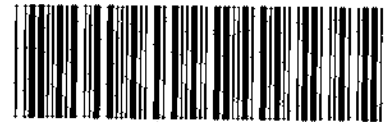


The Great Steward of Scotland's Dumfries House Trust
(A company limited by guarantee)
Trustees' report and financial statements
Charity Number SC038770
Company Number SC331738
For the year ended 31 March 2017

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COMPANIES HOUSE

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Letter from the Chair

As your new Chairman I would like to thank the Trustees for appointing me and say how proud I am to be associated with Dumfries House and its work in the community. I am delighted to be Chairman at such an auspicious time; as we celebrate our tenth anniversary so the momentum has continued, both on the Estate and in the wider community.

In particular, I must also thank Sir Brian Ivory, who has been an energetic and inspirational Chairman for the last 6 years, for his contribution to the work of Dumfries House over that time. The amount of change and development delivered over Sir Brian's tenure has been phenomenal, and sets a high bar for us over the coming period. We welcome Douglas Connell as a Trustee and sadly bid farewell to David Brownlow, who has been a steadfast supporter of Dumfries House for many years.

Over the last year we have seen the completion of a number of important projects, including Valentin's Education Farm, the Chinese Bridge, the New Cumnock Swimming Pool and the Library refurbishment. We have also seen the opening of the Rothesay Rooms Restaurant and Shop and an outreach project that has led to 13 new jobs in Ballater. These works continue the theme of Heritage Led Regeneration inspired by our Founder and President, His Royal Highness The Prince Charles, Duke of Rothesay.

In addition to project delivery, the year has seen strong improvement in trading, with almost every area of activity showing an increase on last year. In support of that and of our capital projects work, we are investing in IT capabilities including delivering better WiFi across the Estate, and have initiated a review of our financial systems and processes. The scale and complexity of our activities has grown enormously over the past years and that will be reflected in our revised infrastructure.

All of this has been made possible by the extraordinary generosity of our donors, the hard work of the Dumfries House team, and the support of the partners we work with. My thanks to all and I look forward to working with you in the year ahead.

Jayne-Anne Gadhia CBE

Chair

The Great Steward of Scotland's Dumfries House Trust

Strategic Report for the year ended 31 March 2017

Review of the Charity

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 £13,481,374 (2016: £11,352,791) with fund balances in the year growing to £92,048,243 (2016: £72,189,782)

The level of donations remained similar to those received in the year ending 31 March 2016. Revenues from commercial operations have increased significantly, 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 40%. These include costs associated with Dumfries House Development and Training Company Limited. Other costs also grew by 40% 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 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. Work on this will be a focus for the coming year.

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.
- The ability to grow revenue and attract more visitors and/or functions business. To monitor this risk, visitor numbers, income and costs are accounted for monthly and compared to budget. To mitigate this risk there has been increased focus on marketing, through the Dumfries House website and the recently introduced quarterly magazine.
- Unpredictability/uncertainty of donation flows. Increased focus on managing commitment to projects and managing cash flow mitigates this risk.

ON BEHALF OF THE BOARD:

Jayne-Anne Gadhia CBE
Chair

Report of the trustees for the year ended 31 March 2017

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 has commenced 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 2017 (continued)

Achievements and performance

Achievements in 2016-17

As we approach our tenth anniversary so the number of visitors to the Estate and the House has continued to climb. During the year over 28,000 people visited the House and an estimated 120,000 visited the grounds. In part the rise is due to the increased number of attractions (the maze, the Chinese Bridge and the Education Farm to name but a few) and the raised profile of the Estate. As the Estate matures, most evident in the Arboretum planted three years ago, so our visitor numbers have risen, which has led to our increasing our car parking facilities to 300 parking spaces (from 100).

Following the success of the previous year The Boswell Book Festival was held for the second year running at Dumfries House. We are delighted that it is planned that Dumfries House will be the Festival's permanent venue from hereon.

The success of our educational offerings, including the Belling Cookschool, the Morphy Richards Engineering Centre, The Royal Drawing School, the Prince's Foundation for Building Community, the Tamar Manoukian Outdoor and Sports Centres, Valentin's Education Farm, the Pierburg Education Garden, Dumfries House Textiles and our partnerships with the Prince's Trust and more recently the Royal Conservatoire, has meant over 15,000 young people have experienced at least one form of educational experience across the Estate in the last year.

Plans for the Wellbeing Centre at Stockiehill on the Estate have expanded and we are very close to starting building work. The Tea Dances held in the Pavilion by the Wellbeing team continue to be popular with older people experiencing social isolation and our programmes working with pre-diabetics, women's health groups and delivering complementary therapies have grown thanks to the work of our two new co-ordinators.

During the year our outreach projects in New Cumnock and Ballater have proved to be very successful. In New Cumnock the new outdoor swimming pool, adjacent to the Town Hall refurbished and opened by the Trust last year, was rebuilt and opened in June 2017. The adjacent Town Square was renovated at the same time and plans are now afoot to complete the Square with a new cafe and gym. Following the terrible destruction of the floods in Ballater in December 2015 a disused shop was taken over by the Trust and a new restaurant and gift shop were opened in September 2016.

The Queen Elizabeth Tearoom overlooking the Walled Garden, opened in April 2016, continues to flourish and is popular with visitors and as an event venue. The Maze, opened June 2016, proves popular with young and old alike and for the first year the Duchess of Rothesay Avenue boasted a drift of daffodils along its length to celebrate the centenary of Marie Curie Cancer Care.

Current Capital Projects on the Estate and Outreach Projects in the wider community

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 in earnest is expected to begin towards the end of 2017. The complex will contain lecture rooms, overnight accommodation and artists' studios.

Wellbeing Centre The plans for the Centre have been developed and expanded over the last year to meet the increased demands from the local community. Given all the necessary permissions are in place we plan to start work in the next financial year.

Future Textiles The success of the textiles programme currently based in the Atelier of the House has been such that funding was sought to provide a new, bigger home. Plans have now been agreed to refurbish and kit out The Old Sawmill on the Estate to provide new accommodation in 2017/18. Looking to the future this could have a commercial application with capacity to be a CMT (cut, measure and trim) unit providing income to the Trust and local employment.

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 over the next year including the completion of the last 4 houses of this phase. At that point it is the intention to move on to Phase 2 of the project.

Report of the trustees for the year ended 31 March 2017 (continued)

Achievements and performance -continued

Future plans

The Pavilion Planning permission for the current event venue, the temporary pavilion attached to the back of the House, lapses in the next few years. Therefore for some time work has been taking place developing plans for a new, purpose built pavilion, built on the Estate in an appropriate setting to provide accommodation for events hosting up to 200 people. We are currently in talks with Historic Environment Scotland and hope to have plans finalised and planning permission granted for work to start over the next financial year.

Cafe and gym at New Cumnock To complete the regeneration of the town centre of New Cumnock we plan to introduce a new building opposite the swimming pool. The new building will be of traditional scale and form, the plan is to have a café which will provide a facility for both health and leisure pursuits and community meetings.

The Highland Games Centre at Braemar Highland games are a significant part of Scotland's cultural heritage, dating back to medieval times and popularized by royal patronage over 6 generations of the Braemar Gathering. Organiser of the Braemar Gathering, The Braemar Royal Highland Charity plans to build a new Highland Games Centre, a year-round facility centred on conserving and enhancing Highland Games cultural heritage at the Princess Royal and Duke of Fife Memorial Park. Following the creation of plans by the Prince's Foundation for Building Community, which subsequently passed planning in July 2017, as part of our outreach work we are now supporting the fundraising campaign to ensure the vision is realised.

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 2016/17.

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 £13,481,374, an increase of 19% from the previous year; of this, £6,866,520 was unrestricted and £6,614,854 restricted. The Trust received unrestricted donations of £2,219,372 and unrestricted grants and gifts in kind of £48,708. These unrestricted funds were supplemented by income generated from the Trust's commercial operations which totalled £1,941,177. In addition the Trust received £1,847,161 income from the activities of Dumfries House Development & Trading Limited, a significant uplift from prior year. The income received from Dumfries Farming & Land Limited relates to a loan that was waived in the year.

With expenditures rising to £10,387,987, most significantly through the activity of Dumfries House Development & Trading Limited, the net income for the year was £3,093,387.

The most substantial change to the funds position during the period was that occasioned by revaluations of assets, in total a £16,765,074 increase in value. This plus the net income for the year moved the fund balance from £72,189,782 to £92,048,243.

Reserves policy

Total funds within the consolidated accounts as at 31st March 2017 were £92,048,243. Of this amount £67,648,571 represents endowment funds, £8,386,170 represents restricted funds and £16,013,502 represents unrestricted funds. Within unrestricted funds, the amount represented by tangible fixed assets and not capable of immediate realisation is £21,737,147.

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 2017 (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, charity number SC038770 and company registration number SC331738. The Trust currently has four wholly owned subsidiary companies:

Dumfries House Trust Trading Company 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 note 15). The Joint Venture between the Trust and Morrison's was ceased by mutual agreement in October 2015. The loan outstanding to Morrison's was written off at that date.

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 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.

It is the intention of the Trust to merge the two subsidiaries Dumfries House Development & Training Company Limited and Dumfries Farming and Land Limited during the coming financial year.

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.

Profiles of the Trustees

Mr Rufus Bird October 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 – resigned June 2017

Mr Brownlow entered the recruitment industry with Hays Accountancy Personnel in 1989. In 1996, he cofounded 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 was also on the board of The Prince's Foundation for Building Communities (Chairman 2014 to 2017).

Report of the trustees for the year ended 31 March 2017 (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.

Mr Douglas Andrew Connell October 2017- present

Douglas Connell is the former senior partner and a founding partner of Turcan Connell, Solicitors, of Edinburgh, Glasgow and London where he specialised in heritage property and charity law. He is Deputy Chairman of Tcam, an investment and financial planning business. Douglas is the former chairman of Museums Galleries Scotland which is the national development body for Scotland's museums and galleries. He is a Trustee of Hampshire Cultural Trust. Douglas has served as a Board member of numerous arts and heritage organisations and as a Court member of the Universities of Edinburgh and St Andrews. After many years in Scotland, Douglas now lives in Hampshire and London.

Mrs Heather Dunk, OBE April 2014 - present

Heather 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, Heather was Vice Principal of West Lothian College and formerly Director of Education with PLATO Learning. Heather has extensive knowledge of large capital projects and successfully led the development of the new £54m college campus which opened in Kilmarnock in 2016. Heather 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 (Chair June 2017 - present)

Jayne-Anne 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, Jayne-Anne is a Trustee of Business in the Community. In November 2016 Jayne-Anne was announced as the government's Women in Finance Champion.

Sir Brian Ivory, CBE (Chair) December 2009 - resigned June 2017

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.

Mr Robert Lovie December 2015 – August 2017

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 2017 (continued)

Structure, governance and management

Our staff

At the beginning of April 2016, the Trust employed 142 staff. By the end of March 2017, the Trust employed a total of 184 staff.

Finance Committee

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

Mrs Jayne-Anne Gadhia (Chair) April 2016 – present

The Executive Director

The Deputy Executive Director

Head of Finance

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 2017 (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:	Jayne- Anne Gadhia CBE Chair (appointed Chair 22 June 2017) Rufus Bird David Brownlow (resigned 29 June 2017) Charles Cator Douglas Connell (appointed 1 October 2016) Heather Dunk Sir Brian Ivory, CBE Chairman (resigned 22 June 2017) Robert Gordon Lovie (resigned 1st August 2017)	
Secretary:	Kenneth Dunsmuir	
Senior management team	Michael Fawcett	Executive Director
	Kenneth Dunsmuir	Deputy Executive Director
	Emily Cherrington	Deputy Executive Director
	Gordon J Neil	Deputy Executive Director
	Robert Lovie	Deputy Executive Director
	Lucy Campbell	Head of Finance
	Robert Hall	Financial Director (retired 07 October 2016)
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), including Financial Reporting Standard FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

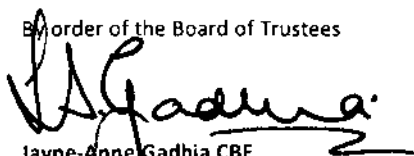
In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

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

By order of the Board of Trustees


Jayne-Anne Gadhia CBE
Chair
Date..... 18.12.17

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 2017 set out on pages 13 to 39. 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 10, 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 2017 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: 15/2/17

Consolidated statement of financial activities
(incorporating an income and expenditure account)
for the year ended 31 March 2017

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2017 £	Total 2016 £
Income and endowments from:						
Donations and legacies						
Donations	2	2,219,372	6,614,854	-	8,834,226	8,785,952
Grants and gift in kind	3	48,708	-	-	48,708	257,734
Other trading activities						
Rental Income		74,807	-	-	74,807	35,447
Commercial trading operations	15	1,941,177	-	-	1,941,177	1,565,147
Home Farm	15	237,996	-	-	237,996	45,699
Development & Trading	15	1,847,161	-	-	1,847,161	169,858
Farming & Land	15	51,848	-	-	51,848	-
Investments						
Gift Aid from trading activities	15	200,300	-	-	200,300	135,551
Other	4	245,151	-	-	245,151	357,403
Total		6,866,520	6,614,854	-	13,481,374	11,352,791
Expenditure on:						
Raising funds						
Rented property maintenance		(962)	-	-	(962)	(8,855)
Rent		(7,873)	-	-	(7,873)	(2,733)
Commercial trading costs	15	(1,740,877)	-	-	(1,740,877)	(1,429,596)
Farming costs	15	(298,149)	-	-	(298,149)	(131,759)
Farming & land costs	15	(553,937)	-	-	(553,937)	(1,000)
Fundraising costs	5	(642,499)	-	-	(642,499)	(587,623)
	5	<u>(3,244,297)</u>	<u>-</u>	<u>-</u>	<u>(3,244,297)</u>	<u>(2,161,566)</u>
Charitable activities						
Wages & salaries	6	(1,834,819)	-	-	(1,834,819)	(1,322,012)
Administration costs	6	(44,322)	-	-	(44,322)	(6,577)
Exhibition & promotion costs	6	(373,589)	-	-	(373,589)	(759,012)
Preservation of contents	6	(397,817)	(108,344)	-	(506,161)	(517,130)
Restoration of buildings	6	(645,797)	(227,548)	(6,063)	(879,408)	(1,149,969)
Maintenance of the estate	6	(527,689)	(4,357)	-	(532,046)	(521,862)
Education	6	(141,556)	-	-	(141,556)	(141,106)
Walled Garden	6	(34,844)	-	-	(34,844)	(3,514)
Development & Training	15	(2,184,444)	-	-	(2,184,444)	(225,424)
Donations made	6	(20,651)	-	-	(20,651)	(30,000)
		<u>(6,205,528)</u>	<u>(340,249)</u>	<u>(6,063)</u>	<u>(6,551,840)</u>	<u>(4,676,606)</u>
Other resources expended						
Gift Aid to Trust from trading operations	15	(200,300)	-	-	(200,300)	(135,551)
Governance costs	7	<u>(391,550)</u>	<u>-</u>	<u>-</u>	<u>(391,550)</u>	<u>(445,885)</u>
Total expenses		(10,041,675)	(340,249)	(6,063)	(10,387,987)	(7,419,608)
Net income/(expenditure) for the year before taxation and transfers	8	(3,175,155)	6,274,605	(6,063)	3,093,387	3,933,183
Taxation		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income/(expenditure) for the year before transfers		<u>(3,175,155)</u>	<u>6,274,605</u>	<u>(6,063)</u>	<u>3,093,387</u>	<u>3,933,183</u>

Consolidated statement of financial activities
(incorporating an income and expenditure account) (continued)
for the year ended 31 March 2017

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2017 £	Total 2016 £
Net income/(expenditure) for the year before transfers		(3,175,155)	6,274,605	(6,063)	3,093,387	3,933,183
Gross transfers between funds	25	4,721,285	(4,721,285)	-	-	-
		<u>1,546,130</u>	<u>1,553,320</u>	<u>(6,063)</u>	<u>3,093,387</u>	<u>3,933,183</u>
Other recognised gains/(losses)						
Gains/(losses) on revaluation of fixed assets						
Trust assets	20	(5,574,507)	(2,423,829)	25,399,723	17,401,387	-
Dumfries House Home Farm Limited assets	20	112,249	-	-	112,249	-
Dumfries Farming & Land Limited assets	15	(748,562)	-	-	(748,562)	-
		<u>(6,210,820)</u>	<u>(2,423,829)</u>	<u>25,399,723</u>	<u>16,765,074</u>	<u>-</u>
Net movements in funds		<u>(4,664,690)</u>	<u>(870,509)</u>	<u>25,393,660</u>	<u>19,858,461</u>	<u>3,933,183</u>
Reconciliation of funds:						
Fund balances at 1 April 2016	20	20,678,192	9,256,679	42,254,911	72,189,782	66,308,448
Net movements in funds		(4,664,690)	(870,509)	25,393,660	19,858,461	3,933,183
Introduction of Dumfries Farming and Land Limited reserves		-	-	-	-	1,948,151
Fund balances at 31 March 2017	20	<u>16,013,502</u>	<u>8,386,170</u>	<u>67,648,571</u>	<u>92,048,243</u>	<u>72,189,782</u>

For the current and previous years, 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 £3,093,387 (2016: £3,933,183).

A revaluation of assets, as periodically required, was conducted as at March 2017. That for the House contents has been based on an external valuation carried out by Lyon and Turnbull, auctioneers, and for Dumfries House, the stables and coach house, other freehold land & buildings and sporting rights, values were based on assessments by Stanley Wright, Chartered Surveyors. See also notes 1 & 12-14.

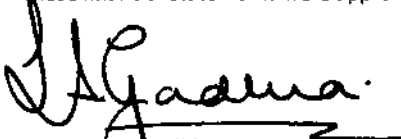
The notes on pages 18 to 39 form part of these financial statements.

Consolidated balance sheet
at 31 March 2017

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2017 £	Total 2016 £
Fixed assets						
Endowment assets	12, 13			67,648,571	67,648,571	42,254,911
Other tangible assets	14	21,737,147	6,492,601.0	-	28,229,748	29,288,730
		<u>21,737,147</u>	<u>6,492,601</u>	<u>67,648,571</u>	<u>95,878,319</u>	<u>71,543,641</u>
Current assets						
Stock	16	1,100,355	-	-	1,100,355	2,326,562
Debtors	17	1,064,280	1,893,569	-	2,957,849	625,640
Cash at bank and in hand		171,127	-	-	171,127	185,173
		<u>2,335,762</u>	<u>1,893,569</u>	<u>-</u>	<u>4,229,331</u>	<u>3,137,375</u>
Creditors: amounts falling due within one year	18	<u>(8,059,407)</u>	<u>-</u>	<u>-</u>	<u>(8,059,407)</u>	<u>(2,487,364)</u>
Net current assets / (liabilities)		<u>(5,723,645)</u>	<u>1,893,569</u>	<u>-</u>	<u>(3,830,076)</u>	<u>650,011</u>
Creditors: amounts falling due after more than one year	18	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,870)</u>
Net assets		<u>16,013,502</u>	<u>8,386,170</u>	<u>67,648,571</u>	<u>92,048,243</u>	<u>72,189,782</u>
Funds						
Unrestricted	20				16,013,502	20,678,192
Restricted	20				8,386,170	9,256,679
Endowment	20				67,648,571	42,254,911
					<u>92,048,243</u>	<u>72,189,782</u>

The notes on pages 18 to 39 form part of these financial statements.

These financial statements were approved by the Trustees on 18.12.17 and were signed on their behalf by:

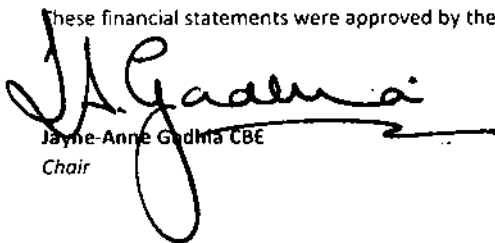

Jayne-Anne Gadhia CBE
Chair

Trust balance sheet
at 31 March 2017

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2017 £	Total 2016 £
Fixed Assets						
Endowment assets	12, 13			67,648,571	67,648,571	42,254,911
Other tangible assets	14	18,127,710	6,492,601	-	24,620,311	25,787,693
Investments	15	5			5	5
		<u>18,127,715</u>	<u>6,492,601</u>	<u>67,648,571</u>	<u>92,268,887</u>	<u>68,042,610</u>
Current assets						
Debtors: amounts falling due within one year	17	1,924,433	1,893,569	-	3,818,002	1,034,516
Cash at bank		-	-	-	-	-
		<u>1,924,433</u>	<u>1,893,569</u>	<u>-</u>	<u>3,818,002</u>	<u>1,034,516</u>
Creditors: amounts falling due within one year	18	<u>(7,724,805)</u>	<u>-</u>	<u>-</u>	<u>(7,724,805)</u>	<u>(2,105,471)</u>
Net current assets / (liabilities)		(5,800,372)	1,893,569	-	(3,906,803)	(1,070,955)
Creditors: amounts falling due after more than one year	18	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,870)</u>
Net assets		<u>12,327,343</u>	<u>8,386,170</u>	<u>67,648,571</u>	<u>88,362,084</u>	<u>66,967,785</u>
Funds						
Unrestricted	20				12,327,343	15,456,195
Restricted	20				8,386,170	9,256,679
Endowment	20				67,648,571	42,254,911
					<u>88,362,084</u>	<u>66,967,785</u>

The notes on pages 18 to 39 form part of these financial statements.

These financial statements were approved by the trustees on 18.12.17 and were signed on their behalf by:


Jayne-Anne Gadhia CBE
Chair

**Consolidated cash flow statement
for the year ended 31 March 2017**

Cash flow statement	Notes	2017 £	2016 £
Cash flows from operating activities	1	5,628,905	4,933,520
Interest paid		(72,094)	(45,446)
Interest element of hire purchase and finance lease rental		(4,022)	(1,569)
Net cash provided by (used in) operating activities		<u>5,552,789</u>	<u>4,886,505</u>
Cashflows from investing activities			
Purchase of tangible fixed assets	12,14	(7,994,041)	(4,080,712)
Disposal of tangible fixed assets	12,14	-	40,896
Net cash provided by (used in) investing activities		<u>(7,994,041)</u>	<u>(4,039,816)</u>
Cash flow from financing activities			
New hire purchase contracts		92,585	93,628
Repayment of capital element of hire purchase contracts		(98,501)	(49,185)
Net cash flow from financing activities		<u>(5,916)</u>	<u>44,443</u>
Change in cash and cash equivalents in the reporting period		<u>(2,447,168)</u>	<u>891,132</u>
Cash and cash equivalents at the beginning of the period		<u>(1,400,012)</u>	<u>(2,291,144)</u>
Cash and cash equivalents at the end of the period	21	<u>(3,847,180)</u>	<u>(1,400,012)</u>

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

Net income/ (expenditure) for the reporting period (as per the statement of financial activities)		3,093,387	3,933,183
Adjustments for:			
Depreciation, amortisation and impairment charges	12,14	1,173,002	1,451,057
Interest paid		72,094	45,446
Interest element of hire purchase and finance lease rental		4,022	1,569
Reclassification adjustment from revaluation reserve to profit and loss		(748,563)	-
(Increase)/decrease in stock	16	1,226,207	(271,176)
(Increase)/decrease in debtors	17	(2,332,209)	(129,286)
(Decrease)/increase in creditors excluding overdraft & hire purchase	18	3,140,965	(97,273)
Net cash provided by (used in) operating activities		<u>5,628,905</u>	<u>4,933,520</u>

**Note ii
Reconciliation of net cash flow**

Increase/(Decrease) in cash in the period		<u>(2,447,168)</u>	<u>891,132</u>
Net cash at start of the year		(1,400,012)	(2,291,144)
Movement in net funds in the period	21	<u>(2,447,168)</u>	<u>891,132</u>
Net cash at the end of the year	21	<u>(3,847,180)</u>	<u>(1,400,012)</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', the Companies Act 2006 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 and its subsidiary undertakings.

The financial statements of its subsidiary companies', Dumfries House Trust Trading Limited, Dumfries House Home Farm Limited, Dumfries House Development & Training Company Limited and Dumfries House Farming and Land Limited have been fully consolidated on a line by line basis in accordance with FRS 102.

In the Trust's financial statements, the investment in its subsidiaries are stated at cost.

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>	2017	2016
Dumfries House Trust Trading Limited	<u>200,300</u>	<u>135,551</u>

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 Lyon and Turnbull, auctioneers, for audit purposes on 29 March 2017. The valuation was based on similar previous sale estimates and results.

A valuation of Dumfries House, the stables and coach house on the basis of market value was performed by Stanley Wright, Chartered Surveyors, on 28 March 2017, in accordance with the Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors (the Red Book).

A valuation of the freehold land and buildings on the basis of the market value was performed by Stanley Wright, Chartered Surveyors, as at 28 March 2017, 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 Stanley Wright, as at 28 March 2017.

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.

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 operates a defined contribution pension scheme. Contributions payable to the Trust's pension scheme are charged to the statement of financial activities in the period to which they 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 2017 £	Total 2016 £
Donations received	2,219,372	6,614,854	8,834,226	8,785,952
	<u>2,219,372</u>	<u>6,614,854</u>	<u>8,834,226</u>	<u>8,785,952</u>

The following projects were, in part, funded by donations which were in excess of £300,000:

	£
New Cumnock Town Hall	489,849
New Cumnock Swimming pool	600,292
New Cumnock Swimming pool	360,188
Farm Education Centre	808,483
Glenside Project	1,500,000

3 Grants and gifts in kind

	General Fund £	Restricted Fund £	Total 2017 £	Total 2016 £
Grants received				
East Ayrshire Council Youth Initiative	2,458	-	2,458	-
Historic Environment Scotland	-	-	-	252,117
Renewable Heat Incentive	46,250	-	46,250	5,617
	<u>48,708</u>	<u>-</u>	<u>48,708</u>	<u>257,734</u>

4 Other

	General Fund £	Restricted Fund £	Total 2017 £	Total 2016 £
Education	123,285	-	123,285	222,510
Recharge of Havisham Assets wages	83,255	-	83,255	85,803
Management fee and service charges income	11,000	-	11,000	18,000
SIACS	12,395	-	12,395	12,395
Wayleave income	206	-	206	-
Insurance claim	-	-	-	5,843
Other Income	15,010	-	15,010	12,852
	<u>245,151</u>	<u>-</u>	<u>245,151</u>	<u>357,403</u>

Notes (continued)

5 Raising funds

	General Fund £	Total 2017 £	General Fund £	Total 2016 £
Rented property maintenance		(962)		(8,855)
Rent		(7,873)		(2,733)
<u>Commercial trading costs</u>				
Trading cost of sales	(1,572,836)		(1,329,897)	
Admin costs	<u>(168,041)</u>		<u>(99,699)</u>	
		(1,740,877)		(1,429,596)
<u>Farm costs</u>				
Farm cost of sales	(120,315)		(52,470)	
Admin costs	<u>(177,834)</u>		<u>(79,289)</u>	
		(298,149)		(131,759)
<u>Farming & land costs</u>				
Cost of sales	(551,437)		-	
Admin costs	<u>(2,500)</u>		<u>(1,000)</u>	
		(553,937)		(1,000)
<u>Fundraising costs</u>				
Regeneration costs	(79,041)		(18,194)	
Car hire & hotels	(70,023)		(62,686)	
Printing	(2,745)		(120)	
Postage	(7,471)		(9,078)	
Office stationery	(18,512)		(17,511)	
HRH visit related costs	(57,342)		(80,446)	
Housekeeping	(737)		(7,440)	
Kitchen costs	(14,242)		(2,032)	
Central office & estate costs	(316,906)		(345,125)	
Textiles initiative costs	(45,346)		(44,991)	
Communication & IT costs	(7,779)		-	
Finance department costs	(6,609)		-	
Health initiative costs	(14,743)		-	
Hire/lease of kitchen equipment	(378)		-	
Recruitment costs	<u>(625)</u>		<u>-</u>	
		(642,499)		(587,623)
		<u>(3,244,297)</u>		<u>(2,161,566)</u>

During the year to 31 March 2017 costs for Communications & IT, Finance department, Health Initiative, hire/lease of kitchen equipment and recruitment costs were included within central costs.

Notes (continued)

6 Charitable activities

	Direct costs £	Support Costs £	Total 2017 £	Total 2016 £
Unrestricted fund				
Wages & salaries	-	(1,834,819)	(1,834,819)	(1,322,012)
Administration costs	-	(44,322)	(44,322)	(6,577)
Exhibition & promotions costs	-	(373,589)	(373,589)	(759,012)
Preservation of contents	(263,127)	(134,690)	(397,817)	(353,578)
Restoration of buildings	-	(645,797)	(645,797)	(688,721)
Maintenance of the estate	(471,186)	(56,503)	(527,689)	(517,508)
Education department	(141,556)	-	(141,556)	(141,106)
Walled Garden	(34,844)	-	(34,844)	(3,514)
Development & training costs	(2,184,444)	-	(2,184,444)	(225,424)
Donations made	(20,651)	-	(20,651)	(30,000)
	<u>(3,115,808)</u>	<u>(3,089,720)</u>	<u>(6,205,528)</u>	<u>(4,047,452)</u>
Restricted fund				
Preservation of contents	-	(108,344)	(108,344)	(132,606)
Restoration of buildings	-	(227,548)	(227,548)	(403,636)
Maintenance of estate	-	(4,357)	(4,357)	(4,354)
	<u>-</u>	<u>(340,249)</u>	<u>(340,249)</u>	<u>(540,596)</u>
Endowment fund				
Preservation of contents	-	-	-	(30,946)
Restoration of buildings	-	(6,063)	(6,063)	(57,612)
	<u>-</u>	<u>(6,063)</u>	<u>(6,063)</u>	<u>(88,558)</u>
Total	<u>(3,115,808)</u>	<u>(3,436,032)</u>	<u>(6,551,840)</u>	<u>(4,676,606)</u>

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

7 Support and other costs - Trust only

	General Fund £	Restricted Fund £	Endowment Funds £	Total 2017 £	Total 2016 £
Support costs					
Staff costs	(1,834,819)	-	-	(1,834,819)	(1,322,012)
Marketing, communication and exhibition costs	(373,589)	-	-	(373,589)	(784,799)
Depreciation	(836,990)	(340,249)	(6,063)	(1,183,302)	(1,443,219)
Loss on disposal of assets	-	-	-	-	(30,946)
Administration costs	(44,322)	-	-	(44,322)	(3,665)
	<u>(3,089,720)</u>	<u>(340,249)</u>	<u>(6,063)</u>	<u>(3,436,032)</u>	<u>(3,584,641)</u>
Governance costs					
Legal	(11,939)	-	-	(11,939)	(750)
Auditor's remuneration	(8,750)	-	-	(8,750)	(6,500)
Bank interest and charges	(97,634)	-	-	(97,634)	(53,979)
Consulting & professional fees	(273,227)	-	-	(273,227)	(384,656)
	<u>(391,550)</u>	<u>-</u>	<u>-</u>	<u>(391,550)</u>	<u>(445,885)</u>

Notes (continued)

8 Net incoming/(outgoing) resources are stated after charging	2017 £	2016 £
Auditor's remuneration:		
Audit of Trust financial statements	8,750	6,500
Audit of subsidiary financial statements	11,500	8,750
Assistance in preparation of subsidiary accounts	-	2,000
	<u>20,250</u>	<u>17,250</u>
Depreciation and amortisation	<u>1,173,002</u>	<u>1,451,057</u>

9 Staff Costs

	The Great Steward of Scotland's Dumfries House Trust	Dumfries House Trust Trading Limited	Dumfries House Home Farm Limited	Dumfries House Development & Training Company Limited	2017 £	2016 £
Wages and salaries	1,621,479	741,572	88,688	182,071	2,633,810	1,876,088
Social security costs	96,431	31,850	7,462	23,252	158,995	134,464
Other pension costs	116,909	37,349	-	-	154,258	52,795
	<u>1,834,819</u>	<u>810,771</u>	<u>96,150</u>	<u>205,323</u>	<u>2,947,063</u>	<u>2,063,347</u>

Staff costs are included within the statement of financial activities as follows -

The Great Steward of Scotland's Dumfries House Trust	- Charitable activities - Wages & salaries
Dumfries House Trust Trading Limited	- Raising funds - Commercial trading costs
Dumfries House Home Farm Limited	- Raising funds - Farming costs
Dumfries House Development & Training Company Limited	- Charitable activities - Development & Training

From -	2017	2016
£60,001 to £70,000	-	-
£70,001 to £80,000	1	1
£80,001 to £90,000	-	-
£90,001 to £100,000	1	-
	<u>1</u>	<u>-</u>

All of the employees above received pension contributions.

	2017 £	2016 £
Employer pension contributions for the employees above	<u>4,745</u>	<u>5,645</u>

The total number of employees during the period was as follows:

	2017 Number	2016 Number
The Great Steward of Scotland's Dumfries House Trust	81	61
Dumfries House Trust Trading Limited	93	64
Dumfries House Development & Training Limited	7	6
Dumfries House Home Farm Limited	3	3
Seconded to Da Vinci's café	-	8
	<u>184</u>	<u>142</u>

53 (2016: 55) of the employees were employed on a seasonal basis.

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

The key management personnel of the parent charity, the Trust, comprise the Trustees, the Executive Director, Head of Finance, Development and Facilities Manager and Deputy Executive Director. The total employee benefits of the key management personnel of the Trust were £250,999.

An ex gratia termination benefit was paid to an employee on retirement of £43,348.

Notes (continued)

10 2016 Comparatives for the Consolidated Statement of Financial Activities

	General funds	Restricted funds	Endowment funds	Total funds
	£	£	£	£
Income and endowments from:				
Donations and legacies				
Donations	5,056,762	3,729,190	-	8,785,952
Grants & gifts in kind	80,617	177,117	-	257,734
Other trading activities				
Rental income	35,447	-	-	35,447
Commercial trading operations	1,565,147	-	-	1,565,147
Home Farm	45,699	-	-	45,699
Development & Training	169,858	-	-	169,858
Investments				
Gift aid from trading activities	135,551	-	-	135,551
Other	357,403	-	-	357,403
Total	7,446,484	3,906,307	-	11,352,791
Expenditure				
Raising funds				
Rented property maintenance	(8,855)	-	-	(8,855)
Rent	(2,733)	-	-	(2,733)
Commercial trading costs	(1,429,596)	-	-	(1,429,596)
Farming costs	(131,759)	-	-	(131,759)
Farming & land costs	(1,000)	-	-	(1,000)
Fundraising costs	(587,623)	-	-	(587,623)
	(2,161,566)	-	-	(2,161,566)
Charitable activities				
Wages & salaries	(1,322,012)	-	-	(1,322,012)
Administration costs	(6,577)	-	-	(6,577)
Exhibition & promotions costs	(759,012)	-	-	(759,012)
Preservation of contents	(353,578)	(132,606)	(30,946)	(517,130)
Restoration of buildings	(688,721)	(403,636)	(57,612)	(1,149,969)
Maintenance of estate	(517,508)	(4,354)	-	(521,862)
Education	(141,106)	-	-	(141,106)
Walled Garden	(3,514)	-	-	(3,514)
Development & Training	(225,424)	-	-	(225,424)
Donations made	(30,000)	-	-	(30,000)
	(4,047,452)	(540,596)	(88,558)	(4,676,606)
Other resources expended				
Gift aid to Trust from trading operations	(135,551)	-	-	(135,551)
Other costs	(445,885)	-	-	(445,885)
Total expenses	(6,790,454)	(540,596)	(88,558)	(7,419,608)
Net income/(expenditure) for the year before taxation and transfers	656,030	3,365,711	(88,558)	3,933,183
Taxation	-	-	-	-
Net income/(expenditure) for the year before transfers	656,030	3,365,711	(88,558)	3,933,183
Gross transfers between funds	3,906,307	(3,906,307)	-	-
Net movements in funds	4,562,337	(540,596)	(88,558)	3,933,183
Reconciliation of funds:				
Fund balances at 1st April 2015	14,167,704	9,797,275	42,343,469	66,308,448
Introduction of Dumfries Farming and Land Limited reserves	1,948,151	-	-	1,948,151
Fund balances at 31st March 2016	20,678,192	9,256,679	42,254,911	72,189,782

Notes (continued)

11 2017 Statement of financial activities - Trust only

Trust statement of financial activities
(incorporating an income and expenditure account)
for the year ended 31 March 2017

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2017 £	Total 2016 £
Income and endowments from:					
<i>Donations and legacies</i>					
Donations	2,219,372	6,614,854	-	8,834,226	8,785,952
Grants and gift in kind	48,708	-	-	48,708	257,734
<i>Other trading activities</i>					
Rental income	74,807	-	-	74,807	35,447
<i>Investments</i>					
Gift Aid from trading activities	200,300	-	-	200,300	135,551
Other	245,151	-	-	245,151	357,403
Total	2,788,338	6,614,854	-	9,403,192	9,572,087
Expenditure on:					
<i>Raising funds</i>					
Rented property maintenance	(962)	-	-	(962)	(8,855)
Rent	(7,873)	-	-	(7,873)	(2,733)
Fundraising costs	(642,499)	-	-	(642,499)	(587,623)
	(651,334)	-	-	(651,334)	(599,211)
Charitable activities					
Wages & salaries	(1,834,819)	-	-	(1,834,819)	(1,322,012)
Administration costs	(44,322)	-	-	(44,322)	(6,577)
Exhibition & promotion costs	(373,589)	-	-	(373,589)	(759,012)
Preservation of contents	(397,817)	(108,344)	-	(506,161)	(517,130)
Restoration of buildings	(645,797)	(227,548)	(6,063)	(879,408)	(1,149,969)
Maintenance of the estate	(527,689)	(4,357)	-	(532,046)	(521,862)
Education	(141,556)	-	-	(141,556)	(141,106)
Walled Garden	(34,844)	-	-	(34,844)	(3,514)
Donations made	(20,651)	-	-	(20,651)	(30,000)
	(4,021,084)	(340,249)	(6,063)	(4,367,396)	(4,451,182)
Other costs	(391,550)	-	-	(391,550)	(445,885)
Total expenses	(5,063,968)	(340,249)	(6,063)	(5,410,280)	(5,496,278)
Net income/(expenditure) for the year before taxation and transfers	(2,275,630)	6,274,605	(6,063)	3,992,912	4,075,809
Taxation	-	-	-	-	-
Net income/(expenditure) for the year before transfers	(2,275,630)	6,274,605	(6,063)	3,992,912	4,075,809
Gross transfers between funds	4,721,285	(4,721,285)	-	-	-
Other recognised gains/(losses)					
Gains/(losses) on revaluation of fixed assets	(5,574,507)	(2,423,829)	25,399,723	17,401,387	-
Net movements in funds	(3,128,852)	(870,509)	25,393,660	21,394,299	4,075,809
Reconciliation of funds:					
Fund balances at 1 April 2016	15,456,195	9,256,679	42,254,911	66,967,785	62,891,976
Fund balances at 31 March 2017	12,327,343	8,386,170	67,648,571	88,362,084	66,967,785

Notes (continued)

12 Endowment Assets

Group and Trust	Heritage assets £	Freehold land & buildings £	Sporting Rights £	Total 2017 £	Total 2016 £
Cost or valuation					
At 1 April 2016	38,783,476	3,885,140	65,000	42,733,616	42,764,562
Additions	-	-	-	-	-
Disposals	-	-	-	-	(30,946)
Revaluation	24,440,335	545,704	(14,500)	24,971,539	-
Transfers	-	-	-	-	-
At 31 March 2017	<u>63,223,811</u>	<u>4,430,844</u>	<u>50,500</u>	<u>67,705,155</u>	<u>42,733,616</u>
Depreciation					
At 1 April 2016	-	478,705	-	478,705	421,093
Charge for the period	-	6,063	-	6,063	57,612
Revaluation Adjustment	-	(428,184)	-	(428,184)	-
At March 2017	-	<u>56,584</u>	-	<u>56,584</u>	<u>478,705</u>
Net book value					
At 31 March 2017	<u>63,223,811</u>	<u>4,374,260</u>	<u>50,500</u>	<u>67,648,571</u>	<u>42,254,911</u>
At 31 March 2016	<u>38,783,476</u>	<u>3,406,435</u>	<u>65,000</u>	<u>42,254,911</u>	<u>42,343,469</u>

13 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.

A full revaluation of the heritage assets held within the Trust was carried out this year.

Notes (continued)

13 Heritage Assets (continued)

Summary analysis of Heritage Asset transactions

	2017	2016	2015	2014	2013
Purchases and additions	-	-	-	180,001	187,500
Revaluation	24,440,335	-	-	-	-
Transfer of assets	-	-	-	-	164,300
	<u>24,440,335</u>	<u>-</u>	<u>-</u>	<u>180,001</u>	<u>351,800</u>
Charge for impairment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disposals	<u>-</u>	<u>30,946</u>	<u>-</u>	<u>-</u>	<u>-</u>
Proceeds from disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

14 Tangible fixed assets

Group and Trust

	Land & Buildings	Plant & Machinery	Fixtures & Fittings	Motor vehicles	Improvements to Property	Total 2017
	£	£	£	£	£	£
Cost or valuation						
At 1 April 2016	32,110,023	254,647	1,983,321	98,443	21,000	34,467,434
Additions	7,867,531	25,080	101,430	-	-	7,994,041
Disposals	-	-	-	-	-	-
Revaluation	8,871,477	-	-	-	-	8,871,477
Transfers	-	21,000	-	-	21,000	-
At 31 March 2017	<u>31,106,077</u>	<u>300,727</u>	<u>2,084,751</u>	<u>98,443</u>	<u>-</u>	<u>33,589,999</u>
Depreciation						
At 1 April 2016	3,544,867	117,882	1,446,975	67,668	1,312	5,178,704
Charge for period	873,347	36,339	243,365	13,888	-	1,166,939
Disposals	-	-	-	-	-	-
Revaluation Adjustments	985,392	-	-	-	-	985,392
Transfers	-	1,312	-	-	1,312	-
At 31 March 2017	<u>3,432,822</u>	<u>155,533</u>	<u>1,690,340</u>	<u>81,556</u>	<u>-</u>	<u>5,360,251</u>
Net book value						
At 31 March 2017	<u>27,673,255</u>	<u>145,194</u>	<u>394,412</u>	<u>16,887</u>	<u>-</u>	<u>28,229,748</u>
At 31 March 2016	<u>28,565,156</u>	<u>136,765</u>	<u>536,346</u>	<u>30,775</u>	<u>19,688</u>	<u>29,288,730</u>

Notes (continued)

14 Tangible fixed assets (continued)

Trust	Land & Buildings	Plant & Machinery	Fixtures & Fittings	Motor vehicles	Total 2017
	£	£	£	£	£
Cost or valuation					
At 1 April 2016	28,710,723	167,745	1,981,650	98,443	30,958,561
Additions	7,867,531	14,445	101,430	-	7,983,406
Disposals	-	-	-	-	-
Revaluations	(8,983,726)	-	-	-	(8,983,726)
Transfers	-	-	-	-	-
At 31 March 2017	<u>27,594,528</u>	<u>182,190</u>	<u>2,083,080</u>	<u>98,443</u>	<u>29,958,241</u>
Depreciation					
At 1 April 2016	3,544,867	111,759	1,446,574	67,668	5,170,868
Charge for period	873,347	22,285	242,934	13,888	1,152,454
Disposals	-	-	-	-	-
Revaluation Adjustments	(985,392)	-	-	-	(985,392)
At 31 March 2017	<u>3,432,822</u>	<u>134,044</u>	<u>1,689,508</u>	<u>81,556</u>	<u>5,337,930</u>
Net book value					
At 31 March 2017	<u>24,161,706</u>	<u>48,146</u>	<u>393,572</u>	<u>16,887</u>	<u>24,620,311</u>
At 31 March 2016	<u>25,165,856</u>	<u>55,986</u>	<u>535,076</u>	<u>30,775</u>	<u>25,787,693</u>

Notes (continued)

15 Fixed asset investment - Dumfries House Trust Trading Limited

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:

	2017	2016
	£	£
Turnover	1,941,177	1,565,147
Cost of sales	<u>(1,572,836)</u>	<u>(1,329,897)</u>
Gross Profit/(loss)	368,341	235,250
Administration	(168,041)	(99,699)
Other operating income	<u>-</u>	<u>-</u>
Operating Profit	200,300	135,551
Gift aid to parent	<u>(200,300)</u>	<u>(135,551)</u>
Profit on Ordinary Activities Before Taxation	-	-
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>
Result for the financial year	<u>-</u>	<u>-</u>
Balance sheet:		
Current assets	192,466	195,517
Current liabilities	<u>(192,464)</u>	<u>(195,515)</u>
Net assets	<u>2</u>	<u>2</u>

Dumfries House Trust Trading Limited, being a wholly-owned subsidiary of the charity, can donate all taxable profits to The Great Steward of Scotland's Dumfries House Trust and claim charitable donations relief under Part 6 (s.189 et seq) of the Corporation Tax Act 2010.

Notes (continued)

15 Fixed asset investments - Dumfries House Home Farm Limited

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 farming arm of the Trust.

The results of the subsidiary undertaking are as follows:

	2017	2016
	£	£
Turnover	146,196	33,420
Cost of sales	(120,315)	(52,470)
Gross Profit	<u>25,881</u>	<u>(19,050)</u>
Administration	(177,834)	(79,289)
Other operating income	<u>91,800</u>	<u>12,279</u>
Operating Profit	(60,153)	(86,060)
Gift aid to parent	<u>-</u>	<u>-</u>
Profit/(Loss) on ordinary activities before taxation	(60,153)	(86,060)
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>
Profit for the financial year	<u>(60,153)</u>	<u>(86,060)</u>
Balance sheet:		
Fixed assets	3,594,042	3,493,578
Current assets	345,952	324,276
Current liabilities	<u>(557,485)</u>	<u>(487,441)</u>
Net assets	<u>3,382,509</u>	<u>3,330,413</u>

Notes (continued)

15 Fixed asset investment - Dumfries Farming & Land Limited

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, London, SW1A 1BA. The subsidiary was acquired by the Trust in September 2015. The subsidiary holds ownership of the land for future development at Knockroon.

The results of the subsidiary undertaking are as follows:

	£	2017 £	2016 £
Turnover		-	214,200
<u>Cost of sales</u>			
Write off of revaluation reserve	748,563		
Loss in valuation of stock	<u>(1,300,000)</u>	<u>(551,437)</u>	<u>(212,450)</u>
Gross Profit/(loss)		(551,437)	1,750
Administration		(2,500)	(30,541)
Other operating income		<u>-</u>	<u>1,647</u>
Operating Profit/(Loss)		(553,937)	(27,144)
Intercompany loan waiver		<u>51,848</u>	<u>-</u>
		(502,089)	(27,144)
Gift aid to parent		<u>-</u>	<u>-</u>
Profit on Ordinary Activities Before Taxation		(502,089)	(27,144)
Tax on profit on ordinary activities		<u>-</u>	<u>-</u>
Result for the financial year		<u>(502,089)</u>	<u>(27,144)</u>
Balance sheet:			
Current assets		700,000	2,000,000
Current liabilities		<u>(3,500)</u>	<u>(52,848)</u>
Net assets		<u>696,500</u>	<u>1,947,152</u>

Notes (continued)

15 Fixed asset investment - Dumfries House Development & Training Company Limited

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 construction arm of the Trust.

The results of the subsidiary undertaking are as follows:

	2017	2016
	£	£
Turnover	1,847,161	169,858
Cost of sales	<u>(2,124,825)</u>	<u>(209,381)</u>
Gross Profit/(loss)	(277,664)	(39,523)
Administration	(59,619)	(16,042)
Other operating income	<u>-</u>	<u>-</u>
Operating Profit	(337,283)	(55,565)
Gift aid to parent	<u>-</u>	<u>-</u>
Profit on Ordinary Activities Before Taxation	(337,283)	(55,565)
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>
Result for the financial year	<u>(337,283)</u>	<u>(55,565)</u>
Balance sheet:		
Fixed assets	15,394	7,459
Current assets	718,769	257,731
Current liabilities	<u>(1,127,011)</u>	<u>(320,755)</u>
Net liabilities	<u>(392,848)</u>	<u>(55,565)</u>

The net liability position of the subsidiary represents a timing lag between expenditure incurred on developing assets and their sale at cost to the Trust.

Notes (continued)

16 Stock

	Group 2017	Trust 2017	Group 2016	Trust 2016
	£	£	£	£
Development land at Knockroon	700,000	-	2,000,000	-
Farming livestock & consumables	311,748	-	270,448	-
Goods for resale - Dumfries House Visitor Centre	27,356	-	26,622	-
Goods for resale - Ballater Highgrove shop	8,910	-	-	-
Food & beverage stock - Dumfries House	20,774	-	21,364	-
Food & beverage stock - Ballater Bistro	1,856	-	-	-
Dumfries House Development & Training Company Ltd - Works in progress	29,711	-	8,128	-
	<u>1,100,355</u>	<u>-</u>	<u>2,326,562</u>	<u>-</u>

17 Debtors: amounts falling within one year

	Group 2017	Trust 2017	Group 2016	Trust 2016
	£	£	£	£
Trade debtors	412,078	365,086	69,012	31,115
Other debtors	2,192,711	2,182,544	191,982	11,957
Other taxation recoverable	272,457	267,865	292,853	254,103
Amounts due from subsidiary	-	929,932	-	674,666
Prepayments and accrued income	80,603	72,575	71,793	62,675
	<u>2,957,849</u>	<u>3,818,002</u>	<u>625,640</u>	<u>1,034,516</u>

18 Creditors

	Group 2017	Trust 2017	Group 2016	Trust 2016
	£	£	£	£
<i>Amounts falling due within one year</i>				
Bank overdrafts	4,018,307	4,018,307	1,585,185	1,585,185
Trade creditors	1,771,005	1,614,513	510,502	285,603
Other creditors	1,955,649	1,894,473	153,627	52,971
Hire purchase	71,284	71,284	73,331	73,331
Other taxation payable	93,259	-	38,044	-
Amounts due to subsidiary	-	10,268	-	-
Accruals and deferred income	149,903	115,960	126,675	108,381
	<u>8,059,407</u>	<u>7,724,805</u>	<u>2,487,364</u>	<u>2,105,471</u>

Amounts falling due after more than one year

Hire purchase due in 2-5 years	-	-	3,870	3,870
	<u>-</u>	<u>-</u>	<u>3,870</u>	<u>3,870</u>

Notes (continued)

19 Fund movements

Group	Balance 1 April 2016 £	Incoming resources	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2017 £
Endowment fund						
Endowment assets	<u>42,254,911</u>	<u>-</u>	<u>(6,063)</u>	<u>25,399,723</u>	<u>-</u>	<u>67,648,571</u>
Restricted funds	<u>9,256,679</u>	<u>6,614,854</u>	<u>(340,249)</u>	<u>(2,423,829)</u>	<u>(4,721,285)</u>	<u>8,386,170</u>
Unrestricted funds	<u>20,678,192</u>	<u>6,866,520</u>	<u>(10,041,675)</u>	<u>(6,210,820)</u>	<u>4,721,285</u>	<u>16,013,502</u>
Total funds	<u><u>72,189,782</u></u>	<u><u>13,481,374</u></u>	<u><u>(10,387,987)</u></u>	<u><u>16,765,074</u></u>	<u><u>-</u></u>	<u><u>92,048,243</u></u>
Trust						
Endowment fund						
Endowment assets	<u>42,254,911</u>	<u>-</u>	<u>(6,063)</u>	<u>25,399,723</u>	<u>-</u>	<u>67,648,571</u>
Restricted funds	<u>9,256,679</u>	<u>6,614,854</u>	<u>(340,249)</u>	<u>(2,423,829)</u>	<u>(4,721,285)</u>	<u>8,386,170</u>
Unrestricted funds	<u>15,456,195</u>	<u>2,788,338</u>	<u>(5,063,968)</u>	<u>(5,574,507)</u>	<u>4,721,285</u>	<u>12,327,343</u>
Total funds	<u><u>66,967,785</u></u>	<u><u>9,403,192</u></u>	<u><u>(5,410,280)</u></u>	<u><u>17,401,387</u></u>	<u><u>-</u></u>	<u><u>88,362,084</u></u>

Notes (continued)

20 Analysis of net assets between funds

Group	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2017	Total 2016
	£	£	£	£	£
Tangible fixed assets	21,737,148	6,492,601	67,648,571	95,878,320	71,543,641
Current assets	2,335,761	1,893,569	-	4,229,330	3,137,375
Current liabilities	(8,059,407)	-	-	(8,059,407)	(2,487,364)
Non current liabilities	-	-	-	-	(3,870)
Total net assets	16,013,502	8,386,170	67,648,571	92,048,243	72,189,782

Trust	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2017	Total 2016
	£	£	£	£	£
Tangible fixed assets	18,127,710	6,492,601	67,648,571	92,268,882	68,042,606
Investments	5	-	-	5	5
Current assets	1,924,433	1,893,569	-	3,818,002	1,034,516
Current liabilities	(7,724,805)	-	-	(7,724,805)	(2,109,342)
Long term liabilities	-	-	-	-	-
Total net assets	12,327,343	8,386,170	67,648,571	88,362,084	66,967,785

Reserve analysis between funds

Group	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2017	Total 2016
	£	£	£	£	£
At the beginning of period	20,678,192	9,256,679	42,254,911	72,189,782	66,308,448
Introduction of subsidiary reserves	-	-	-	-	1,948,151
Profit/(loss) for the period	(3,175,155)	6,274,605	(6,063)	3,093,387	3,933,183
Gross transfers between funds	4,721,285	(4,721,285)	-	-	-
Gains/(losses) on revaluation of fixed assets					
Trust	(5,574,507)	(2,423,829)	25,399,723	17,401,387	-
Dumfries House Home Farm Limited	112,249	-	-	112,249	-
Dumfries House Farming & Land Limited	(748,562)	-	-	(748,562)	-
	<u>16,013,502</u>	<u>8,386,170</u>	<u>67,648,571</u>	<u>92,048,243</u>	<u>72,189,782</u>

Trust	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2017	Total 2016
	£	£	£	£	£
At the beginning of the period	15,456,195	9,256,679	42,254,911	66,967,785	62,891,976
Profit/(loss) for the period	(2,275,630)	6,274,605	(6,063)	3,992,912	4,075,809
Gross transfers between funds	4,721,285	(4,721,285)	-	-	-
Gains/(losses) on revaluation of fixed assets	(5,574,507)	(2,423,829)	25,399,723	17,401,387	-
	<u>12,327,343</u>	<u>8,386,170</u>	<u>67,648,571</u>	<u>88,362,084</u>	<u>66,967,785</u>

Notes (continued)

21 Analysis of changes in net cash

	1 April 2016	Cash flow	Other non cash changes	31 March 2017
	£	£	£	£
Cash :				
At bank	(1,585,185)	(2,433,122)	-	(4,018,307)
In hand	185,173	(14,046)		171,127
Total	<u>(1,400,012)</u>	<u>(2,447,168)</u>	<u>-</u>	<u>(3,847,180)</u>

22 Transactions with Trustees

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

	2017 £	2016 £
Expenses paid on behalf of Trustees	<u>3,329</u>	<u>2,951</u>

Trustees were reimbursed for the following expenditure -

Reimbursement type	No. of trustees reimbursed	Total £
Travel costs	3	2,749
Entertaining costs	1	580
Total		<u>3,329</u>

Donations

During the year, the Trustees of the charitable company donated £250,000 to The Great Steward of Scotland's Dumfries House Trust.

23 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 £99,906. The Trust also invoiced Havisham Assets Limited a management charge of £14,400, in addition to further business expenses of £2,089.

The Trust invoiced Havisham Properties Limited £440 for business expenses throughout the year.

At 31st March 2017, £20,275 was due from Havisham Assets Limited. These balances were fully repaid, in line with the agreed credit terms, after the year end.

Notes (continued)

23 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 £85,000 were made by the Trust to Premier Mode Limited with respect to the Executive Director's role within the Trust. Funding of £90,000 was received by the Trust from the Prince of Wales Charitable Foundation to assist in meeting these costs. This resulted in a net receipt to the Trust of £5,000.
- Consultancy services were provided by the company to the Trust at a cost of £72,000.
- 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 £119,158.

At 31st March 2017, £52 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 short film covering live build events on the Estate during the year. The total cost of these services was £1,770.

24 Restricted funds

	Balance at 1 April 2016 £	Incoming Resources £	Resources Expended £	Transfers £	Gains/(losses) on Revaluation of Fixed Assets £	Balance at 31 March 2017 £
Restricted funds	<u>9,256,679</u>	<u>6,614,854</u>	<u>(340,249)</u>	<u>(4,721,285)</u>	<u>(2,423,829)</u>	<u>8,386,170</u>

The Trust has, to date, operated one bank account for all restricted, unrestricted and endowment funds. Restricted donations received by the Trust are recorded as such upon their receipt. Going forward, the intention is to hold such funds in a separate bank account.

During the year, a total of £1,893,569 of restricted funds were used for general fund purposes in advance of commencing the projects to which they had been allocated. Subsequently, these funds have been reinstated from general funds and orderly commencement of the projects has begun.

25 Transfer between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Revaluation Reserve £
Consolidated statement of financial activities				
Completed projects	<u>4,721,285</u>	<u>(4,721,285)</u>	<u>-</u>	<u>-</u>

On completion of, or completion of specific elements of, projects funded by restricted funds, the value of the completed assets within the project are reallocated from restricted funds to unrestricted funds, per the agreements with the donors. The relevant projects and amounts were:

	£
Temple	156,657
New Cumnock Town Hall	1,009,035
Farm Education Centre	105,113
Chinese Bridge	360,188
Estate wifi	250,000
Stockiehill – health initiative	400,000
Glenside	1,500,000
New Cumnock pool	600,292
Library	140,000
Outreach projects	100,000
Walled Garden pavilion	<u>100,000</u>
	<u>4,721,285</u>