cost of sales	<u>(1,329,897)</u>	<u>(864,170)</u>
<b>Gross Profit/(loss)</b>	<b>235,250</b>	<b>128,021</b>
Administration	(99,699)	(83,402)
Other operating income	<u>-</u>	<u>100,390</u>
<b>Operating Profit</b>	<b>135,551</b>	<b>145,009</b>
Interest payable and similar charges	<u>(135,551)</u>	<u>(22,331)</u>
<b>Profit on Ordinary Activities Before Taxation</b>	<b>-</b>	<b>122,678</b>
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>
<b>Result for the financial year</b>	<b><u>-</u></b>	<b><u>122,678</u></b>
<b>Balance sheet:</b>		
Current assets	195,517	171,088
Current liabilities	<u>(195,515)</u>	<u>(171,086)</u>
<b>Net assets</b>	<b><u>2</u></b>	<b><u>2</u></b>

Notes (continued)

14 Fixed asset investments (continued)

The Trust's investment in the subsidiary company is stated at cost and represents the holding of two ordinary shares of £1, the whole of the issued capital, in Dumfries House Home Farm Limited, a company incorporated in Great Britain and registered in Scotland. The registered address of the company is Dumfries House, Dumfries Estate, Cumnock, Ayrshire, KA18 2NJ. The subsidiary represents the estate ownership, management and farming arm of the Trust.

The results of the subsidiary undertaking are as follows:

	2016	2015
	£	£
Turnover	33,420	30,770
Cost of sales	<u>(52,470)</u>	<u>(270)</u>
Gross Profit	(19,050)	30,500
Administration	(79,289)	(7,878)
Other operating income	<u>12,279</u>	<u>11,979</u>
Operating Profit	(86,060)	34,601
Interest payable and similar charges	<u>-</u>	<u>(24,608)</u>
<b>Profit/(Loss) on ordinary activities before taxation</b>	(86,060)	9,993
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>
Profit for the financial year	<u><u>(86,060)</u></u>	<u><u>9,993</u></u>
<b>Balance sheet:</b>		
Fixed assets	3,493,578	3,395,240
Current assets	324,276	47,963
Current liabilities	<u>(487,441)</u>	<u>(26,730)</u>
Net assets	<u><u>3,330,413</u></u>	<u><u>3,416,473</u></u>

Notes (continued)

14 Fixed asset investment

The Trust's investment in the subsidiary company is stated at cost and represents the holding of one ordinary share of £1, the whole of the issued capital, in Dumfries Farming & Land Limited, a company incorporated in Great Britain and registered in England and Wales. The registered address of the company is Clarence House, St James's, London, SW1A 1BA. The subsidiary was acquired by the Trust in September 2015. As a result only the income and expenditure incurred since acquisition has been included within the statement of financial activities. The subsidiary holds ownership of the land for future development at Knockroon.

The results of the subsidiary undertaking are as follows:

	2016	2015
	£	£
Turnover	214,200	1,044,922
Cost of sales	<u>(212,450)</u>	<u>(1,019,591)</u>
<b>Gross Profit/(loss)</b>	1,750	25,331
Administration	(30,541)	(157,527)
Other operating income	<u>1,647</u>	<u>123</u>
<b>Operating Profit/(Loss)</b>	(27,144)	(132,073)
Intercompany loan waiver	<u>-</u>	<u>1,714,514</u>
	(27,144)	1,582,441
Interest payable and similar charges	<u>-</u>	<u>-</u>
<b>Profit on Ordinary Activities Before Taxation</b>	(27,144)	1,582,441
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>
<b>Result for the financial year</b>	<u>(27,144)</u>	<u>1,582,441</u>
<b>Balance sheet:</b>		
Current assets	2,000,000	2,031,521
Current liabilities	<u>(52,848)</u>	<u>(57,225)</u>
<b>Net assets</b>	<u>1,947,152</u>	<u>1,974,296</u>
<b>At the date of acquisition</b>		
<b>Balance sheet:</b>		
Current assets		2,000,000
Current liabilities		<u>(51,848)</u>
<b>Net assets</b>		<u>1,948,152</u>

Notes (continued)

14 Fixed asset investment

The Trust's investment in the subsidiary company is stated at cost and represents the holding of one ordinary share of £1, the whole of the issued capital, in Dumfries House Development & Training Company Limited, a company incorporated in Great Britain and registered in Scotland. The registered address of the company is Dumfries House, Dumfries House Estate, Cumnock, Ayrshire, United Kingdom, KA18 2NJ. The subsidiary represents the residential construction arm of the Trust.

The results of the subsidiary undertaking are as follows:

	<b>2016</b>
	<b>£</b>
Turnover	169,858
Cost of sales	<u>(209,382)</u>
<b>Gross Profit/(loss)</b>	<b>(39,524)</b>
Administration	(16,042)
Other operating income	<u>-</u>
<b>Operating Profit</b>	<b>(55,566)</b>
Interest payable and similar charges	<u>-</u>
<b>Profit on Ordinary Activities Before Taxation</b>	<b>(55,566)</b>
Tax on profit on ordinary activities	<u>-</u>
<b>Result for the financial year</b>	<b><u>(55,566)</u></b>
<b>Balance sheet:</b>	
Fixed assets	7,459
Current assets	257,731
Current liabilities	<u>(320,755)</u>
<b>Net liabilities</b>	<b><u>(55,565)</u></b>

Notes (continued)

15 Debtors: amounts falling within one year

	Group 2016 £	Trust 2016 £	Group 2015 £	Trust 2015 £
Trade debtors	69,012	31,115	132,483	109,483
Other debtors	191,982	11,957	104,397	93,577
Other taxation recoverable	292,853	254,103	198,627	195,241
Amounts due from subsidiary	-	674,666	-	101,372
Prepayments and accrued income	71,793	62,675	60,847	51,204
	<u>625,640</u>	<u>1,034,516</u>	<u>496,354</u>	<u>550,877</u>

16 Creditors

	Group 2016 £	Trust 2016 £	Group 2015 £	Trust 2015 £
<i>Amounts falling due within one year</i>				
Bank overdrafts	1,585,185	1,585,185	2,407,960	2,407,961
Trade creditors	510,502	285,603	385,074	356,280
Other creditors	226,958	126,302	92,642	32,757
Other taxation payable	38,044	-	-	-
Accruals and deferred income	126,675	108,381	429,315	421,549
	<u>2,487,364</u>	<u>2,105,471</u>	<u>3,314,991</u>	<u>3,218,547</u>
<i>Amounts falling due after more than one year</i>				
Hire Purchase due in 2-5 years	3,870	3,870	-	-
Loan from Wm. Morrison Supermarkets pic	-	-	-	10,000
	<u>3,870</u>	<u>3,870</u>	<u>-</u>	<u>10,000</u>

The Joint Venture was ceased by mutual agreement on 31st October 2015. The loan outstanding was written off at that date.

Notes (continued)

17 Fund movements

Group	Balance 1 April 2015 £	Introduction of new subsidiary	Incoming resources £	Resources expended £	Transfers between funds £	Balance 31 March 2016 £
Endowment fund						
Endowment assets	42,247,753	-	-	(88,558)	-	42,159,195
Endowment asset revaluation reserve	95,716	-	-	-	-	95,716
	<u>42,343,469</u>	<u>-</u>	<u>-</u>	<u>(88,558)</u>	<u>-</u>	<u>42,254,911</u>
Restricted funds	<u>9,797,275</u>	<u>-</u>	<u>3,906,307</u>	<u>(540,596)</u>	<u>(3,906,307)</u>	<u>9,256,679</u>
Unrestricted funds	12,249,396	-	7,446,484	(6,790,454)	3,906,307	16,811,733
Introduction of subsidiary funds	-	1,199,588	-	-	-	1,199,588
Revaluation reserve	1,918,308	-	-	-	-	1,918,308
Introduction of subsidiary revaluation reserve	-	748,563	-	-	-	748,563
	<u>14,167,704</u>	<u>1,948,151</u>	<u>7,446,484</u>	<u>(6,790,454)</u>	<u>3,906,307</u>	<u>20,678,192</u>
Total funds	<u>66,308,448</u>	<u>1,948,151</u>	<u>11,352,791</u>	<u>(7,419,608)</u>	<u>-</u>	<u>72,189,782</u>
Trust		Balance 1 April 2015 £	Incoming resources £	Resources expended £	Transfers between funds £	Balance 31 March 2016 £
Endowment fund						
Endowment assets		42,247,753	-	(88,558)	-	42,159,195
Endowment asset revaluation reserve		95,716	-	-	-	95,716
		<u>42,343,469</u>	<u>-</u>	<u>(88,558)</u>	<u>-</u>	<u>42,254,911</u>
Restricted funds		<u>9,797,275</u>	<u>3,906,307</u>	<u>(540,596)</u>	<u>(3,906,307)</u>	<u>9,256,679</u>
Unrestricted funds		<u>10,751,232</u>	<u>5,665,780</u>	<u>(4,867,124)</u>	<u>3,906,307</u>	<u>15,456,195</u>
Total funds		<u>62,891,976</u>	<u>9,572,087</u>	<u>(5,496,278)</u>	<u>-</u>	<u>66,967,785</u>

Notes (continued)

18 Analysis of funds

Group	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2016 £	Total 2015 £
Tangible fixed assets	20,032,052	9,256,679	42,254,911	71,543,642	68,954,883
Current assets	3,137,374	-	-	3,137,374	668,556
Current liabilities	(2,487,364)	-	-	(2,487,364)	(3,314,991)
Non current liabilities	(3,870)	-	-	(3,870)	-
	<u>20,678,192</u>	<u>9,256,679</u>	<u>42,254,911</u>	<u>72,189,782</u>	<u>66,308,448</u>

Trust	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2016 £	Total 2015 £
Tangible fixed assets	16,531,015	9,256,679	42,254,911	68,042,605	65,559,642
Investments	5	-	-	5	10,003
Current assets	1,034,516	-	-	1,034,516	550,877
Current liabilities	(2,105,471)	-	-	(2,105,471)	(3,218,546)
Long term liabilities	(3,870)	-	-	(3,870)	(10,000)
	<u>15,456,195</u>	<u>9,256,679</u>	<u>42,254,911</u>	<u>66,967,785</u>	<u>62,891,976</u>

Reserve analysis

Group	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Revaluation Reserve £	Total 2016 £	Total 2015 £
At the beginning of period	12,249,396	9,797,275	42,247,753	2,014,024	66,308,448	61,552,724
Reallocation from revaluation reserve	1,918,308	-	95,716	(2,014,024)	-	-
Introduction of subsidiary reserves	1,948,151	-	-	-	1,948,151	-
Profit/(loss) for the period	4,562,337	(540,596)	(88,558)	-	3,933,183	4,755,724
	<u>20,678,192</u>	<u>9,256,679</u>	<u>42,254,911</u>	<u>-</u>	<u>72,189,782</u>	<u>66,308,448</u>

Trust	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Revaluation Reserve £	Total 2016 £	Total 2015 £
At the beginning of period	10,751,232	9,797,275	42,247,753	95,716	62,891,976	58,268,922
Reallocation from revaluation reserve	-	-	95,716	(95,716)	-	-
Profit/(loss) for the period	4,704,963	(540,596)	(88,558)	-	4,075,809	4,623,054
	<u>15,456,195</u>	<u>9,256,679</u>	<u>42,254,911</u>	<u>-</u>	<u>66,967,785</u>	<u>62,891,976</u>



Notes (continued)

19 Revaluation reserve

	Group 2016 £	Trust 2016 £	Group 2015 £	Trust 2015 £
At the beginning of the period	2,014,024	95,716	2,014,024	95,716
Introduction of Dumfries Farming & Land Limited	748,563	-	-	-
Reallocation of reserve to unrestricted funds	(2,666,871)	-	-	-
Reallocation of reserve to endowment funds	(95,716)	(95,716)	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At the end of the period	<u>          </u>	<u>          </u>	<u>2,014,024</u>	<u>95,716</u>

During the year, the revaluation reserve was reallocated between unrestricted and endowment funds. This reallocation was carried out to aid better understanding of the financial statements.

20 Analysis of changes in net cash

	1 April 2015 £	Cash flow £	Other non cash changes £	31 March 2016 £
Cash at bank in hand	<u>(2,291,144)</u>	<u>891,132</u>	<u>-</u>	<u>(1,400,012)</u>
Total	<u>(2,291,144)</u>	<u>891,132</u>	<u>-</u>	<u>(1,400,012)</u>

21 Transactions with Trustees

During the year, the following transactions took place with Trustees of the charitable company:

	2016 £	2015 £
Expenses paid on behalf of Trustees	<u>2,951</u>	<u>1,114</u>

During the year, the Trustees of the charitable company donated £260,000 to The Great Steward of Scotland's Dumfries House Trust.

22 Related party transactions

Mr David Brownlow is a director of Havisham Assets Limited and Havisham Properties Limited. Business was conducted at arms length, throughout the year via the outlet of Da Vinci's cafe. The cafe is owned by Havisham Assets Limited. Staff were seconded by the Trust at a cost to Havisham Assets Limited of £102,108. The Trust also invoiced Havisham Assets Limited a management charge of £14,400, in addition to further business expenses of £12,253.

Furthermore, three properties were purchased from Havisham Assets Limited at a cost of £364,190. These properties were capitalised within the financial statements. Further costs for exhibitions at Earl's Court in London and Ideal Homes in Glasgow, including all transportation costs between these venues, and to their final home at Dumfries House Estate were £715,668. These have been included within exhibition and promotion costs within the Statement of financial activities. These balances were paid in full prior to the year end.

The Trust invoiced Havisham Properties Limited £960 for business expenses throughout the year. Additionally, rent of £7,013 was paid by the Trust to Havisham Properties Limited during the year.

At 31st March 2016, £10,660 was due from Havisham Assets Limited and £157 was due from Havisham Properties Limited. These balances were fully repaid, in line with the agreed credit terms, after the year end.

Notes (continued)

22 Related party transactions - continued

During the year, there were a number of transactions with Premier Mode Limited, a company for which the Executive Director of the Trust, Mr Michael Fawcett, is a director.

- Payments to the value of £80,000 were made by the Trust to Premier Mode Limited with respect to the Executive Director's role within the Trust. Funding of £60,000 was received by the Trust from the Prince of Wales Charitable Foundation to assist in meeting these costs. This resulted in a net cost to the Trust of £20,000.
- Consultancy services were provided by the company to the Trust at a cost of £60,000
- During the year, Premier Mode Limited delivered a number of events in support of the Trust outside of Dumfries House. The cost of facilitating these functions, including all third party services, was £105,000. These events were underwritten by a donation to the value of £130,000.
- Finally, £3,000 was paid to an employee of Premier Mode Limited for consultancy services.

At 31st March 2016, £635 was due to Premier Mode Limited and is included within trade creditors.

Green Tea Productions Limited, of which the son of Michael Fawcett is a director, produced a series of short films covering events on the Estate during the year. The total cost of these services was £16,000, funding of £10,000 was received from a donor to assist in meeting these costs. This resulted in a net cost to the Trust of £6,000.

23 Restricted funds

	Balance at 1 April 2015 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 March 2016 £
Restricted funds	<u>9,797,275</u>	<u>3,906,307</u>	<u>(540,596)</u>	<u>(3,906,307)</u>	<u>9,256,679</u>

24 Contingent liability

As at 31 March 2015, Wm. Morrison Supermarkets plc had provided The Morrisons Farm Dumfries House Ltd with £267,218 in working capital on behalf of the Trust. The agreements between Wm. Morrison Supermarkets plc and the Trust provided for abatement of this loan over the life of the joint venture agreement, such that no amount was to be repayable by the Trust at the end of the 10 year term. The loan was only repayable if the Trust terminated the joint venture agreement or if it agreed to repay the loan for some other reason.

The Joint Venture was ceased by mutual agreement on 31st October 2015 and no liability was payable. At that date, the farming activities were incorporated within Dumfries House Home Farm Limited.

25 Transfer between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Revaluation Reserve £
<b>Consolidated statement of financial activities</b>				
Donations received	<u>3,906,307</u>	<u>{3,906,307}</u>	<u>-</u>	<u>-</u>
<b>Consolidated balance sheet</b>				
Reallocation of revaluation reserve- Trust	-	-	95,716	(95,716)
Reallocation of revaluation reserve- Home Farm	1,918,308	-	-	(1,918,308)
Reallocation of revaluation reserve- Farming & Land	<u>748,563</u>	<u>-</u>	<u>-</u>	<u>(748,563)</u>
	<u>2,666,871</u>	<u>-</u>	<u>95,716</u>	<u>(2,762,587)</u>

The Trust operates one bank account for all restricted, unrestricted and endowment funds. Restricted donations received by the Trust are transferred into restricted funds upon their receipt.

On completion of specific projects funded by restricted funds, the value of the assets within the project are reallocated from restricted funds to unrestricted funds per the agreement with the donee.

Notes (continued)

26 First year adoption - Reconciliation of Profit

Consolidated statement of financial activities for the year ended 31st March 2015

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>Income and endowments from:</b>			
<b>Donations and legacies</b>			
Donations	7,847,091	-	7,847,091
Grants & gifts in kind	370,819	-	370,819
<b>Other trading activities</b>			
Rental income	9,964	-	9,964
Commercial trading operations	1,092,581	-	1,092,581
Farming income	42,749	-	42,749
<b>Investments</b>			
Gift aid from trading activities	26,347	(4,016)	22,331
Gift aid from farming activities	24,608	-	24,608
Other	284,435	-	284,435
<b>Total</b>	<b>9,698,594</b>	<b>(4,016)</b>	<b>9,694,578</b>
<b>Expenditure</b>			
<b>Raising funds</b>			
Rented property maintenance	(6,465)	-	(6,465)
Rent	(7,830)	-	(7,830)
Commercial training costs	(943,556)	(4,016)	(947,572)
Farming costs	(8,148)	-	(8,148)
Fundraising costs	(294,899)	-	(294,899)
	<u>(1,260,898)</u>	<u>(4,016)</u>	<u>(1,264,914)</u>
<b>Charitable activities</b>			
Wages & salaries	(1,097,733)	(2,043)	(1,099,776)
Administration costs	(32,904)	-	(32,904)
Exhibition & promotion costs	(35,834)	-	(35,834)
Preservation of contents	(476,488)	-	(476,488)
Restoration of buildings	(1,082,013)	-	(1,082,013)
Maintenance of Estate	(418,745)	-	(418,745)
Education	(140,034)	-	(140,034)
Walled Garden	(89,106)	-	(89,106)
	<u>(3,372,857)</u>	<u>(2,043)</u>	<u>(3,374,900)</u>
<b>Other resources expended</b>			
Gift aid to Trust from Trading operations	(26,347)	4,016	(22,331)
Gift aid to Trust from Farming operations	(24,608)	-	(24,608)
	<u>(50,955)</u>	<u>4,016</u>	<u>(46,939)</u>
<b>Other costs</b>	<u>(252,101)</u>	<u>-</u>	<u>(252,101)</u>
<b>Total</b>	<b>(4,936,811)</b>	<b>(2,043)</b>	<b>(4,938,854)</b>
Net income/(expenditure) for the year before taxation and transfers	4,761,783	(6,059)	4,755,724

Notes (continued)

26 First year adoption - Reconciliation of Profit (continued)

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
Net income/(expenditure) for the year before taxation and transfers	4,761,783	(6,059)	4,755,724
Taxation	-	-	-
Net income/(expenditure) for the year before transfers	4,761,783	(6,059)	4,755,724
Gross transfers between funds	-	-	-
Net movements in funds	4,761,783	(6,059)	4,755,724
<b>Reconciliation of funds:</b>			
Fund balances at 1st April 2014	<u>61,552,724</u>	<u>-</u>	<u>61,552,724</u>
Fund balances at 31st March 2015	<u>66,314,507</u>	<u>(6,059)</u>	<u>66,308,448</u>

The transition to FRS 102 required an additional accrual for unused holiday pay to be included within the 2015 accounts. The inclusion of this accrual reduced the profits for the year. As a result, the gift aid received from Dumfries House Trust Trading Limited was reduced from £26,347 to £22,331.

27 First year adoption - transitional relief

On transition to FRS 102, the charity has taken advantage of the following transitional relief:

- to use a previous GAAP revaluation as deemed cost on:  
an item of property, plant and equipment
- to measure in subsidiaries, associates and joint ventures at cost determined in accordance with Section 9 Consolidated and Separate Financial Statements, Section 14 Investments in Associates or Section 15 Investments in Joint Ventures.