

The Prince's Foundation (formerly 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 2018

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The Prince's Foundation (formerly The Great Steward of Scotland's Dumfries House Trust)
Trustees' report and financial statements
For the year ended 31 March 2018

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Letter from the Chair

I am delighted to be able to report on another positive and productive year for The Great Steward of Scotland's Dumfries House Trust for the financial year April 2017 to March 2018. Through our broadening educational programmes on the Dumfries House estate, to our outreach work in the local community and beyond, our charitable activity has continued to demonstrate the economic and social benefits of heritage-led regeneration.

During the financial year we saw the completion of a number of important capital projects, including the reopening of New Cumnock Swimming Pool and Valentin's Education Farm in June 2017. We also embarked on other capital projects during this period, including our Health and Wellbeing Facility, which will be open to the public in early 2019.

Our education programmes went from strength to strength to address increasing demand from local schools and colleges, and I am delighted to report that we welcomed over 10,000 school children and young people to the estate, providing access to practical learning opportunities including science, engineering, textiles, horticulture and farming.

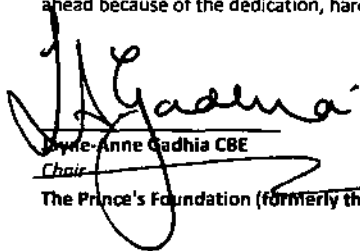
As a result of this increased activity we employed over 200 staff, an increase of 20%, with wages up by 25%, generating much needed employment and economic activity in the local community.

Like many charities, fundraising continues to be our most substantial challenge, but the Board is encouraged by the increasing number of individuals and organisations who support us. Our capital projects and our education activity would not have been possible without the extraordinary generosity of our donors, and I could not be more grateful to them for their unstinting and kind support for our work.

Of particular significance during the financial year, the Trust developed a proposal with three other charities founded and supported by our President, HRH The Prince Charles, Duke of Rothesay, to merge into one organisation. The result of this endeavour was the creation of The Prince's Foundation on 1st April 2018. Under the maxim *Respecting the past, Building the Future*, the Foundation continues to focus on promoting heritage-led regeneration, the built environment, traditional arts and education throughout the UK and internationally. The Board is delighted to have overseen this development and we are confident that The Prince's Foundation will be more sustainable, strong and resilient in the long-term.

As Trustees, we are mindful that we face challenges that a much expanded operation - with multiple projects and activity, both nationally and internationally - brings. Therefore, particularly in the first year of operation, we are focussed on managing these challenges and ensuring that the transition is as smooth as possible for our beneficiaries, staff, partners and supporters.

As our President has recently celebrated his 70th birthday it is fitting that we have been able to secure his remarkable charitable legacy with the creation of The Prince's Foundation. I am greatly encouraged by our ability to meet the challenges and opportunities ahead because of the dedication, hard work and support of our excellent team of Trustees, management and staff.



Dame Anne Cadhia CBE
Chair

The Prince's Foundation (formerly the Great Steward of Scotland's Dumfries House Trust)

Strategic Report for the year ended 31 March 2018

Review of the Charity

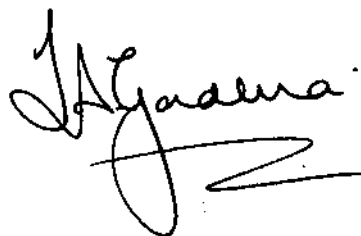
The Great Steward of Scotland's Dumfries House Trust ("the Trust") is one of a number of charities of which His Royal Highness The Prince Charles, Duke of Rothesay is the President. Historically, each of these charities has been an independent entity with a separate Board of Trustees, although over the years, all have worked together as part of "The Prince's Charities", with a view to ensuring good practice in operations and governance.

During 2018, four charities merged into one charitable entity: The Prince's Foundation. The Prince's Foundation for Building Community (PFBC), of which The Prince's Regeneration Trust (PRT) was a charitable subsidiary, merged with The Great Steward of Scotland's Dumfries House Trust on 1st April 2018 and the Trust was renamed The Prince's Foundation. In September 2018, another Prince's Charity, The Prince's School of Traditional Arts (PSTA), merged with The Prince's Foundation.

Principal risks and uncertainties

The Trustees are required to assess the major risks to which the Trust is exposed. The Trustees have examined the major strategic, business and operational risks which the Trust faces, and are satisfied that appropriate systems have been established to seek to identify and manage these risks. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed. The principal risk for the charity is failure to meet fundraising targets leading to the charity not having sufficient funds to achieve its objectives. This is monitored by management and Trustees at regular intervals and a detailed fundraising strategy is in place.

ON BEHALF OF THE BOARD:



Jayne-Anne Gadhia CBE
Chair

Report of the trustees for the year ended 31 March 2018
Objectives and Activities

Objectives

The overarching charitable objective of the Trust, as set out in its Memorandum and Articles of Association, was amended on 29th March 2018 to reflect the new activities undertaken by the Trust as a result of the mergers. The Trust objects are for the benefit of the public :

- The advancement of education, training and retraining;
- The advancement of heritage and the protection, preservation, conservation and revitalisation of the built environment, the environment, traditional arts and architecture of all civilisations and monuments and structures of particular beauty of historical, architectural or constructional interest;
- The advancement of citizenship or community development;
- The provision of recreational activities with the object of improving the conditions of life for persons in need;
- The preservation and maintenance of Dumfries House, its contents, grounds and surroundings and other sites in Scotland and the rest of the world; and
- To undertake any other charitable activities across the world to increase the knowledge, understanding and appreciation of historic, artistic and architectural interests.

Within these objectives, the Trust seeks to provide a first class visitor experience to Dumfries House, as an exemplar heritage regeneration project, as well as running other education, architectural and artistic initiatives across the UK. Additionally, the Trust seeks to minimise its environmental impact and where practicable apply the principles of sustainability and harmony to its actions.

Our vision

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

It was always the ambition of the Trust's Founder and President, and a key objective of the Trust, to demonstrate how a place of historic and cultural significance can be used as a catalyst to regenerate its surrounding community in terms of leadership, leisure, culture, training and education, employment and wellbeing. Through joining forces with The Prince's Foundation for Building Community, The Prince's School of Traditional Arts and The Prince's Regeneration Trust, it is the intention that the new expanded organisation, The Prince's Foundation, will enhance its reach nationally and internationally using relevant knowledge and experience accumulated over many years.

Report of the trustees for the year ended 31 March 2018 (Continued)

Achievements and performance 2017-2018

During the financial year April 2017 to March 2018, the Trust continued to focus on enhancing the visitor offering at the Dumfries House estate; developing its educational centres through the delivery of capital projects; and increasing its educational reach through offering a diverse range of education programmes.

The estate and capital projects

A number of capital projects on the estate were undertaken in the year. Two were opened in June 2017: Valentin's Education Farm, which was designed to complement the horticulture and food lessons already in place on the Estate, by giving children a genuine farm-to-fork experience; and New Cumnock Swimming Pool, which, along with the adjacent Town Hall, completed the first stage of the Trust's outreach work within the village of New Cumnock. Since opening, the Pool has far exceeded expectations, and visitor numbers continue to increase steadily.

On the estate, construction started on the Health and Wellbeing Centre, with the project due for completion in early 2019. Some of the smaller, but equally important, projects commenced. The restoration of the Lady Well is a unique project and the first of its kind undertaken on the estate, which has included craft skills apprenticeships for students. Other traditional skills training projects took place on the estate, with two walled garden arbours being completed in October 2017 as part of the Live Build Program.

Visitor numbers to the estate continued to increase. As a result, the Trust has made significant investment to improve the infrastructure on the estate and to manage the number of visitors, including improvements to the roads and footpaths around the main policies area. 2017 saw the start of a program to drain some of the agricultural fields to improve ground conditions. Investment in all buildings continues as part of the pre-planned maintenance program.

The Walled Garden became a verified training centre by the Royal Horticultural Society (RHS) allowing the estate to deliver level 1 and level 2 RHS training. The Trust's staff are currently benefitting from this training program.

Home Farm continues to work towards full organic status, with number of livestock remaining consistent with previous years.

Future Capital Projects

The Glenside Applied Arts Centre. This project, which will be the largest undertaken on the Estate thus far, will incorporate traditional building skills, traditional arts as well as hosting the Royal Drawing School. It will be situated on the site of the disused Glenside Farm. Enabling works started in January 2017, allowing archaeology study to be carried out to satisfy planning conditions. The complex will contain lecture rooms, overnight accommodation and artists' studios.

Knockroon. The development company continues to work towards making good defects and developing the infrastructure for the roads and pavements. Over the next year the Knockroon project will be reviewed and evaluated. Following review, a comprehensive plan of development will be presented for consideration before the next phase of work commences.

Cafe and Gym at New Cumnock. To complete the regeneration of the town centre of New Cumnock the Trust plans to introduce a new building opposite the swimming pool. The new building will include a café and provide a facility for both health and leisure pursuits as well as community meetings.

Report of the trustees for the year ended 31 March 2018 (continued)

Future Capital Projects (continued)

The Highland Games Centre at Braemar. The Trust has worked with organizers of the Braemar Gathering, The Braemar Royal Highland Charity, to build a new Highland Games Centre, a year-round facility centered on conserving and enhancing Highland Games cultural heritage at the Princess Royal and Duke of Fife Memorial Park. The building was completed and opened in September 2018.

Education

During the financial year April 2017 to March 2018 the Trust operated five areas of educational activity on the Dumfries House estate, as follows.

Horticulture and Food Education Programmes. The principal aim of the work being undertaken in the Pierburg Education Centre and the Kauffman Education Garden is to show children where fresh vegetables come from, underpinning the notion of healthy eating and fresh produce. This programme is one of the busiest and in-demand programmes on the estate. Working with local Ayrshire and Glasgow Primary schools who are supported with cost and travel from Cordia Group, 3,000 children attended our one day workshops over the last academic year.

Farm Education. The programmes offered at Valentin's Education Farm have steadily increased in demand. Day visits from schools linking food, farming and horticulture have been very popular, aiming to develop children and young people's knowledge and understanding about where food comes from. Pupils have hands on, engaging farm experiences - handling and feeding the animals that are housed in purpose built shelters and land. All the animals on the education farm are rare breeds, promoting and supporting native livestock conservation.

Future Textiles. The Atelier programme is based in the attic quarters of Dumfries House. Class sizes are small with a staff pupil ratio of 1:6 pupils, which allows for both concentrated and individual teaching of complex skills. This year 900 participants have taken part in sewing, pattern drafting, and woven and knitted textiles workshops with pupils aged 12 to 18 years old.

Residential, Outdoor and Nature Based Learning. The primary function of the Tamar Manoukian Outdoor Centre is to provide youth and school groups with affordable, residential accommodation that will allow access to a comprehensive range of activities throughout the Estate. The Centre remains popular particularly at weekends with youth groups and midweek primary school residential.

Science, Technology, Engineering and Maths (STEM). STEM principles underpin many of the Estate activities especially those in the Food, Farming and Horticulture programmes. Specifically, engineer and science programmes are delivered via day visits and events in the Morphy Richards Engineering Education Centre.

The indoor classroom had approximately 2,000 pupils visiting for workshops offering a focus on everyday engineering topics. The pupils within the catchment area of the estate are often from areas of high deprivation; in particular East Ayrshire.

Performance

During the financial year April 2017 to March 2018, the success of the Trust was measured in increasing the breadth and reach of its education and skills training, maintaining, and where possible enhancing, the artistic and aesthetic qualities of the House and its collections and increasing visitor numbers to the House and estate (in a way that is compatible with the proper preservation of the House and the collections).

Report of the trustees for the year ended 31 March 2018 (continued)

Performance (continued)

The Trust has met all of these objectives during 2017/18. 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 are covered within this report.

Financial Review

During the financial year April 2017 to March 2018, the Trust had an income of £16,456,242, an overall increase of 41% from the previous year (2017: £11,634,213). Of this, £9,763,930 was general funds and £6,692,312 restricted funds.

The general funds included donations, grants and gifts in kind of £7,008,568; and income generated from the Trust's commercial operations of £2,300,985 (2017: £1,941,177). The level of donations in the year saw a significant increase. This reflects successful fundraising for a number of capital projects undertaken during the year and those planned for the future.

Donations for the financial year were £13,656,685, an increase of 55% compared to the year ending 31 March 2017. Fundraising expenditure grew by 18%.

Revenue from commercial operations increased 19% year on year reflecting the growing scale and activities of the Trust.

Expenditure on charitable activities increased by 30% during the year.

On average, 220 people were employed during the financial year, an increase of 36 new jobs compared to the previous year.

Reserves Statement

During the financial year April 2017 to March 2018, the Trust improved its negative free reserves position to (£4,321,656) (2017: (£5,723,645)).

Over time, the Trustees aim to hold sufficient general reserves in the form of realisable funds. Total Trust net assets are valued at £97,932,199.

Structure

The Great Steward of Scotland's Dumfries House Trust (the Trust, known as the Prince's Foundation from 1st April 2018) is a company limited by guarantee incorporated in 2007, charity number SC038770 and company registration number SC331738. The Trust had four wholly owned subsidiary companies as of 31 March 2018:

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.

Report of the trustees for the year ended 31 March 2018 (continued)

Structure (continued)

Dumfries House Home Farm Limited (incorporated January 2004 registration number SC261878) manages the farming activities previously undertaken via a joint venture with Morrison's.

Dumfries House Development & Training Company Limited (incorporated May 2015 registration number SC506606) was formed to be the construction arm of the Trust. As part of the group structure review DHDTC ceased its business activities on 1st November 2017 and all activities and undertakings were transferred to Dumfries Farming and Land Limited.

Dumfries Farming and Land Limited (incorporated October 2007 registration number 06391121) owns land that is used for farming and residential development purposes. The company has ownership of the development site at Knockroon.

On 1st September 2017 the Trust became the sole member of The Prince's Foundation for Building Community (PFBC) and its charitable subsidiary, The Prince's Regeneration Trust (PRT). The activities and undertaking of this charity have been transferred to the Trust as of 1st April 2018. At the same time, the one controlling share of PFBC's commercial subsidiary – Community Capital Limited – was transferred to the Trust. The charity was renamed The Prince's Foundation. As of 1st September 2018 the Trust (now The Prince's Foundation) became a sole member of the Prince's School of Traditional Arts and all activities and undertakings of the School transferred at the same date.

As of 1st April 2018, the Trust changed its name and now operates as The Prince's Foundation.

Our Staff

At the beginning of April 2017, the Trust employed 184 staff. By the end of March 2018, the Trust employed a total of 220 staff.

Finance Committee

During the year 2017/18 members were:

- Mrs Jayne-Anne Gadhia (Chair)
- Mr Michael Fawcett, Chief Executive Officer
- Mr Kenneth Dunsmuir, Executive Director
- Ms Lucy Campbell, Finance Director

The Board of Trustees

The Trust is administered by a Board of Trustees which meets at least 4 times each year. The Trustees are selected from a variety of relevant backgrounds including heritage, education, business and finance. 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. Lord Snowden became Vice President in April 2018.

Mr Rufus Bird, Oct 2014 - present

Rufus Bird was appointed by Her Majesty The Queen to the post of Surveyor of The Queen's Works of Art, he assumed the post on 1 January 2018. From 2010 to 2017 he was Deputy Surveyor of The Queen's Works of Art. The 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.

Report of the trustees for the year ended 31 March 2018 (continued)

The Board of Trustees (continued)

Mr Douglas Andrew Connell, October 2016- 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 (Chair), December 2015 – present

Jayne-Anne Gadhia was CEO of Virgin Money until October 2018. 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. Virgin Money was acquired by CYBG in October 2018 at which point Jayne Anne stood down as CEO. Jayne-Anne is a Trustee of the Tate. In November 2016 Jayne-Anne was announced as the government's Women in Finance Champion.

Mr Ian Marcus, 1st April 2018 - present

Mr Marcus has been Managing Director of Evans Property Group Limited since May 2012. He spent over 32 years as an Investment Banker latterly at Credit Suisse First Boston, having previously worked for Bank of America, UBS, NatWest and Bankers Trust/Deutsche. He specialised in the real estate sector throughout his time in the City. He served as the President of the British Property Federation, the Chairman of the Bank of England Commercial Property Forum, the Chairman of The Prince's Regeneration Trust. He has been Lead Independent Director of Shurgard Self Storage S.A. since 2018, Non Executive Director at Town Centre Securities plc since 2015 and The Crown Estate since 2012. He has been Independent Non-executive Director at Secure Income REIT Plc since 2014 and serves as its Senior Independent Non-Executive Director. He served as a Non-Executive Director of Evans Property Group. Mr. Marcus served as a member of Redevco's Advisory Board. He is also a member of the Real Estate Advisory Board of the Department of Land Economy at the University of Cambridge.

Dame Susan Bruce, 1st April 2018 - present

Dame Sue Bruce is an Independent non-executive director with SSE PLC; Chair of Royal Scottish National Orchestra (RSNO); Convener of Court at the University of Strathclyde and Electoral Commissioner for Scotland. She is also a Deputy Lieutenant of the City of Edinburgh, Governor of Erskine Stewarts Melville School and a member of the Royal Company of Merchants of the City of Edinburgh. Sue served in Local Government for almost forty years. Her most recent post was Chief Executive of the City of Edinburgh Council and she previously served as Chief Executive at Aberdeen City Council and Chief Executive at East Dunbartonshire Council. Ms. Bruce's extensive career in the public sector enhances the diversity of the Board.

Report of the trustees for the year ended 31 March 2018 (continued)

The Board of Trustees (continued)

Mr George Richards, 15th September 2018 - present

George Richards is an ethnographer specialising in the protection of cultural heritage in the Middle East. He is Head of Heritage at Art Jameel, the arts and culture organisation, with responsibility for initiatives in Egypt, Saudi Arabia, Iraq and beyond in the fields of traditional craft, architectural preservation, and the digital recording of heritage. George has undertaken field expeditions in the Middle East to preserve cultural heritage on behalf of the British Library and the British Institute for the Study of Iraq, and has served as the special rapporteur for cultural heritage to the Kurdistan Regional Government; a specialist assessor to the British government's Cultural Protection Fund; and a senior fellow at the Iraqi government's cultural heritage commission, Iraq Heritage.

Sir David Green, 15th September 2018 - present

Sir David Green is a former CEO of the British Council and Voluntary Service Overseas (VSO) and former Deputy Director-General of the Save the Children Fund. He has been Chair of the Prince's School of Traditional Arts, the Dartington Hall Trust, the Royal Common Society, and Dash Arts. He has been a trustee of the University of Arts London and the English Speaking Union, and was the Founding President of the European Union National Institutes of Culture (EUNIC). In addition to the Prince's Foundation he is currently a trustee of the Royal Court Theatre, the Finnish Institute in London, Africa's Voices Foundation, and Soumik Datta Arts, which he chairs.

Mr James Hooper, 15th September 2018 - present

James founded the UK office of the Global Heritage Fund in 2007 and continues to serve as a UK Trustee and member of the GHF Senior Advisory Board. The Global Heritage Fund is an international heritage conservancy with Headquarters in California, USA. He is a qualified solicitor with experience in both transactional and contentious property and construction law. He is a member of the ICOMOS committee on legal, administrative and financial matters.

Disclosure of information to the 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.

The Prince's Foundation (formerly The Great Steward of Scotland's Dumfries House Trust)
Trustees' report and financial statements
For the year ended 31 March 2018

Report of the trustees for the year ended 31 March 2018 (continued)

Reference and Administrative Information

Charity name	The Great Steward of Scotland's Dumfries House Trust (The Prince's Foundation as of 1 April 2018)
Charity registration number	SC038770
Company registration number	SC331738
Registered offices	Dumfries House 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
Vice President	The Rt Hon The Earl of Snowdon
Trustees	Jayne-Anne Gadhia CBE Chair (appointed 22 June 2017) Rufus Bird David Brownlow (resigned 29 June 2017) Charles Cator (resigned 17 th December 2018) Douglas Connell (appointed 1 October 2017) Heather Dunk Sir Brian Ivory Chairman (resigned 22 June 2017) Robert Lovie (resigned 1st August 2017) Ian Marcus (appointed 1st April 2018) Dame Susan Bruce (appointed 1st April 2018) George Richards (appointed 15th September 2018) Sir David Green (appointed 15th September 2018) James Hooper (appointed 15th September 2018)
Secretary	Kenneth Dunsmuir
Senior Management	Michael Fawcett Chief Executive Kenneth Dunsmuir Executive Director Emily Cherrington Deputy Executive Director Gordon Neil Deputy Executive Director (Estate) Robert Lovie Deputy Executive Director (Outreach) Lucy Campbell Finance Director

The Prince's Foundation (formerly The Great Steward of Scotland's Dumfries House Trust)
Trustees' report and financial statements
For the year ended 31 March 2018

Report of the trustees for the year ended 31 March 2018 (continued)

Reference and Administrative Information (continued)

Bankers	Coutts & Co The Strand London WC2R 0QS
Auditors	Campbell Dallas Audit Services 3 Wellington Square 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

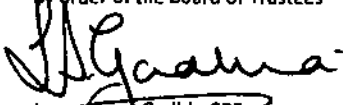
- select suitable accounting policies and then apply them consistently;
- observe the methods and principals in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed 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.

Auditor

The auditors, Campbell Dallas Audit Services, 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: 20/2/2018

Report of the Independent Auditors to the Trustees of the Prince's Foundation (formerly the Great Steward of Scotland's Dumfries House Trust)

Opinion

We have audited the financial statements of The Prince's Foundation (formerly the Great Steward of Scotland's Dumfries Trust) (the 'charitable company') for the year ended 31 March 2018 which comprise the Group Statement of Financial Activities, the Group Balance Sheet, the Trust Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

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



Stephen Wilkie (Senior Statutory Auditor)
For and on behalf of Campbell Dallas Audit Services
Chartered Accountants
Registered Auditor
3 Wellington Square
Ayr
KA7 1EN

Date: 20/04/18

The Prince's Foundation (formerly The Great Steward of Scotland's Dumfries House Trust)
Trustees' report and financial statements
For the year ended 31 March 2018

Consolidated statement of financial activities
(incorporating an Income and expenditure account)
for the year ended 31 March 2018

	Notes	General Funds £	Restricted Funds £	Endowment Funds £	Total 2018 £	As restated Total 2017 £
Income and endowments from:						
Donations and legacies					13,656,685	8,834,226
Donations	2	6,964,373	6,692,312	-	44,195	48,708
Grants and gift in kind	3	44,195	-	-	-	-
Other trading activities					73,125	74,807
Rental income		73,125	-	-	2,300,985	1,941,177
Commercial trading operations	15	2,300,985	-	-	283,088	237,996
Home Farm	15	283,088	-	-	-	-
Development & Trading	15, 26	-	-	-	1,750	51,848
Farming & Land	15	1,750	-	-	-	-
Investments					-	200,300
Gift Aid from trading activities	15	-	-	-	96,414	245,151
Other	4	96,414	-	-	16,455,242	11,634,213
Total		9,763,930	6,692,312	-		
Expenditure on:						
Raising funds						(962)
Rented property maintenance					(9,037)	(7,873)
Rent	5	(9,037)	-	-	(2,455,870)	(1,740,877)
Commercial trading costs	15	(2,455,870)	-	-	(379,781)	(298,149)
Farming costs	15	(379,781)	-	-	(56,147)	(553,937)
Farming & land costs	15	(56,147)	-	-	(940,140)	(642,499)
Fundraising costs	5	(812,979)	(127,161)	-	(3,840,975)	(3,244,297)
	5	(3,713,814)	(127,161)	-		
Charitable activities					(2,347,003)	(1,834,819)
Wages & salaries	6	(1,559,374)	(787,629)	-	(33,989)	(44,322)
Administration costs	6	(29,741)	(4,248)	-	(438,967)	(373,589)
Exhibition & promotion costs	6	(437,467)	(1,500)	-	(532,873)	(506,161)
Preservation of contents	6	(483,612)	(49,261)	-	(1,842,126)	(879,408)
Restoration of buildings	6	(1,356,949)	(340,371)	(144,806)	(691,932)	(532,046)
Maintenance of the estate	6	(551,327)	(140,605)	-	(168,609)	(141,556)
Education	6	(10,481)	(158,128)	-	(9,198)	(34,844)
Walled Garden	6	(1,183)	(8,015)	-	(100,117)	(443,222)
Development & Training	15	(100,117)	-	-	(101,506)	(20,651)
Donations made	6	(31,408)	(70,100)	-	(6,266,320)	(4,810,618)
		(4,561,657)	(1,559,857)	(144,806)		
Other resources expended						(200,300)
Gift Aid to Trust from trading operation:	15	-	-	(49,173)	(49,173)	-
Other		-	-	(49,173)	(49,173)	(200,300)
Governance costs	7	(411,030)	(4,788)	-	(415,818)	(391,550)
Total expenses		(8,686,501)	(1,691,806)	(193,979)	(10,572,286)	(8,546,765)
Net income/(expenditure) for the year before taxation and transfers	8	1,077,429	5,000,506	(193,979)	5,883,956	2,987,448
Taxation						
Net income/(expenditure) for the year before transfers		<u>1,077,429</u>	<u>5,000,506</u>	<u>(193,979)</u>	<u>5,883,956</u>	<u>2,987,448</u>

The Prince's Foundation (formerly The Great Steward of Scotland's Dumfries House Trust)
Trustees' report and financial statements
For the year ended 31 March 2018

Consolidated statement of financial activities
(incorporating an income and expenditure account) (continued)
for the year ended 31 March 2018

	Notes	General Funds £	Restricted Funds £	Endowment Funds £	Total 2018 £	As restated Total 2017 £
Net income/(expenditure) for the year before transfers		1,077,429	5,000,506	(193,979)	5,883,956	2,987,448
Gross transfers between funds	25	<u>2,987,095</u>	<u>(2,842,852)</u>	<u>(144,243)</u>	-	-
		4,064,524	2,157,654	(338,222)	5,883,956	2,987,448
Other recognised gains/(losses)						
Gains/(losses) on revaluation of fixed assets						
Trust assets	20, 26	-	-	-	-	17,507,326
Dumfries House Home Farm Limited assets	20	-	-	-	-	112,249
Dumfries Farming & Land Limited assets	15	-	-	-	-	(748,562)
		-	-	-	-	16,871,013
Net movements in funds		<u>4,064,524</u>	<u>2,157,654</u>	<u>(338,222)</u>	<u>5,883,956</u>	<u>19,858,461</u>
Reconciliation of funds:						
Fund balances at 1 April 2017	20	16,013,502	8,386,170	67,648,571	92,048,243	72,189,782
Net movements in funds		4,064,524	2,157,654	(338,222)	5,883,956	19,858,461
Introduction of Dumfries Farming and Land Limited reserves		-	-	-	-	-
Fund balances at 31 March 2018	20	<u>20,078,026</u>	<u>10,543,824</u>	<u>67,310,349</u>	<u>97,932,199</u>	<u>92,048,243</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 £5,883,956 (2017: £2,987,448).

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 20 to 43 form part of these financial statements.

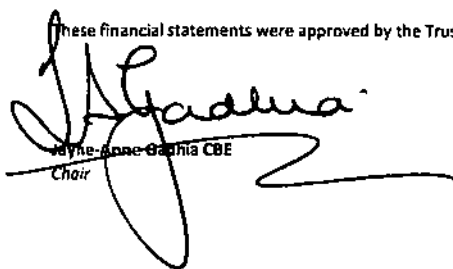
The Prince's Foundation (formerly The Great Steward of Scotland's Dumfries House Trust)
Trustees' report and financial statements
For the year ended 31 March 2018

Consolidated balance sheet
at 31 March 2018

	Notes	General Funds £	Restricted Funds £	Endowment Funds £	Total 2018 £	As restated Total 2017 £
Fixed assets						
Endowment assets	12, 13	-	-	67,310,349	67,310,349	67,648,571
Other tangible assets	14	24,399,682	6,114,192	-	30,513,874	28,229,748
		<u>24,399,682</u>	<u>6,114,192</u>	<u>67,310,349</u>	<u>97,824,223</u>	<u>95,878,319</u>
Current assets						
Stock	16	1,190,492	-	-	1,190,492	1,100,355
Debtors	17	955,166	1,179,132	-	2,134,298	2,957,849
Cash at bank and in hand		142,174	3,250,500	-	3,392,674	171,127
		<u>2,287,832</u>	<u>4,429,632</u>	<u>-</u>	<u>6,717,464</u>	<u>4,229,331</u>
Creditors: amounts falling due within one year	18	<u>(6,591,780)</u>	<u>-</u>	<u>-</u>	<u>(6,591,780)</u>	<u>(8,059,407)</u>
Net current (liabilities)/ assets		<u>(4,303,948)</u>	<u>4,429,632</u>	<u>-</u>	<u>125,684</u>	<u>(3,830,076)</u>
Creditors: amounts falling due after more than one year	18	<u>(17,708)</u>	<u>-</u>	<u>-</u>	<u>(17,708)</u>	<u>-</u>
Net assets		<u>20,078,026</u>	<u>10,543,824</u>	<u>67,310,349</u>	<u>97,932,199</u>	<u>92,048,243</u>
Funds						
General	20				20,078,026	16,013,502
Restricted	20				10,543,824	8,386,170
Endowment	20				67,310,349	67,648,571
					<u>97,932,199</u>	<u>92,048,243</u>

The notes on pages 20 to 43 form part of these financial statements.

These financial statements were approved by the Trustees on 20/12/18 and were signed on their behalf by:


Jayne-Anne Gadhia CBE
Chair

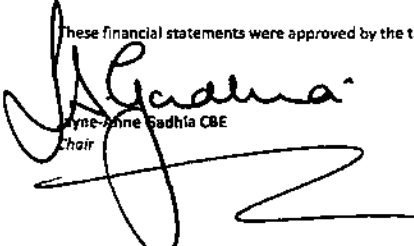
The Prince's Foundation (formerly The Great Steward of Scotland's Dumfries House Trust)
Trustees' report and financial statements
For the year ended 31 March 2018

Trust balance sheet
at 31 March 2018

	Notes	General Funds £	Restricted Funds £	Endowment Funds £	Total 2018 £	As restated Total 2017 £
Fixed Assets						
Endowment assets	12, 13	-	-	67,310,349	67,310,349	67,648,571
Other tangible assets	14	20,827,689	6,114,192	-	26,941,880	24,620,311
Investments	15	5	-	-	5	5
		<u>20,827,694</u>	<u>6,114,192</u>	<u>67,310,349</u>	<u>94,252,234</u>	<u>92,268,887</u>
Current assets						
Debtors: amounts falling due within one year	17	1,993,525	1,179,132	-	3,172,658	3,818,002
Cash at bank		-	3,250,500	-	3,250,500	-
		<u>1,993,525</u>	<u>4,429,632</u>	<u>-</u>	<u>6,423,158</u>	<u>3,818,002</u>
Creditors: amounts falling due within one year	18	(6,023,260)	-	-	(6,023,260)	(7,724,805)
Net current assets / (liabilities)		<u>(4,029,735)</u>	<u>4,429,632</u>	<u>-</u>	<u>399,898</u>	<u>(3,906,803)</u>
Net assets		<u>16,797,959</u>	<u>10,543,824</u>	<u>67,310,349</u>	<u>94,652,132</u>	<u>88,362,084</u>
Funds						
General	20				16,797,959	12,327,343
Restricted	20				10,543,824	8,386,170
Endowment	20				67,310,349	67,648,571
					<u>94,652,132</u>	<u>88,362,084</u>

The notes on pages 20 to 43 form part of these financial statements.

These financial statements were approved by the trustees on 20/12/18 and were signed on their behalf by:


Lynne-Anne Gadhia CBE
Chair

The Prince's Foundation (formerly The Great Steward of Scotland's Dumfries House Trust)
Trustees' report and financial statements
For the year ended 31 March 2018

Consolidated cash flow statement
for the year ended 31 March 2018

Cash flow statement	Notes	2018 £	As restated 2017 £
Cash flows from operating activities	1	8,882,806	5,522,966
Interest paid		(117,155)	(72,094)
Interest element of hire purchase and finance lease rental		(1,043)	(4,022)
Net cash provided by (used in) operating activities		8,764,608	5,446,850
Cashflows from Investing activities			
Purchase of tangible fixed assets	12,14	(4,257,905)	(7,888,102)
Disposal of tangible fixed assets	12,14	296,645	-
Net cash provided by (used in) Investing activities		(3,961,260)	(7,888,102)
Cash flow from financing activities			
New hire purchase contracts		23,611	92,585
Repayment of capital element of hire purchase contracts		(129,379)	(98,561)
Net cash flow from financing activities		(105,768)	(5,916)
Change in cash and cash equivalents in the reporting period		4,697,580	(2,447,168)
Cash and cash equivalents at the beginning of the period		(3,847,180)	(1,400,012)
Cash and cash equivalents at the end of the period	21	850,400	(3,847,180)

Note 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)		5,883,956	2,987,448
Adjustments for:			
Depreciation, amortisation and impairment charges	12,14	2,082,667	1,173,002
Interest paid		117,155	72,094
Interest element of hire purchase and finance lease rental		1,043	4,022
Loss on disposal of fixed asset		49,173	-
Reclassification adjustment from revaluation reserve to profit and loss		-	(748,563)
(Increase)/decrease in stock	16	(90,137)	1,216,207
(Increase)/decrease in debtors	17	823,551	(2,332,209)
(Decrease)/increase in creditors excluding overdraft & hire purchase	18	15,398	3,140,965
Net cash provided by (used in) operating activities		8,882,806	5,522,966

Note II

Reconciliation of net cash flow

Increase/(Decrease) in cash in the period		4,697,580	(2,447,168)
Net cash at start of the year		(3,847,180)	(1,400,012)
Movement in net funds in the period	21	4,697,580	(2,447,168)
Net cash at the end of the year	21	850,400	(3,847,180)

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 Foundation will continue to trade for a period of 12 months from the date of approval by the Trustees.

The Trustees consider there to be no material uncertainties regarding the charity's ability to continue as a going concern.

Company status

The Trust is a company limited by guarantee. The members of the Trust are the Board of Trustees named on page 11. The country of incorporation and registration numbers are detailed in the Trustees report on page 11. 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 General 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. The company ceased trading on 1 March 2018.

Income from Farming & Land represents income from Dumfries Farming & Land Limited. Income is recognised in respect of the sale of properties and rentals from grazing land supplied during the period.

Investment income

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

In 2018, no gift aid was received from subsidiaries.

During 2017, Gift Aid was received from Dumfries House Trust Trading Limited. This was recorded within General funds.

Gift Aid received from subsidiaries

	2018	2017
Dumfries House Trust Trading Limited	<u> </u>	<u>200,300</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.

The Prince's Foundation (formerly The Great Steward of Scotland's Dumfries House Trust)
Trustees' report and financial statements
For the year ended 31 March 2018

Notes (continued)

2 Donations and legacies

	General Fund £	Restricted Fund £	Total 2018 £	As restated Total 2017 £
Donations received	<u>6,964,373</u>	<u>6,692,312</u>	<u>13,656,685</u>	<u>8,834,226</u>
	<u>6,964,373</u>	<u>6,692,312</u>	<u>13,656,685</u>	<u>8,834,226</u>

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

	£
Glenside Project	1,500,000
New Cumnock Swimming pool	593,492
New Cumnock Swimming pool	481,986
7 for 70 - Fleetwood Hospital	300,000

3 Grants and gifts in kind

	General Fund £	Restricted Fund £	Total 2018 £	As restated Total 2017 £
Grants received				
East Ayrshire Council Youth Initiative	-	-	-	2,458
Scotlands Employer Recruitment Initiative	2,000	-	2,000	-
Renewable Heat Incentive	<u>42,195</u>	-	<u>42,195</u>	<u>46,250</u>
	<u>44,195</u>	-	<u>44,195</u>	<u>48,708</u>

4 Other

	General Fund £	Restricted Fund £	Total 2018 £	As restated Total 2017 £
Education	79,983	-	79,983	123,285
Recharge of Havisham Assets wages	-	-	-	83,255
Management fee and service charges income	-	-	-	11,000
SIACS	<u>12,395</u>	-	<u>12,395</u>	<u>12,395</u>
Wayleave income	-	-	-	206
Health Initiative Income	2,295	-	2,295	-
Other Income	<u>1,741</u>	-	<u>1,741</u>	<u>15,010</u>
	<u>96,414</u>	-	<u>96,414</u>	<u>245,151</u>

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Notes (continued)

5 Raising funds	General Fund £	Restricted Fund £	Total 2018 £	As restated General Fund Total 2017 £
Rented property maintenance	-	-	-	(962)
Rent	(9,037)	-	(9,037)	(7,873)
<u>Commercial trading costs</u>				
Trading cost of sales	(2,181,641)	-	(2,181,641)	(1,572,836)
Admin costs	(274,229)	-	(274,229)	(168,041)
	<u>(2,455,870)</u>	<u>-</u>	<u>(2,455,870)</u>	<u>(1,740,877)</u>
<u>Farm costs</u>				
Farm cost of sales	(213,334)	-	(213,334)	(120,315)
Admin costs	(166,447)	-	(166,447)	(177,834)
	<u>(379,781)</u>	<u>-</u>	<u>(379,781)</u>	<u>(298,149)</u>
<u>Farming & land costs</u>				
Cost of sales	(7,558)	-	(7,558)	(551,437)
Admin costs	(48,589)	-	(48,589)	(2,500)
	<u>(56,147)</u>	<u>-</u>	<u>(56,147)</u>	<u>(553,937)</u>
<u>Fundraising costs</u>				
Regeneration costs	(16,906)	-	(16,906)	(79,041)
Car hire & hotels	(48,520)	(2,015)	(50,535)	(70,023)
Printing	(2,579)	-	(2,579)	(2,745)
Postage	(7,268)	-	(7,268)	(7,471)
Office stationery	(17,329)	(2,806)	(20,135)	(18,512)
Central office costs	(66,807)	(42,542)	(109,349)	(57,342)
Housekeeping	(4,833)	-	(4,833)	(737)
Kitchen costs	(14,254)	-	(14,254)	(14,242)
Central office & estate costs	(381,188)	-	(381,188)	(316,906)
Textiles initiative costs	-	(77,798)	(77,798)	(45,346)
Communication & IT costs	(6,953)	-	(6,953)	(7,779)
Finance department costs	(1,780)	-	(1,780)	(6,609)
Health initiative costs	(33,639)	(2,000)	(35,639)	(14,743)
Hire/lease of kitchen equipment	(165)	-	(165)	(378)
Recruitment costs	(750)	-	(750)	(625)
Fundraising Events	(210,008)	-	(210,008)	-
	<u>(812,979)</u>	<u>(127,161)</u>	<u>(940,140)</u>	<u>(642,499)</u>
	<u>(3,713,814)</u>	<u>(127,161)</u>	<u>(3,840,975)</u>	<u>(3,244,297)</u>

During the year to 31 March 2018 costs for Communications & IT, Finance department, Health Initiative, hire/lease of kitchen equipment and recruitment costs were included within central costs.

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Notes (continued)

6 Charitable activities

	Direct costs £	Support Costs £	Total 2018 £	As restated Total 2017 £
General fund				
Wages & salaries	-	(1,559,374)	(1,559,374)	(1,834,819)
Administration costs	-	(29,741)	(29,741)	(44,322)
Exhibition & promotions costs	-	(437,467)	(437,467)	(373,589)
Preservation of contents	(341,893)	(141,719)	(483,612)	(397,817)
Restoration of buildings	-	(1,356,949)	(1,356,949)	(645,797)
Maintenance of the estate	(497,573)	(53,754)	(551,327)	(527,689)
Education department	(10,481)	-	(10,481)	(141,556)
Walled Garden	(1,183)	-	(1,183)	(34,844)
Development & training costs	(100,117)	-	(100,117)	(2,184,444)
Donations made	(31,406)	-	(31,406)	(20,651)
	<u>(982,653)</u>	<u>(3,579,004)</u>	<u>(4,561,657)</u>	<u>(6,205,528)</u>
Restricted fund				
Wages & salaries	-	(787,629)	(787,629)	-
Administration costs	-	(4,248)	(4,248)	-
Exhibition & promotion costs	-	(1,500)	(1,500)	-
Preservation of contents	(11,305)	(37,956)	(49,261)	(108,344)
Restoration of buildings	-	(340,371)	(340,371)	(227,548)
Maintenance of estate	(139,155)	(1,450)	(140,605)	(4,357)
Education department	(158,128)	-	(158,128)	-
Walled Garden	(8,015)	-	(8,015)	-
Donations made	(70,100)	-	(70,100)	-
	<u>(386,703)</u>	<u>(1,173,154)</u>	<u>(1,559,857)</u>	<u>(340,249)</u>
Endowment fund				
Restoration of buildings	-	(144,806)	(144,806)	(6,063)
	<u>-</u>	<u>(144,806)</u>	<u>(144,806)</u>	<u>(6,063)</u>
Total	<u>(1,369,356)</u>	<u>(4,896,964)</u>	<u>(6,266,320)</u>	<u>(6,551,840)</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 2018 £	As restated Total 2017 £
Support costs					
Staff costs	(1,559,374)	(787,629)	-	(2,347,003)	(1,834,819)
Marketing, communication and exhibition costs	(437,467)	(1,500)	-	(438,967)	(373,589)
Depreciation	(1,553,790)	(90,098)	(144,806)	(1,788,694)	(1,183,302)
Administration costs	(29,741)	(4,248)	-	(33,989)	(44,322)
	<u>(3,580,372)</u>	<u>(883,475)</u>	<u>(144,806)</u>	<u>(4,608,653)</u>	<u>(3,436,032)</u>
Governance costs					
Legal	(7,682)	-	-	(7,682)	(11,939)
Auditor's remuneration	(19,000)	-	-	(19,000)	(8,750)
Bank interest and charges	(144,252)	-	-	(144,252)	(97,634)
Consulting & professional fees	(240,096)	(4,788)	-	(244,884)	(273,227)
	<u>(411,030)</u>	<u>(4,788)</u>	<u>-</u>	<u>(415,818)</u>	<u>(391,550)</u>

The Prince's Foundation (formerly The Great Steward of Scotland's Dumfries House Trust)
Trustees' report and financial statements
For the year ended 31 March 2018

Notes (continued)

8 Net incoming/(outgoing) resources are stated after charging	2018 £	As restated 2017 £
Auditor's remuneration:		
Audit of Trust financial statements	14,000	8,750
Non-audit services provided to the Trust	17,300	12,125
Audit of subsidiary financial statements	7,550	6,900
Non-audit services provided to subsidiaries	10,900	9,045
	<u>49,750</u>	<u>36,820</u>
Depreciation and amortisation	<u>2,082,668</u>	<u>1,173,002</u>

9 Staff Costs

	The Prince's Foundation (formerly 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	Dumfries Farming and Land Limited	2018 £	2017 £
Wages and salaries	2,064,480	1,110,964	88,579	8,065	27,663	3,299,751	2,633,810
Social security costs	158,939	55,695	8,198	14,909	10,919	248,660	158,995
Other pension costs	123,584	52,800	-	-	-	176,384	154,258
	<u>2,347,003</u>	<u>1,219,459</u>	<u>96,777</u>	<u>22,974</u>	<u>38,582</u>	<u>3,724,795</u>	<u>2,947,063</u>

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

The Prince's Foundation (formerly 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
Dumfries Farming and Land Limited

- Charitable activities - Wages & salaries
- Raising funds - Commercial trading costs
- Raising funds - Farming costs
- Charitable activities - Development & Training
- Raising funds - Farming & land costs

	2018	2017
From -		
£60,001 to £70,000	1	-
£70,001 to £80,000	-	1
£80,001 to £90,000	-	-
£90,001 to £100,000	1	1
In excess of £100,000	<u>1</u>	<u>-</u>

All of the employees above received pension contributions.

	2018 £	2017 £
Employer pension contributions for the employees above	<u>9,790</u>	<u>4,745</u>

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

	2018 Number	2017 Number
The Prince's Foundation (formerly The Great Steward of Scotland's Dumfries House Trust)	95	81
Dumfries House Trust Trading Limited	110	93
Dumfries House Development & Training Limited	4	7
Dumfries House Home Farm Limited	3	3
Dumfries Farming and Land Limited	7	-
	<u>220</u>	<u>184</u>

76 (2017: 53) 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 Chief Executive, Executive Director, Head of Finance, Head of education, Estate and Facilities Manager, and Deputy Executive Directors. The total employee benefits of the key management personnel of the Trust were £424,746 (2017: £250,999).

In 2017 an ex gratia termination benefit was paid to an employee on retirement of £43,348.

The Prince's Foundation (formerly The Great Steward of Scotland's Dumfries House Trust)
Trustees' report and financial statements
For the year ended 31 March 2018

Notes (continued)

10 2017 Comparatives for the Consolidated Statement of Financial Activities

	Notes	General funds £	Restricted funds £	Endowment funds £	Total funds £
Income and endowments from:					
Donations and legacies					
Donations		2,219,372	6,614,854	-	8,834,226
Grants & gifts in kind		48,708	-	-	48,708
Other trading activities					
Rental income		74,807	-	-	74,807
Commercial trading operations		1,941,177	-	-	1,941,177
Home Farm		237,996	-	-	237,996
Investments		51,848	-	-	51,848
Gift aid from trading activities		200,300	-	-	200,300
Other		245,151	-	-	245,151
Total	26	<u>5,019,359</u>	<u>6,614,854</u>	<u>-</u>	<u>11,634,213</u>
Expenditure					
Raising funds					
Rented property maintenance		(962)	-	-	(962)
Rent		(7,873)	-	-	(7,873)
Commercial trading costs		(1,740,877)	-	-	(1,740,877)
Farming costs		(298,149)	-	-	(298,149)
Farming & land costs		(553,937)	-	-	(553,937)
Fundraising costs		(642,499)	-	-	(642,499)
		<u>(3,244,297)</u>	<u>-</u>	<u>-</u>	<u>(3,244,297)</u>
Charitable activities					
Wages & salaries		(1,834,819)	-	-	(1,834,819)
Administration costs		(44,322)	-	-	(44,322)
Exhibition & promotions costs		(373,589)	-	-	(373,589)
Preservation of contents		(397,817)	(108,344)	-	(506,161)
Restoration of buildings		(645,797)	(227,548)	(6,063)	(879,408)
Maintenance of estate		(527,689)	(4,357)	-	(532,046)
Education		(141,556)	-	-	(141,556)
Walled Garden		(34,844)	-	-	(34,844)
Development & Training	26	(443,222)	-	-	(443,222)
Donations made		(20,651)	-	-	(20,651)
		<u>(4,464,306)</u>	<u>(340,249)</u>	<u>(6,063)</u>	<u>(4,810,618)</u>
Other resources expended					
Gift aid to Trust from trading operations		(200,300)	-	-	(200,300)
Governance costs					
		<u>(391,550)</u>	<u>-</u>	<u>-</u>	<u>(391,550)</u>
Total expenses		<u>(8,300,453)</u>	<u>(340,249)</u>	<u>(6,063)</u>	<u>(8,646,765)</u>
Net income/(expenditure) for the year before taxation and transfers		<u>(3,281,094)</u>	<u>6,274,605</u>	<u>(6,063)</u>	<u>2,987,448</u>
Taxation		-	-	-	-
Net income/(expenditure) for the year before transfers		<u>(3,281,094)</u>	<u>6,274,605</u>	<u>(6,063)</u>	<u>2,987,448</u>

Notes (continued)

10 2017 Comparatives for the Consolidated Statement of Financial Activities (continued)

	Notes	General funds £	Restricted funds £	Endowment funds £	Total funds £
Net income/(expenditure) for the year before transfers		(3,281,094)	6,274,605	(6,063)	2,987,448
Gross transfers between funds		4,721,285	(4,721,285)	-	-
		<u>1,440,191</u>	<u>1,553,320</u>	<u>(6,063)</u>	<u>2,987,448</u>
Other recognised gains/(losses)					
Gains/(losses) on revaluation of fixed assets					
Trust assets	26	(5,468,568)	(2,423,829)	25,399,723	17,507,326
Dumfries House Home Farm Limited assets		112,249	-	-	112,249
Dumfries Farming & Land Limited assets		(748,562)	-	-	(748,562)
		<u>(6,104,881)</u>	<u>(2,423,829)</u>	<u>25,399,723</u>	<u>16,871,013</u>
Net movements in funds		<u>(4,664,690)</u>	<u>(870,509)</u>	<u>25,393,660</u>	<u>19,858,461</u>
Reconciliation of funds:					
Fund balances at 1 April 2016		20,678,192	9,256,679	42,254,911	72,189,782
Net movements in funds		<u>(4,664,690)</u>	<u>(870,509)</u>	<u>25,393,660</u>	<u>19,858,461</u>
Fund balances at 31 March 2017		<u>16,013,502</u>	<u>8,386,170</u>	<u>67,648,571</u>	<u>92,048,243</u>

Notes (continued)

11 2018 Statement of financial activities - Trust only

Trust statement of financial activities
(Incorporating an income and expenditure account)
for the year ended 31 March 2018

	General Funds £	Restricted Funds £	Endowment Funds £	Total 2018 £	As restated Total 2017 £
Income and endowments from:					
<i>Donations and legacies</i>					
Donations	6,964,373	6,692,312	-	13,656,685	8,834,226
Grants and gift in kind	44,195	-	-	44,195	48,708
<i>Other trading activities</i>					
Rental income	73,125	-	-	73,125	74,807
<i>Investments</i>					
Gift Aid from trading activities	-	-	-	-	200,300
Other	96,414	-	-	96,414	245,151
Total	7,178,107	6,692,312	-	13,870,419	9,403,192
Expenditure on:					
<i>Raising funds</i>					
Rented property maintenance	-	-	-	-	(962)
Loss on disposal of fixed assets	-	-	-	-	-
Rent	(9,037)	-	-	(9,037)	(7,873)
Fundraising costs	(812,979)	(127,161)	-	(940,140)	(642,499)
	<u>(822,016)</u>	<u>(127,161)</u>	<u>-</u>	<u>(949,177)</u>	<u>(651,334)</u>
<i>Charitable activities</i>					
Wages & salaries	(1,559,374)	(787,629)	-	(2,347,003)	(1,834,819)
Administration costs	(29,741)	(4,248)	-	(33,989)	(44,322)
Exhibition & promotion costs	(437,467)	(1,500)	-	(438,967)	(373,589)
Preservation of contents	(483,612)	(49,261)	-	(532,873)	(506,161)
Restoration of buildings	(1,356,949)	(340,371)	(144,806)	(1,842,126)	(879,408)
Maintenance of the estate	(551,327)	(140,605)	-	(691,932)	(532,046)
Education	(10,481)	(158,128)	-	(168,609)	(141,556)
Walled Garden	(1,183)	(8,015)	-	(9,198)	(34,844)
Donations made	(31,406)	(70,100)	-	(101,506)	(20,651)
	<u>(4,461,540)</u>	<u>(1,559,857)</u>	<u>(144,806)</u>	<u>(6,166,203)</u>	<u>(4,367,396)</u>
Other costs	(411,030)	(4,788)	(49,173)	(464,991)	(391,550)
Total expenses	(5,694,506)	(1,691,806)	(193,979)	(7,580,371)	(5,410,280)
Net income/(expenditure) for the year before taxation and transfers	1,483,521	5,000,506	(193,979)	6,290,048	3,992,912
<i>Taxation</i>					
Net income/(expenditure) for the year before transfers	1,483,521	5,000,506	(193,979)	6,290,048	3,992,912
Gross transfers between funds	2,987,095	(2,842,852)	(144,243)	-	-
<i>Other recognised gains/(losses)</i>					
Gains/(losses) on revaluation of fixed assets	-	-	-	-	17,401,387
Net movements in funds	4,470,616	2,157,654	(338,222)	6,290,048	21,394,299
Reconciliation of funds:					
Fund balances at 1 April 2017	12,327,343	8,386,170	67,648,571	88,362,084	66,967,785
Fund balances at 31 March 2018	16,797,959	10,543,824	67,310,349	94,652,132	88,362,084

Notes (continued)

12 Endowment Assets

Group and Trust	Heritage assets	Freehold land & buildings	Sporting Rights	Total 2018	As restated Total 2017
	£	£	£	£	£
Cost or valuation					
At 1 April 2017	63,223,812	4,430,844	50,500	67,705,155	42,733,616
Additions	-	-	-	-	-
Disposals	-	(250,000)	-	(250,000)	-
Revaluation	-	-	-	-	24,971,539
Transfers	-	-	-	-	-
At 31 March 2018	<u>63,223,811</u>	<u>4,180,844</u>	<u>50,500</u>	<u>67,455,155</u>	<u>67,705,155</u>
Depreciation					
At 1 April 2017	-	56,584	-	56,584	478,705
Change for the period	-	144,806	-	144,806	6,063
Release on disposal	-	(56,584)	-	(56,584)	-
Revaluation Adjustment	-	-	-	-	(428,184)
At March 2018	<u>-</u>	<u>144,806</u>	<u>-</u>	<u>144,806</u>	<u>56,584</u>
Net book value					
At 31 March 2018	<u>63,223,811</u>	<u>4,036,038</u>	<u>50,500</u>	<u>67,310,349</u>	<u>67,648,571</u>
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>

Cost or valuation at 31 March 2018 is represented by:

	Heritage assets	Freehold land & buildings	Sporting Rights	Total 2018
	£	£	£	£
Cost	38,783,476	3,635,140	65,000	42,483,616
Valuation in 2017	<u>24,440,335</u>	<u>545,704</u>	<u>(14,500)</u>	<u>24,971,539</u>
	<u>63,223,811</u>	<u>4,180,844</u>	<u>50,500</u>	<u>67,455,155</u>

If endowment assets had not been revalued they would have been included at the following historical cost:

	2018	2017
	£	£
Cost of heritage assets	38,783,476	38,783,476
Cost of freehold land & buildings	3,635,140	3,885,140
Cost of sporting rights	<u>65,000</u>	<u>65,000</u>
	<u>42,483,616</u>	<u>42,733,616</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 conducted during the year to 31 March 2017.

Notes (continued)

13 Heritage Assets (continued)

Summary analysis of Heritage Asset transactions

	2018	2017	2016	2015	2014
Purchases and additions	-	-	-	-	180,001
Revaluation	-	24,440,335	-	-	-
Transfer of assets	-	-	-	-	-
	<u>-</u>	<u>24,440,335</u>	<u>-</u>	<u>-</u>	<u>180,001</u>
Charge for impairment	-	-	-	-	-
Disposals	-	-	30,946	-	-
Proceeds from disposals	-	-	-	-	-

14 Tangible fixed assets

Group and Trust

	Land & Buildings	Plant & Machinery	Fixtures & Fittings	Motor vehicles	Improvements to Property	Total 2018
	£	£	£	£	£	£
Cost or valuation						
At 1 April 2017	31,106,077	300,727	2,084,751	98,443	-	33,589,998
Additions	3,930,185	42,236	270,485	-	15,000	4,257,906
Disposals	-	(45,537)	(1,108)	-	-	(46,645)
At 31 March 2018	<u>35,036,262</u>	<u>297,426</u>	<u>2,354,128</u>	<u>98,443</u>	<u>15,000</u>	<u>37,801,259</u>
Depreciation						
At 1 April 2017	3,432,822	155,533	1,690,340	81,556	-	5,360,251
Charge for period	1,693,077	32,926	198,685	13,174	-	1,937,862
Disposals	-	(9,620)	(1,108)	-	-	(10,728)
At 31 March 2018	<u>5,125,899</u>	<u>178,839</u>	<u>1,887,917</u>	<u>94,730</u>	<u>-</u>	<u>7,287,385</u>
Net book value						
At 31 March 2018	<u>29,910,363</u>	<u>118,587</u>	<u>466,211</u>	<u>3,713</u>	<u>15,000</u>	<u>30,513,874</u>
At 31 March 2017	<u>27,673,255</u>	<u>145,194</u>	<u>394,411</u>	<u>16,887</u>	<u>-</u>	<u>28,229,747</u>

Notes (continued)

14 Tangible fixed assets (continued)

Cost or valuation at 31 March 2018 is represented by:

	Land & Buildings	Plant & Machinery	Fixtures & Fittings	Motor vehicles	Improvements to Property	Total 2018
	£	£	£	£	£	£
Cost	43,825,155	297,425	2,354,128	98,443	15,000	46,590,151
Valuation in 2017	(8,265,821)	-	-	-	-	(8,265,821)
	<u>35,559,334</u>	<u>297,425</u>	<u>2,354,128</u>	<u>98,443</u>	<u>15,000</u>	<u>38,324,330</u>

If land & buildings had not been revalued it would have been included at the following historical cost:

	2018	2017
	£	£
Cost	<u>43,825,155</u>	<u>39,864,739</u>

Trust

	Land & Buildings	Plant & Machinery	Fixtures & Fittings	Motor vehicles	Total 2018
	£	£	£	£	£
Cost or valuation					
At 1 April 2017	27,594,528	182,190	2,083,080	98,443	29,958,241
Additions	3,960,416	18,624	270,485	-	4,249,525
Disposals	-	-	-	-	-
Revaluations	-	-	-	-	-
Transfers	-	-	-	-	-
At 31 March 2018	<u>31,554,944</u>	<u>200,814</u>	<u>2,353,565</u>	<u>98,443</u>	<u>34,207,766</u>
Depreciation					
At 1 April 2017	3,432,822	134,044	1,689,508	81,556	5,337,930
Charge for period	1,693,077	23,455	198,250	13,174	1,927,956
Disposals	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-
At 31 March 2018	<u>5,125,899</u>	<u>157,499</u>	<u>1,887,758</u>	<u>94,730</u>	<u>7,265,886</u>
Net book value					
At 31 March 2018	<u>26,429,045</u>	<u>43,315</u>	<u>465,807</u>	<u>3,713</u>	<u>26,941,880</u>
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>

Cost or valuation at 31 March 2018 is represented by:

	Land & Buildings	Plant & Machinery	Fixtures & Fittings	Motor vehicles	Total 2018
	£	£	£	£	£
Cost	40,425,855	200,814	2,353,565	98,443	43,078,677
Valuation in 2017	(8,378,070)	-	-	-	(8,378,070)
	<u>32,047,785</u>	<u>200,814</u>	<u>2,353,565</u>	<u>98,443</u>	<u>34,700,607</u>

If land & buildings had not been revalued it would have been included at the following historical cost:

	2018	2017
	£	£
Cost	<u>36,465,439</u>	<u>36,465,439</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:

	2018	2017
	£	£
Turnover	2,300,985	1,941,177
Cost of sales	<u>(2,181,641)</u>	<u>(1,572,836)</u>
Gross Profit	119,344	368,341
Administration	<u>(274,229)</u>	<u>(168,041)</u>
Operating (Loss)/Profit	(154,885)	200,300
Gift aid to parent	<u>-</u>	<u>(200,300)</u>
Loss on Ordinary Activities Before Taxation	(154,885)	-
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>
Loss for the financial year	<u><u>(154,885)</u></u>	<u><u>-</u></u>
Balance sheet:		
Current assets	197,008	192,466
Current liabilities	<u>(351,891)</u>	<u>(192,464)</u>
Net assets	<u><u>(154,883)</u></u>	<u><u>2</u></u>

Dumfries House Trust Trading Limited, being a wholly-owned subsidiary of the charity, can donate all taxable profits to The Prince's Foundation (formerly 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:

	2018	2017
	£	£
Turnover	145,289	146,196
Cost of sales	<u>(213,334)</u>	<u>(120,315)</u>
-Gross (Loss)/Profit	(68,045)	25,881
Administration	(166,129)	(177,834)
Other operating income	<u>137,799</u>	<u>91,800</u>
Operating loss	(96,375)	(60,153)
Interest payable and similar expenses	<u>(318)</u>	<u>-</u>
Loss on ordinary activities before taxation	(96,693)	(60,153)
Tax on profit on ordinary activities	-	-
Loss for the financial year	<u>(96,693)</u>	<u>(60,153)</u>
Balance sheet:		
Fixed assets	3,602,224	3,594,042
Current assets	429,109	345,952
Current liabilities	(727,809)	(557,485)
Creditors due in more than one year	<u>(17,708)</u>	<u>-</u>
Net assets	<u>3,285,816</u>	<u>3,382,509</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. During the year to 31 March 2018 Dumfries Farming & Land Limited merged with Dumfries House Development and Training. Commercial building construction is now one of the company's principal activities.

The results of the subsidiary undertaking are as follows:

	£	2018 £	£	2017 £
Turnover		114,566		-
Cost of sales	(101,571)		-	
Write off of revaluation reserve	-		748,563	
Loss in valuation of stock	-		(1,300,000)	
		<u>(101,571)</u>		<u>(551,437)</u>
Gross Loss		12,995		(551,437)
Administration		<u>(48,589)</u>		<u>(2,500)</u>
Operating Loss		(35,594)		(553,937)
Intercompany loan waiver		<u>(481,538)</u>		<u>51,848</u>
Loss on Ordinary Activities Before Taxation		(517,132)		(502,089)
Tax on profit on ordinary activities		-		-
Loss for the financial year		<u>(517,132)</u>		<u>(502,089)</u>
Balance sheet:				
Current assets		850,619		700,000
Current liabilities		<u>(671,251)</u>		<u>(3,500)</u>
Net assets		<u>179,368</u>		<u>696,500</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.

On 1 March 2018, Dumfries House Development and Training Limited ceased trading and merged with Dumfries Farming and Land Limited. The subsidiary was previously the construction arm of the Trust.

The results of the subsidiary undertaking are as follows:

	2018	2017
	£	£
Turnover	817,876	1,847,161
Cost of sales	<u>(871,817)</u>	<u>(2,124,825)</u>
Gross Loss	(53,941)	(277,664)
Administration	<u>(34,748)</u>	<u>(59,619)</u>
Operating Loss	(88,689)	(337,283)
Transfer to Dumfries Farming and Land Ltd	481,538	-
	<hr/>	<hr/>
Profit/ (Loss) on Ordinary Activities Before Taxation	392,849	(337,283)
Tax on profit on ordinary activities	<hr/>	<hr/>
Loss for the financial year	<u>392,849</u>	<u>(337,283)</u>
Balance sheet:		
Fixed assets	-	15,394
Current assets	1	718,769
Current liabilities	<hr/>	<u>(1,127,011)</u>
Net assets	<u>1</u>	<u>(392,848)</u>

The Prince's Foundation (formerly The Great Steward of Scotland's Dumfries House Trust)
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Notes (continued)

16 Stock

	Group 2018 £	Trust 2018 £	As restated Group 2017 £	Trust 2017 £
Farming livestock & consumables	300,419	-	311,748	-
Goods for resale - Dumfries House Visitor Centre	27,675	-	27,356	-
Goods for resale - Ballater Highgrove shop	8,380	-	8,910	-
Food & beverage stock - Dumfries House	24,507	-	20,774	-
Food & beverage stock - Ballater Bistro	1,409	-	1,856	-
Dumfries House Development and Training Company Ltd: Works in progress	-	-	29,711	-
Dumfries Farming and Land Ltd: Works in progress	128,102	-	-	-
Development land at Knockroon	700,000	-	700,000	-
	<u>1,190,492</u>	<u>-</u>	<u>1,100,355</u>	<u>-</u>

17 Debtors

	Group 2018 £	Trust 2018 £	As restated Group 2017 £	Trust 2017 £
<i>Amounts falling due within one year</i>				
Trade debtors	126,599	88,220	412,078	365,086
Other debtors	1,496,274	1,486,106	2,192,711	2,182,544
Other taxation recoverable	308,935	275,921	272,457	267,865
Amounts due from subsidiary	-	1,206,395	-	929,992
Prepayments and accrued income	153,490	67,016	80,603	72,575
	<u>2,085,298</u>	<u>3,123,658</u>	<u>2,957,849</u>	<u>3,818,002</u>
<i>Amounts falling due after more than one year</i>				
Other debtors	49,000	49,000	-	-
Aggregate amounts	<u>2,134,298</u>	<u>3,172,658</u>	<u>2,957,849</u>	<u>3,818,002</u>

18 Creditors

	Group 2018 £	Trust 2018 £	As restated Group 2017 £	Trust 2017 £
<i>Amounts falling due within one year</i>				
Bank overdrafts	2,542,275	2,542,275	4,018,307	4,018,307
Trade creditors	2,033,276	1,676,965	1,771,005	1,614,513
Other creditors	1,541,924	1,483,807	1,955,649	1,894,473
Hire purchase	64,293	59,571	71,284	71,284
Other taxation payable	204,973	-	93,259	-
Amounts due to subsidiary	-	112,816	-	10,268
Accruals and deferred income	205,039	147,826	149,903	115,960
	<u>6,591,780</u>	<u>6,023,260</u>	<u>8,059,407</u>	<u>7,724,805</u>
<i>Amounts falling due after more than one year</i>				
Hire purchase due in 2-5 years	17,708	-	-	-
	<u>17,708</u>	<u>-</u>	<u>-</u>	<u>-</u>

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Notes (continued)

19 Fund movements

Group	Balance 1 April 2017 £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2018 £
Endowment fund						
Endowment assets	<u>67,648,571</u>	<u>-</u>	<u>(193,979)</u>	<u>-</u>	<u>(144,243)</u>	<u>67,310,349</u>
Restricted funds	<u>8,386,170</u>	<u>6,692,312</u>	<u>(1,691,806)</u>	<u>-</u>	<u>(2,842,852)</u>	<u>10,543,824</u>
General funds	<u>16,013,502</u>	<u>9,763,930</u>	<u>(8,686,501)</u>	<u>-</u>	<u>2,987,095</u>	<u>20,078,026</u>
Total funds	<u><u>92,048,243</u></u>	<u><u>16,456,242</u></u>	<u><u>(10,572,286)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>97,932,199</u></u>
Trust						
Endowment fund						
Endowment assets	<u>67,648,571</u>	<u>-</u>	<u>(193,979)</u>	<u>-</u>	<u>(144,243)</u>	<u>67,310,349</u>
Restricted funds	<u>8,386,170</u>	<u>6,692,312</u>	<u>(1,691,806)</u>	<u>-</u>	<u>(2,842,852)</u>	<u>10,543,824</u>
General funds	<u>12,327,343</u>	<u>7,178,107</u>	<u>(5,694,586)</u>	<u>-</u>	<u>2,987,095</u>	<u>16,797,959</u>
Total funds	<u><u>88,362,084</u></u>	<u><u>13,870,419</u></u>	<u><u>(7,580,371)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>94,652,132</u></u>

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Notes (continued)

20 Analysis of net assets between funds

Group	General	Restricted	Endowment	Total	As restated
	Funds	Funds	Funds	2018	Total
	£	£	£	£	2017
	£	£	£	£	£
Tangible fixed assets	24,399,682	6,114,192	67,310,349	97,824,223	95,878,320
Current assets	2,287,832	4,429,632	-	6,717,464	4,229,330
Current liabilities	(6,591,780)	-	-	(6,591,780)	(8,059,407)
Non current liabilities	(17,708)	-	-	(17,708)	-
Total net assets	20,078,026	10,543,824	67,310,349	97,932,199	92,048,243

Trust	General	Restricted	Endowment	Total	Total
	Funds	Funds	Funds	2018	2017
	£	£	£	£	£
Tangible fixed assets	20,827,689	6,114,192	67,310,349	94,252,229	92,268,882
Investments	5	-	-	5	5
Current assets	1,993,525	4,429,632	-	6,423,158	3,818,002
Current liabilities	(6,023,260)	-	-	(6,023,260)	(7,724,805)
Total net assets	16,797,959	10,543,824	67,310,349	94,652,132	88,362,084

Reserve analysis between funds

Group	General	Restricted	Endowment	Total	As restated
	Funds	Funds	Funds	2018	Total
	£	£	£	£	2017
	£	£	£	£	£
At the beginning of period	16,013,502	8,386,170	67,648,571	92,048,243	72,189,782
Profit/(loss) for the period	1,077,429	5,000,506	(193,979)	5,883,956	2,987,448
Gross transfers between funds	2,987,095	(2,842,852)	(144,243)	-	-
Gains/(losses) on revaluation of fixed assets	-	-	-	-	-
Trust	-	-	-	-	17,507,326
Dumfries House Home Farm Limited	-	-	-	-	112,249
Dumfries House Farming & Land Limited	-	-	-	-	(748,562)
Total	20,078,026	10,543,824	67,310,349	97,932,199	92,048,243

Trust	General	Restricted	Endowment	Total	Total
	Funds	Funds	Funds	2018	2017
	£	£	£	£	£
At the beginning of the period	12,327,343	8,386,170	67,648,571	88,362,084	66,967,785
Profit/(loss) for the period	1,483,521	5,000,506	(193,979)	6,290,048	3,992,912
Gross transfers between funds	2,987,095	(2,842,852)	(144,243)	-	-
Gains/(losses) on revaluation of fixed assets	-	-	-	-	17,401,387
Total	16,797,959	10,543,824	67,310,349	94,652,132	88,362,084

Notes (continued)

21 Analysis of changes in net cash

	1 April 2017	Cash flow	Other non cash changes	31 March 2018
	£	£	£	£
Cash :				
At bank	(4,018,307)	1,476,032	-	(2,542,275)
In hand	171,127	3,221,547		3,392,674
Total	<u>(3,847,180)</u>	<u>4,697,579</u>	<u>-</u>	<u>850,399</u>

22 Transactions with Trustees

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

	2018 £	2017 £
Expenses paid on behalf of Trustees	<u>2,114</u>	<u>3,329</u>

Trustees were reimbursed for the following expenditure -

Reimbursement type	No. of trustees reimbursed	Total £
Travel costs	1	1,438
Entertaining costs	1	676
Total		<u>2,114</u>

Donations

During the 2018, the Trustees of the charitable company donated £nil (2017: £250,000) to The Prince's Foundation (formerly The Great Steward of Scotland's Dumfries House Trust).

23 Related party transactions

At 31st March 2018 £nil (2017: £20,275) was due from Havisham Assets Limited, a company in which former Trustee, Mr David Brownlow is a director. These balances were fully repaid, in line with the agreed credit terms, within the year to 31 March 2018.

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 £8,000 (2017: £96,000) were made by the Trust to Premier Mode Limited with respect to the Executive Director's role within the Trust.
- Consultancy services were provided by the company to the Trust at a cost of £6,000 (2017: £72,000).
- During the year to 31 March 2018, 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 £71,688 (2017: £8,855)

At 31st March 2018, £4,778 (2017: £52) was due to Premier Mode Limited and is included within trade creditors. From 1 April 2018 the suppliers of services to The Prince's Foundation have not included Premier Mode Limited.

Green Tea Productions Limited, of which the son of Michael Fawcett is a director, provided services totalling £400 in the year to 31 March 2018 (2017: £1,770).

24 Restricted funds

	Balance at 1 April 2017 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 March 2018 £
Restricted funds	<u>8,386,170</u>	<u>6,692,312</u>	<u>(1,691,806)</u>	<u>(2,842,852)</u>	<u>10,543,824</u>

The Trust has, to date, operated two bank accounts for restricted, general and endowment funds. Restricted donations received by the Trust are recorded as such upon their receipt.

At 31 March 2018, £6,114,192 of restricted funds was held as restricted fixed assets. £2,999,876 was held for the Glenside build capital project and £259,080 held for the Stockiehill capital project.

During the year, a total of £1,179,132 (2017: £1,893,569) of restricted funds were used for general fund purposes in advance of commencing the projects to which they had been allocated.

25 Transfer between funds

	General Funds £	Restricted Funds £	Endowment Funds £
Consolidated statement of financial activities			
Completed projects	<u>2,987,095</u>	<u>(2,842,852)</u>	<u>(144,243)</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 general funds, per the agreements with the donors.

The relevant projects and amounts were:

	£
Glenside	200,500
Stockiehill	251,130
Lady Well	43,856
CMT Textiles Centre	50,993
New Cumnock Swimming Pool	1,934,267
Gallery Floor Renovation	151,646
The Duke's Avenue	18,000
Live Build Project	26,987
Walled Garden Pavilion	100,000
Garden Shelters	88,173
Movement from General Funds	(22,700)
	<u>2,842,852</u>

Notes (continued)

26 Prior year adjustment

A prior year adjustment has been recognised due to a reclassification of inter group trading in the 2017 consolidated Statement of Financial Activities. The effect of this adjustment is to reduce gross income from £13,481,373 to £11,634,213 and to reduce expenditure from £10,387,987 to £8,646,765.

The overall effect of this adjustment is a reduction in reported 2017 net income of £105,939 and an increase in the revaluation gain of £105,939. The overall impact on the Fund balances at 31 March 2017 is nil.

27 Post balance sheet events

During the financial year 2017/18 the Trustees agreed to merge with another of The Prince's Charities, The Prince's Foundation for Building Community (PFBC), of which The Prince's Regeneration Trust (PRT) was a charitable subsidiary. This merger took place on 1st April 2018 and the Trust was renamed The Prince's Foundation.

As of 1st September 2018, another Prince's Charity, The Prince's School of Traditional Arts (PSTA), merged with the new Prince's Foundation. It is expected that the merger will add £13,638,547 to the Balance Sheet of the charity, which represents PSTA net assets of £9,962,282 and PFBC net assets of £3,676,265. Operationally, it is anticipated that the activities of these two organizations will add approximately £5 million to annual running costs.

Following a VAT review of the Prince's Foundation, it was identified that c£322k is payable to HMRC. The Foundation will settle the balance within a 12 month period.