

**Charity Registration No. SC003139**

**Company Registration No. SC111258 (Scotland)**

**PERTH AND KINROSS HERITAGE TRUST  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

# PERTH AND KINROSS HERITAGE TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mrs S Hendry Mr M Webster Mr M Simpson Mr S Donaldson Mr D Illingworth Mr G Butt Mr N Grieve Mr R Illsley Mrs M Wilkins	(Appointed 5 May 2017) (Appointed 5 May 2017) (Appointed 21 September 2017) (Appointed 21 September 2017) (Appointed 21 September 2017) (Appointed 21 September 2017)
<b>Charity number</b>	SC003139	
<b>Company number</b>	SC111258	
<b>Principal address</b>	Library Lodge 4 York Place PERTH PH2 8EP	
<b>Registered office</b>	Library Lodge 4 York Place PERTH PH2 8EP	
<b>Auditor</b>	Johnston Carmichael LLP 66 Tay Street PERTH PH2 8RA	

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# PERTH AND KINROSS HERITAGE TRUST

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# PERTH AND KINROSS HERITAGE TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2017

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The trustees present their report and accounts for the year ended 31 March 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "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) (as amended for accounting periods commencing from 1 January 2016)".

#### **Objectives and activities**

The charity's objectives are:

- to promote, preserve, maintain and enhance for the benefit of the residents of the area of Perth and Kinross and the public at large, whatever of the historical architectural and constructional heritage may exist in that area in the form of land or buildings of particular beauty or historical, architectural or constructional interest or significance.
- to promote the practical preservation of the amenity and character of the rural and urban areas of Perth and Kinross.
- to help maintain ancient monuments or other items or areas of archaeological or industrial archaeological importance.
- to further awareness of the natural and built environment through education about and active voluntary involvement in their conservation.

Since becoming established, a central role of the Trust has been the provision of grant aid to historic buildings and projects relating to the conservation and promotion of the historic environment more widely

#### **Highlights of the work for the year**

In late 2016 the Trust began an organisational review, supported by Heritage Lottery Fund Transition funding and with the aid of Jura Consultants, to explore both the current business model and our operational setup. The work was commissioned in response to the cessation of financial and administration services by Perth and Kinross Council in April 2016, and the ever changing funding environment within the sector. The results of the process are ongoing but will include revised governance and operational systems, and an enlarged Board of Trustees, encompassing key business and sectoral skills, to ensure the organisation is robust and fit for purpose. This five-year strategic plan, covering 2017-2022 will prioritise our activities and provide focus on key objectives that align with the aspirations of our partners, funders and stakeholders.

#### **Achievements and performance**

The Trust has successfully delivered the second year of a three-year tranche of the Perth City Heritage Fund, supported by Historic Environment Scotland, on behalf of Scottish Government to address dilapidation of historic buildings and to thereby foster economic regeneration in Perth. This Perth City Heritage Fund has secured funding of £967,500 over the financial years 2015/16 to 2017/18. The scheme is overseen by a steering group comprising a Trustee, Trust staff, Council officers, and an independent external advisor, who meet regularly. Applications for grants in excess of £25,000 are passed to the full Board of Trustees for a decision.

Following a change in priorities the Trust's Historic Building Grants scheme has been closed. There are a number of outstanding commitments which are being overseen to completion.

The administration of grants payable are in line with the Trust's objectives as outlined in its current mission statements: conserving and promoting archaeology and architectural heritage, for the benefit of residents, visitors and future generations.

The Trust has completed distribution of small grants to local community organisations made possible by a donation of £1,226 from the former Friends of Perth and Kinross Heritage Trust.

# PERTH AND KINROSS HERITAGE TRUST

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017

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In addition to the provision of grant-aid, the Trust achieves its objectives through the delivery of projects and a number of these were carried out over the year. Most significant was the successful delivery of the third year of the Tay Landscape Partnership (TLP), a major 4-year programme of work supported by the Heritage Lottery Fund, the Gannochy Trust, Perth and Kinross Council, Perth and Kinross Countryside Trust, Historic Environment Scotland, The Robertson Trust, Scottish Natural Heritage and The Cross Trust, with a total value of £2.5 million. The Scheme, carried out in partnership with Perth and Kinross Countryside Trust, will deliver 28 projects around the estuary by a team of five members of staff, with the aim of bringing together local, regional and national organisations to celebrate the unique character of natural and historic environments of the upper Tay estuary.

The year also saw the completion of a further year of the Glenshee Archaeology Project, engaging with members of the community to investigate early medieval turf longhouses through archaeological excavation and survey. Other achievements include the provision of the Trust's two key annual outreach events: Perth and Kinross Archaeology Month, in June, and the Doors Open Days weekend in September.

In addition to a number of minor architectural projects, the Trust has also continued to provide a planning archaeology service to Perth and Kinross Council's Environment Service.

### Financial review

Results for the year ended 31 March 2017 are given in the Statement of Financial Activities on page 8. The assets and liabilities are detailed on the Balance Sheet on page 9.

The Statement of Financial Activities shows a net inflow of funds for the year of £86,856 (2016 - £300,694). This added to the funds brought forward of £934,918 gives a surplus to carry forward of £1,021,774 which includes a revaluation reserve of £17,815. The closing reserves are made of restricted reserves of £641,358, designated reserves of £47,536 and unrestricted reserves of £332,880, including the revaluation reserve. Full details of income and expenditure are set out in notes 3 to 21 in the accounts.

The charity's expenditure in the financial year 2016/17 supports the identification, recording, protection, management and interpretation of the historic environment within the Perth and Kinross area for the benefit of the community and visitors to the area. This is undertaken through the provision of heritage advisory and consultancy services to partner organisations and the public; through the award of grants, the delivery and funding of projects, and through outreach and education activities aimed at increasing community awareness of the local historical environment. The charity's income reflects the continuing support of its founding partners; the attraction of grant funding from Historic Environment Scotland, the Heritage Lottery Fund and other funding bodies; revenue generated through consultancy work and the sale of the charity's publications and charitable donations from the public.

### Reserves Policy

Perth and Kinross Heritage Trust continues to adopt a policy of retaining reserves to protect it against any future decline in income generated or funds held which could prevent it from delivering services and fulfilling its objectives and activities in the future.

Each year, the Trustees review the level of reserves designated for future operating costs and capital projects by considering risks associated with income streams, expenditure plans and other balance sheet items.

The risks include the timing of the receipt of fundraising income, the likelihood of downturns in the various sources of income, the desire to maintain services provided and future investment plans.

The Trustees aim to hold reserves for future operating costs equating to at least 6 months of operating costs. This sum amounts to £174,000.

In addition, trustees have placed £150,000 in reserves for future capital projects, as they are currently investigating two potential building preservation projects, with potential start dates in the next year.

The charity holds reserves of £1,021,774 of which £332,880 are unrestricted therefore the charity has sufficient reserves to cover 6 months of operating costs.

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# PERTH AND KINROSS HERITAGE TRUST

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017

The Trust maintains an organisational Risk Register, which is considered by the Board of Trustees on a quarterly basis, which assesses both Strategic and Tactical risks to the organisation, the former being defined as having potential to result in a critical failure of the Trust, and the latter having the potential to cause delay to one area of work but which is recoverable for the Trust as a whole. Responsibility for the Risk Register is shared between the Board of Trustees, the Trust Manager and other professional staff. The key Strategic Risks to the organisation identified over the year are the failure to maintain Perth and Kinross Council funding through the existing Service Level Agreement (SLA), and failure to maintain continued funding from The Gannochy Trust. It was agreed that these risks should be mitigated against by, in the former case, regular briefings and clear communications to feedback and direction regarding the SLA, and in the latter case, to ensure regular and clear communications with The Gannochy Trust to ensure the work of the Trust is aligned with their funding aspirations. In terms of projects, the charity will not agree to commence delivery of projects until all funding is in place.

### Future plans

The Tay Landscape Partnership scheme and the Perth City Heritage Fund are set to feature as major areas of work for the Trust over the next few years, with the continued delivery of smaller projects such as the Glenshee Archaeology Project, and our annual outreach events, Perth and Kinross Archaeology Month, and Perth and Kinross Doors Open Days, along with consultancy work and the provision of the planning archaeology service to Perth and Kinross Council.

In addition to this, the Trust is looking at preserving buildings with heritage value and is currently in discussion with the owners of two such buildings.

### Structure, governance and management

The charitable company is a company limited by guarantee. The charitable company is governed by its Memorandum and Articles of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the period from 01 April 2016 to the date the financial statements were approved were as follows:

Mrs S Hendry	
Mr M Webster	
Mr M Simpson	
Mr D Cuthbert	(Resigned 14 November 2017)
Mr D Rice	(Resigned 21 September 2017)
Mr G Walker	(Resigned 5 May 2017)
Mr S Donaldson	(Appointed 5 May 2017)
Mr D Illingworth	(Appointed 5 May 2017)
Mr G Butt	(Appointed 21 September 2017)
Mr N Grieve	(Appointed 21 September 2017)
Mr R Illsley	(Appointed 21 September 2017)
Mrs M Wilkins	(Appointed 21 September 2017)

The charity's Memorandum and Articles of Association require that members of the board of trustees be either admitted through the passing of a resolution by the board of trustees or be the nominees of the subscribers to the Memorandum of Association, who are the Gannochy Trust, Perth Civic Trust and Perth & Kinross Council.

On appointment, new trustees receive a welcome letter and are supplied with information about the charity, including copies of the Memorandum and Articles of Association, an organisation chart, a copy of the latest annual report and the previous years audited accounts.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

# PERTH AND KINROSS HERITAGE TRUST

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017

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The trustees administer the charitable company. The trustees meet quarterly and have delegated the running of the day to day activities of the charitable company to the charitable company's manager, Mr David Strachan.

### **Auditor**


Johnston Carmichael LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### **Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The trustees' report was approved by the Board of Trustees.

  
Mrs S Hendry

Trustee

Dated: 23/11/17

# **PERTH AND KINROSS HERITAGE TRUST**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MARCH 2017***

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The trustees, who are also the directors of Perth and Kinross Heritage Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102) as amended;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.



# PERTH AND KINROSS HERITAGE TRUST

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF PERTH AND KINROSS HERITAGE TRUST

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We have audited the financial statements of Perth and Kinross Heritage Trust for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. 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), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 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 and its trustees 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's members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities, set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

#### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

# PERTH AND KINROSS HERITAGE TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF PERTH AND KINROSS HERITAGE TRUST

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

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

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

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

- the charitable company has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemptions from the requirements to prepare a strategic report.



**Jean Main (Senior Statutory Auditor)**  
for and on behalf of Johnston Carmichael LLP

23/11/17

**Chartered Accountants**  
**Statutory Auditor**

66 Tay Street  
PERTH  
PH2 8RA

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

# PERTH AND KINROSS HERITAGE TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted funds general £	Unrestricted funds designated £	Restricted funds £	Total 2017 £	Total 2016 £
<b>Income from:</b>						
Donations and legacies	3	100,408	-	808,421	908,829	1,518,807
Charitable activities	4	83,657	1,617	-	85,274	89,173
Other trading activities	5	-	-	-	-	372
Investments	6	1,737	-	-	1,737	766
<b>Total income</b>		<b>185,802</b>	<b>1,617</b>	<b>808,421</b>	<b>995,840</b>	<b>1,609,118</b>
<b>Expenditure on:</b>						
Charitable activities	7	139,400	43,122	726,462	908,984	1,308,424
<b>Net income for the year/ Net movement in funds</b>		<b>46,402</b>	<b>(41,505)</b>	<b>81,959</b>	<b>86,856</b>	<b>300,694</b>
<b>Reconciliation of Funds</b>						
Fund balances at 1 April 2016		286,478	89,041	559,399	934,918	634,224
<b>Fund balances at 31 March 2017</b>		<b>332,880</b>	<b>47,536</b>	<b>641,358</b>	<b>1,021,774</b>	<b>934,918</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

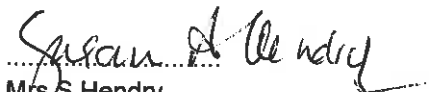
# PERTH AND KINROSS HERITAGE TRUST

## BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017		2016	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		70,500		72,000
<b>Current assets</b>					
Debtors	15	600,077		631,197	
Cash at bank and in hand		1,060,513		931,245	
		<u>1,660,590</u>		<u>1,562,442</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(709,316)</u>		<u>(699,524)</u>	
<b>Net current assets</b>			951,274		862,918
<b>Total assets less current liabilities</b>			<u>1,021,774</u>		<u>934,918</u>
<b>Net assets</b>			<u>1,021,774</u>		<u>934,918</u>
<b>The funds of the charity:</b>					
Restricted funds	18		641,358		559,399
Unrestricted funds - designated	19		47,536		89,041
<u>Unrestricted funds - general</u>					
General unrestricted funds		315,065		268,663	
Revaluation reserve		17,815		17,815	
			<u>332,880</u>		<u>286,478</u>
			<u>1,021,774</u>		<u>934,918</u>

The accounts were approved by the Trustees on 23rd November 2017

  
Mrs S Hendry  
Trustee

Company Registration No. SC111258

# PERTH AND KINROSS HERITAGE TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	21		129,308		218,657
<b>Cashflows from investing activities</b>					
Interest received		1,737		766	
<b>Net cash provided by investing activities</b>			<b>1,737</b>		<b>766</b>
<b>Net cash used in financing activities</b>					
<b>Net increase in cash and cash equivalents</b>			<b>131,045</b>		<b>219,423</b>
Cash and cash equivalents at beginning of year			929,468		710,045
<b>Cash and cash equivalents at end of year</b>			<b>1,060,513</b>		<b>929,468</b>
<b>Relating to:</b>					
Bank balances and short term deposits			1,060,513		931,245
Bank overdrafts			-		(1,777)

# PERTH AND KINROSS HERITAGE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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### 1 Accounting policies

#### Company information

Perth and Kinross Heritage Trust is a private company limited by guarantee incorporated in Scotland. The registered office and principal address is Library Lodge, 4 York Place, PERTH, PH2 8EP.

#### 1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the 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) (as amended), the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charity has availed itself of S396 of Companies Act 2006, as permitted in paragraph 4(a) of Schedule 1 of SI 2008 No 409, and adapted the Companies House formats to reflect the special nature of the charity's activities.

The charitable company is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees' continue to adopt the going concern basis of accounting in preparing the accounts.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

#### 1.4 Incoming resources

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

For donations and grants to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until these conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income represents invoices issued, grants and other monies received in the course of the charity's ordinary activities during the year.

# PERTH AND KINROSS HERITAGE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 1 Accounting policies

(Continued)

#### 1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Charitable expenditure is incurred in direct pursuance of the charity's principal objects and as set out in the trustees' report. Direct charitable costs comprise costs incurred in inducing organisations to contribute financially to the charity's work and income received in pursuance of these areas is shown within income.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	50 years
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# PERTH AND KINROSS HERITAGE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

#### **1.10 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The trustees consider that there are no estimates and underlying assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.



# PERTH AND KINROSS HERITAGE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 3 Donations and legacies

	Unrestricted funds general £	Restricted funds £	Total 2017 £	Total 2016 £
Donations and gifts	100,408	808,421	908,829	1,518,807
<b>For the year ended 31 March 2016</b>	<b>100,335</b>	<b>1,418,472</b>		<b>1,518,807</b>
<b>Donations and gifts</b>				
The Gannochy Trust	100,000	-	100,000	113,500
Historic Environment Scotland	-	54,872	54,872	970,500
The George Street Owners Association	-	6,359	6,359	-
Tay Landscape Partnership	-	701,295	701,295	425,112
Perth & Kinross Countryside Trust	-	20,250	20,250	-
Heritage Lottery Fund	-	16,650	16,650	-
Other donations < £5,000	408	8,995	9,403	9,695
	<b>100,408</b>	<b>808,421</b>	<b>908,829</b>	<b>1,518,807</b>

### 4 Charitable Activities - Income

	2017 £	2016 £
Consultancy income	1,617	4,275
Sales of services by publications	657	1,898
Performance related grants	83,000	83,000
	<b>85,274</b>	<b>89,173</b>
<b>Analysis by fund</b>		
Unrestricted funds - general	83,657	86,970
Unrestricted funds - designated	1,617	2,203
	<b>85,274</b>	<b>89,173</b>
<b>Performance related grants</b>		
Perth & Kinross Council Service Level Agreement	83,000	83,000
	<b>83,000</b>	<b>83,000</b>

# PERTH AND KINROSS HERITAGE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 5 Other trading activities

	2017	2016
	£	£
Fundraising events	-	372

### 6 Investments

	Unrestricted funds general £	Total 2017 £	Total 2016 £
Interest receivable	1,737	1,737	766
<b>For the year ended 31 March 2016</b>	<b>766</b>		<b>766</b>

# PERTH AND KINROSS HERITAGE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 7 Charitable activities - Expenditure

	Grants and projects £	Tay Landscape Partnership £	Total 2017 £	Total 2016 £
Staff costs	78,346	151,905	230,251	229,612
Depreciation and impairment	1,500	-	1,500	1,500
Contract labour	68,010	-	68,010	64,532
Office expenses	13,936	14,833	28,769	30,636
Insurance	2,349	-	2,349	3,288
Payroll fees	1,397	-	1,397	837
	<u>165,538</u>	<u>166,738</u>	<u>332,276</u>	<u>330,405</u>
Grant funding of activities (see note 8)	29,051	535,898	564,949	971,360
Governance costs (see note 9)	11,759	-	11,759	6,659
	<u>206,348</u>	<u>702,636</u>	<u>908,984</u>	<u>1,308,424</u>
<b>Analysis by fund</b>				
Unrestricted funds - general	139,400	-	139,400	
Unrestricted funds - designated	3,122	40,000	43,122	
Restricted funds	63,826	662,636	726,462	
	<u>206,348</u>	<u>702,636</u>	<u>908,984</u>	
<b>For the year ended 31 March 2016</b>				
Unrestricted funds - general	131,589	-		131,589
Unrestricted funds - designated	3,703	40,000		43,703
Restricted funds	770,357	362,775		1,133,132
	<u>905,649</u>	<u>402,775</u>		<u>1,308,424</u>

# PERTH AND KINROSS HERITAGE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 8 Grants payable

	Grants and projects £	Tay Landscape Partnership £	Total £	2016 £
Grants to institutions:				
City Heritage Fund	137,490	-	137,490	629,127
City Heritage Fund grants not paid	(160,904)	-	(160,904)	-
Historic Building Grants	-	-	-	82,920
Tay Landscape Partnership	-	535,898	535,898	235,010
	<u>(23,414)</u>	<u>535,898</u>	<u>512,484</u>	<u>947,057</u>
Projects	52,465	-	52,465	24,303
	<u>29,051</u>	<u>535,898</u>	<u>564,949</u>	<u>971,360</u>

### 9 Support costs

	Support costs £	Governance costs £	2017 £	2016 £	Basis of allocation
Audit fees	-	4,080	4,080	6,659	Direct
Legal and professional	-	7,679	7,679	-	Direct
	<u>-</u>	<u>11,759</u>	<u>11,759</u>	<u>6,659</u>	
Analysed between Charitable activities	-	11,759	11,759	6,659	

### 10 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

<b>Fees payable to the company's auditor and associates:</b>	2017 £	2016 £
Audit of the company's annual accounts	4,080	4,977
<b>Non-audit services</b>		
All other non-audit services	-	1,682

### 11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or reimbursement of expenditure during the year.

# PERTH AND KINROSS HERITAGE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 12 Employees

#### Number of employees

The average monthly number employees during the year was:

	2017 Number	2016 Number
Administrative	9	10
<b>Employment costs</b>	<b>2017</b>	<b>2016</b>
	£	£
Wages and salaries	199,133	197,643
Social security costs	15,521	19,714
Other pension costs	15,597	12,255
	<u>230,251</u>	<u>229,612</u>

There were no employees whose annual remuneration was £60,000 or more.

### 13 Tangible fixed assets

	Freehold property £
<b>Cost</b>	
At 1 April 2016	75,000
At 31 March 2017	<u>75,000</u>
<b>Depreciation and impairment</b>	
At 1 April 2016	3,000
Depreciation charged in the year	1,500
At 31 March 2017	<u>4,500</u>
<b>Carrying amount</b>	
At 31 March 2017	<u>70,500</u>
At 31 March 2016	<u>72,000</u>

The Heritable Property (Library Lodge, 4 York Place Perth PH2 8EP) was revalued by Graham and Sibbald, Chartered Surveyors at £75,000 on 14 March 2014. The valuation was carried out on the basis that this is a specialised building. The charity has elected to apply the option available within FRS 102 Section 35 paragraph 10(d) permitting the charity, on transition to FRS 102, to use a previous GAAP revaluation of property, plant and equipment as deemed cost at the revaluation date. Accordingly the freehold buildings revalued in 2014 are subsequently carried at deemed cost.

The historic cost of the property is £105,692.

# PERTH AND KINROSS HERITAGE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

<b>14</b>	<b>Financial instruments</b>		<b>2017</b>	<b>2016</b>
			<b>£</b>	<b>£</b>
	<b>Carrying amount of financial assets</b>			
	Measured at amortised cost		1,654,096	1,560,665
	<b>Carrying amount of financial liabilities</b>			
	Measured at amortised cost		704,324	699,281
<b>15</b>	<b>Debtors</b>		<b>2017</b>	<b>2016</b>
			<b>£</b>	<b>£</b>
	<b>Amounts falling due within one year:</b>			
	Other debtors		600,077	631,197
<b>16</b>	<b>Creditors: amounts falling due within one year</b>		<b>2017</b>	<b>2016</b>
		<b>Notes</b>	<b>£</b>	<b>£</b>
	Loans and overdrafts		-	1,777
	Other taxation and social security		4,992	243
	Trade creditors		79,113	-
	Accruals and deferred income		625,211	697,504
			709,316	699,524

The bank overdraft in 2016 was a book figure representing funds in the bank at the year end amounting to £1,033 net of cheques written prior to the year end totalling £2,810 which were not presented until April 2016. These cheques were fully covered by other bank deposits and at no stage did the actual bank account become overdrawn.

### 17 Retirement benefit schemes

#### Defined contribution schemes

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

The charge to statement of financial position in respect of defined contribution schemes was £15,997 (2016 £12,255).

# PERTH AND KINROSS HERITAGE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2016	Movement in funds		Balance at 31 March 2017
	£	Incoming resources	Resources expended	£
Historic Building Grants Reserve	5,129	15,000	(5,000)	15,129
The Tay Landscape Partnership	245,202	701,325	(662,636)	283,891
Perth City Heritage Fund	289,313	46,231	(46,385)	289,159
Glenshee Excavation Fund	12,769	3,840	(8,390)	8,219
Kilmagadwood Excavation Fund	3,000	2,300	(1,000)	4,300
Friends of Perth and Kinross Heritage Trust	526	-	(526)	-
Jura review	-	16,650	-	16,650
Cateran Commonwealth Project	-	20,250	-	20,250
Building Preservation Fund	3,460	2,825	(2,525)	3,760
	<u>559,399</u>	<u>808,421</u>	<u>(726,462)</u>	<u>641,358</u>

The Historic Building Grants Fund is a restricted fund in so far as the charitable company receive a grant from Perth & Kinross Council for the defined purpose of awarding grants for works to historic buildings.

The Tay Landscape Partnership is a restricted fund in that the charity receives grants from the Heritage Lottery Fund, and a number of other government bodies and trusts and foundations, as a lead partner in the delivery of a four-year heritage project, carried forward in partnership with Perth and Kinross Countryside Trust, The Gannochy Trust and Perth and Kinross Council.

Perth City Heritage Fund is a restricted fund in that the charity receives grants from Historic Environment Scotland for the defined purpose of awarding grants in Perth Central and Kinnoull Conservation Areas.

The Glenshee Excavation Fund is a restricted fund in that the charity has received charitable donations and grants from a number of sources towards the Glenshee Archaeology project.

Kilmagadwood Excavation Fund is a restricted fund in that the charity has received funds from external sources to progress archaeological post-excavation work.

Jura Review is a restricted Fund in that the charity receives grants from The Heritage Lottery Fund for the defined purpose of carrying out an organisational review.

Cateran Commonwealth Project is a restricted fund in that the charity has received funds from Perth and Kinross Countryside Trust for the defined purpose of delivering the Cateran Commonwealth Project.

The Building Preservation Fund is a restricted fund in that the charity has received funds from Perth and Kinross Council to support building preservation projects to be undertaken by the Trust.

# PERTH AND KINROSS HERITAGE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2016 £	Movement in funds		Balance at 31 March 2017 £
		Incoming resources £	Resources expended £	
Perth and Kinross Historic Environment Record	4,041	1,617	(3,122)	2,536
The Tay Landscape Partnership	80,000	-	(40,000)	40,000
Glenshee Excavation Fund	5,000	-	-	5,000
	<u>89,041</u>	<u>1,617</u>	<u>(43,122)</u>	<u>47,536</u>

Underpinning much of the work of the Trust is the Perth and Kinross Historic Environment Record (HER), a digital map with associated records of over 17,000 archaeological sites and historic buildings in the area. The Board of Trustees has, as in previous years, agreed to 'ring-fence' income generated through grant aid to, and commercial use of, the HER; with the resulting funds used for maintenance and ongoing development of the record. The balance of this ring-fenced budget, as of 31 March 2017 was £919.

The trustees have designated £40,000 as part of the Trust's contribution to The Tay Landscape Partnership.

The trustees have designated £5,000 as part of the Trust's contribution to The Glenshee Excavation Fund.

### 20 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2017 are represented by:				
Tangible assets	70,500	-	-	70,500
Current assets/(liabilities)	262,380	47,536	641,358	951,274
	<u>332,880</u>	<u>47,536</u>	<u>641,358</u>	<u>1,021,774</u>



# PERTH AND KINROSS HERITAGE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

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<b>21 Net cash provided by (used in) operating activities</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Net income for the reporting period (as per the statement of financial activities)	86,856	300,694
Adjustments for:		
Investment income	(1,737)	(766)
Depreciation and impairment of tangible fixed assets	1,500	1,500
Movements in working capital:		
Decrease/(increase) in debtors	31,120	(516,812)
Increase in creditors	11,569	497,541
(Decrease) in deferred income	-	(63,500)
<b>Cash provided by operations</b>	<b>129,308</b>	<b>218,657</b>

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