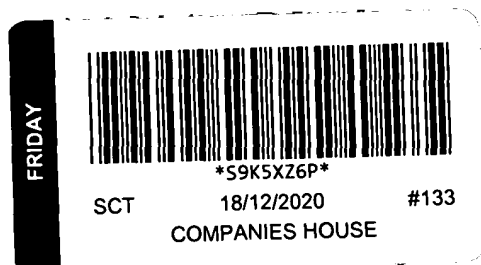


THE CRICHTON TRUST
(A Company Limited by Guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

**REG. OF CO.'S
COPY**

ArmstrongWatson®
Accountants, Business & Financial Advisers



THE CRICHTON TRUST
(A Company Limited by Guarantee)

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THE CRICHTON TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2020

Trustees	J. R. Brennan, Trustee D. Clark, Trustee (resigned 27 February 2020) M. E. Burton, Trustee P. N. Jones, Trustee I. Macmillan, Trustee G. J. R. Mappin, Trustee A. J. Marshall, Trustee (resigned 13 December 2019) K. Thomson, Trustee P. J. Dickson, Trustee (appointed 13 June 2019) L. K. Douglas, Trustee (appointed 13 June 2019) M. T. Foley, Trustee (appointed 13 June 2019)
Company registered number	SC164601
Charity registered number	SC024797
Registered office	Grierson House, The Crichton Bankend Road Dumfries DG1 4ZE
Company secretary	G. Gibbons
Chief executive officer	G. Gibbons
Independent auditors	Armstrong Watson Audit Limited Chartered Accountants 51 Rae Street Dumfries Dumfries and Galloway DG1 1JD
Bankers	Royal Bank of Scotland 151 High Street Dumfries DG1 2RA
Solicitors	Lindsays WS Caledonian Exchange 19A Canning Street Edinburgh EH3 8HE

THE CRICHTON TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 April 2019 to 31 March 2020. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective January 2015).

Objectives and activities

a. Policies and objectives

The company, which is a recognised charity in Scotland, is registered as a charitable company (SC024797), limited by guarantee.

The objects of the Charity are set out in its Memorandum and Articles of Association, as follows:

To protect, preserve, manage and develop and assist in the protection, preservation, management and development of buildings, land and sites of architectural, scenic and historical interest in the geographical area of Dumfries and Galloway for the benefit of the public; to protect, preserve, manage and develop and assist in the protection, preservation, management and development of the landscape and the countryside of Dumfries and Galloway and to encourage and enable the public to enjoy the same; to protect, preserve, manage and develop and assist in the protection, preservation, management and development of the historical and architectural heritage of Dumfries and Galloway; to act in a consultative capacity to assist others in the bringing together of individuals, societies, clubs, institutions, local authorities and other organisations and any person, firm, or corporation engaged in the business or commerce interested in the objects of the company.

To advance and assist in the advancement of education, including, without prejudice to the foregoing generality, the establishment of a university or other centre of learning and the holding of exhibitions, meetings, lectures, classes, seminars or courses either alone or with others.

Strategic report

Achievements and performance

a. Review of activities

The Trust has identified three high-level cross-cutting core themes, which will shape the strategic development at The Crichton from 2020-2035: Ageing Society; Carbon Reduction; and Future Economy (Industrial Revolution 4.0); and all that the Trust does is underpinned by what we value, namely:

- Diverse experience – we value all ideas and knowledge
- Compassion – we are kind to people, place and planet
- Adventurousness – we bravely explore new frontiers
- Agility – we are creative, connected and collaborative.

We are adopting a "whole ecosystem" approach in the development of an intergenerational "campus" that provides an age-friendly, low carbon place for living, working and studying, as well as participation in cultural, social and physical activity to enhance wellbeing and pro-long healthy purposeful life for as long as possible.

These three challenges form three priority core themes of activity which guide all medium-term (next 15 years) strategic planning and decisions for the Trust. The Trust is also considering how its activities can play a positive part towards meeting relevant UN Global Goals for Sustainable Development (SDGs), and the National Performance Framework, and the D&G Local Outcome Improvement Plan.

THE CRICHTON TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Strategic report (continued)

Achievements and performance (continued)

The COVID-19 pandemic has brought into even sharper focus the urgent societal need for new places and ways to live and work. Layered on top of the above cross-cutting themes, this unprecedented world disruption and challenge impacted the Trust towards the end of February 2020. This is reflected in a modest downturn of hospitality service revenue within these accounts.

More than ever, the Trust recognises the need to step ahead of the challenges of our time, to diversify and innovate. Pre-coronavirus we were already living through a period of transition in response to a new technological age and the need to reduce our carbon impact, this has been accelerated by the pandemic, and The Crichton Trust is acutely aware of the need to explore, discover, develop and lead new inspiring and inclusive solutions to the challenges that face us today.

The Crichton offers a unique opportunity for the development, at scale, of a UK demonstrator and Scotland whole system pilot site to meet these challenges which builds collaboration and partnerships, both between the existing multi-institutions and businesses operating within our grounds and new partners from beyond.

The Trust, just prior to the coronavirus pandemic impacting on the UK, revised its Strategic Plan to cover the 15-year period 2020 – 2035. This, in turn, informed a review and restructure of the Executive Team which was completed in March 2020. Given the level of VUCA (volatility, uncertainty, complexity, ambiguity) that shapes our environment today, we are developing a new ambitious 18 month rolling transition programme to 'build back better' in a responsive, nimble and adaptive way that draws strength and purpose from a central focus on the wellbeing of our staff, our partners and all who visit our properties and grounds.

The programme will outline a phased, interconnected series of activity and investment that will contribute to a new wellbeing economy and deliver transformational economic and social benefits, not only for Dumfries and Galloway and the South of Scotland, but for Scotland as a whole. Using our resources, people and place we will seek to lead only where we are best to lead and join as an active partner with others where we can enhance or support work to do more and reach further. As we make the transition from what was understood as normal ways of the world to our emerging future we will support our staff and where possible our partners to ensure we are all best placed to thrive in the new world.

During the year, the Trust's number of commercial tenants on the Estate increased from 92.18% to 96% of lettable space occupied, with residential rental occupancy maintained at 100%. Despite the impact of coronavirus in the closing months of the year the Trust's trading income increased from £1.149m to £1.155m.

During the year, the Trust secured from South of Scotland Enterprise (formally SoSEP) a significant capital grant of £833,127 towards the costs of developing Crichton Central (Criffel View): a place for informal knowledge exchange between the student, business, academic and resident community (including the proposed Ladyfield development).

The Trust continued to host the innovate Care Campus Project principally funded by LEADER, exploring what would make Dumfries and Galloway a great place to grow old. This project has informed and revitalised the Trust's long interest and investment in the Ladyfield housing development site, which borders the western edge of The Crichton Estate and is sited with the area designated of The Crichton Quarter. Working with a range of external partners, an innovative plan to develop a sustainable cross-generational place to live, work, study and play is taking place. The project secured additional funding in February to support a multi-partner study trip to Denmark and the Netherlands to visit inter-generational care settings for older people and innovative approaches to communal living.

During the current coronavirus pandemic, the Trust has demonstrated a flexibility and nimbleness, paid close attention to the well being of our staff and tenants, been decisive as required and kept the Crichton Estate and the wider community informed of developments and plans, which has been well received and greatly appreciated by all. The Trust is well positioned to face the next 18 months of uncertainty and challenge.

THE CRICHTON TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Strategic report (continued)

Financial review

a. Going concern

Net expenditure before other recognised gains and losses in 2019/20 amounted to £511,919 (net expenditure of £281,237 in 18/19). Surplus generated from rental income was invested for public benefit into the operation of Easterbrook Hall. It is projected that The Trust will generate net income before other recognised gains and losses of £300,000 in 2020/21, with increased rental income and a significant injection of public subsidy support to offset the closure impact of Easterbrook Hall due to coronavirus during the period. The Trust also will undertake a Venues Team restructure in the Autumn of 2020 to align staff resources to reduced activity and reduce costs. As a result, the Trustees consider that it is appropriate to prepare Statements on a going concern basis.

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The Trust has total positive reserves at 31 March 2020 of £12,643,103 (2019: positive reserves of £13,006,022). This includes a surplus on unrestricted funds of £11,781,060 (2019: surplus £11,923,467) and a surplus on restricted funds of £862,043 (2019: £1,082,555) as the funds are asset based. The surplus on unrestricted reserves includes a pension reserve for deficit funding of £1,891,000 (2019: £1,783,000), and a revaluation on fixed assets of £13,274,034 (2019: £13,364,496). Unrestricted reserves excluding these reserves amount to £398,026 (2019: £341,971).

The Trust reserves policy is to make provision for free reserves of £250,000 (equating to approximately 3 months' salary costs). The Board have prepared projections based on the reduced activities within Easterbrook Hall. While remaining prudent in budgets, the Trustees are budgeting for a loss of £300,000 for 2020/21. This will therefore result in the Group utilising some of its reserves however it is the intention of achieving targeted free reserves within 5 years.

c. Material investments policy

Under the Memorandum and Articles of Association, the Charity has the power to make any investment which the Trustees see fit in furtherance of its objectives.

d. Financial risk management objectives and policies

The Trust has adopted a Strategic Risk Register which is regularly reviewed and updated. The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate The Trust's exposure to the major risks.

Structure, governance and management

a. Constitution

The company, which is a recognised charity in Scotland, is constituted under the Memorandum and Articles of Association and is a registered charity number SC024797.

THE CRICHTON TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum and Articles of Association.

c. Organisational structure and decision-making policies

The members of the Board of Trustees, who are Directors for the purpose of Company Law and Trustees for the purpose of Charity Law (commonly known as the Trustees), who served during the year and up to the date of this report are set out in the legal and administrative information set out on page 1.

The Trustees who served the charity during the period were as follows:

M. E. Burton
A. J. Marshall (resigned 13 December 2019)
I. Macmillan
G. J. R. Mappin
J. R. Brennan
D. Clark (resigned 27 February 2020)
P. N. Jones
K. Thomson
P. J. Dickson (Appointed 13 June 2019)
L. K. Douglas (Appointed 13 June 2019)
M. T. Foley (Appointed 13 June 2019)

The appointment of new Trustees is approved by Dumfries and Galloway Council and the Memorandum and Articles of Association make provision for the appointment of up to 15 Trustees. There are currently 11 Trustees.

d. Policies adopted for the induction and training of Trustees

Training of existing Trustees is ongoing and there will be appropriate induction training for new Trustees, once appointed.

e. Pay policy for key management personnel

The pay of key management and senior staff is reviewed annually and normally increased in line with inflation. The Trustees benchmark against pay levels in organisations of a similar size and sector.

f. Related party relationships

Trustees' remuneration and travel expenses are detailed in Note 9 to the financial statements. Full information on other related party transactions is given in Note 25 to the financial statements.

g. Financial risk management

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

There are no changes to the charity's operations, which will affect the strategic plan.

THE CRICHTON TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

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

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Armstrong Watson Audit Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



.....
I. Macmillan
Trustee

Date: 30 November 2020

THE CRICHTON TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE CRICHTON TRUST

Opinion

We have audited the financial statements of The Crichton Trust (the 'charity') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 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.

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 United Kingdom, including the Financial Reporting Council'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 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.

THE CRICHTON TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE CRICHTON TRUST
(CONTINUED)

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 Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate and proper 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.

THE CRICHTON TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE CRICHTON TRUST
(CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 the Act and relevant regulations made or having effect thereunder.

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

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 Auditors' Report.

Use of our report

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



Karen Rae FCCA (Senior Statutory Auditor)
for and on behalf of
Armstrong Watson Audit Limited
Chartered Accountants & Statutory Auditors
Dumfries

Date: 17 December 2020

Armstrong Watson Audit Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE CRICHTON TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2020**

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds As restated 2019 £
	Note				
Income from:					
Donations and legacies	4	25,071	71,543	96,614	84,277
Charitable activities	5	2,010,323	-	2,010,323	2,143,166
Other trading activities	6	1,154,675	-	1,154,675	1,148,774
Investments	7	235	-	235	455
Total income		3,190,304	71,543	3,261,847	3,376,672
Expenditure on:					
Raising funds		957,422	-	957,422	986,106
Charitable activities	8	2,500,946	315,398	2,816,344	2,671,803
Total expenditure		3,458,368	315,398	3,773,766	3,657,909
Net expenditure		(268,064)	(243,855)	(511,919)	(281,237)
Transfers between funds	21	(23,343)	23,343	-	-
Net movement in funds before other recognised gains/(losses)		(291,407)	(220,512)	(511,919)	(281,237)
Other recognised gains/(losses):					
Actuarial gains/(losses) on defined benefit pension schemes	27	149,000	-	149,000	(436,000)
Net movement in funds		(142,407)	(220,512)	(362,919)	(717,237)
Reconciliation of funds:					
Total funds brought forward		11,923,467	1,082,555	13,006,022	13,723,259
Net movement in funds		(142,407)	(220,512)	(362,919)	(717,237)
Total funds carried forward		11,781,060	862,043	12,643,103	13,006,022

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 14 to 39 form part of these financial statements.

THE CRICHTON TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: SC164601

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	As Restated 2019 £
Fixed assets			
Tangible assets	13	16,387,689	16,593,255
Investments	14	2	2
		<u>16,387,691</u>	<u>16,593,257</u>
Current assets			
Stocks	15	20,781	19,651
Debtors	16	342,177	349,967
Cash at bank and in hand		201,153	263,548
		<u>564,111</u>	<u>633,166</u>
Creditors: amounts falling due within one year	17	(970,197)	(858,058)
Net current liabilities		<u>(406,086)</u>	<u>(224,892)</u>
Total assets less current liabilities		<u>15,981,605</u>	<u>16,368,365</u>
Creditors: amounts falling due after more than one year	18	(1,447,502)	(1,579,343)
Net assets excluding pension liability		<u>14,534,103</u>	<u>14,789,022</u>
Defined benefit pension scheme liability	27	(1,891,000)	(1,783,000)
Total net assets		<u><u>12,643,103</u></u>	<u><u>13,006,022</u></u>


THE CRICHTON TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: SC164601

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Charity funds			
Restricted funds	21	862,043	1,082,555
Unrestricted funds			
Unrestricted funds excluding pension asset	21	13,672,060	13,706,467
Pension reserve	21	(1,891,000)	(1,783,000)
Total unrestricted funds	21	11,781,060	11,923,467
Total funds		12,643,103	13,006,022

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



I. Macmillan
 Trustee

Date: 30 November, 2020

The notes on pages 14 to 39 form part of these financial statements.

THE CRICHTON TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	<i>As Restated</i> 2019 £
Cash flows from operating activities		
Net cash used in operating activities	73,514	359,224
	<hr/>	<hr/>
Cash flows from investing activities		
Dividends, interests and rents from investments	235	455
Purchase of tangible fixed assets	(102,782)	(509,340)
	<hr/>	<hr/>
Net cash used in investing activities	(102,547)	(508,885)
	<hr/>	<hr/>
Cash flows from financing activities		
Repayments of borrowing	(33,362)	(65,310)
	<hr/>	<hr/>
Net cash used in financing activities	(33,362)	(65,310)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	(62,395)	(214,971)
Cash and cash equivalents at the beginning of the year	263,548	478,519
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	201,153	263,548
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 14 to 39 form part of these financial statements

THE CRICHTON TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. General information

The Crichton Trust is a company limited by guarantee, incorporated in Scotland. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Crichton Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

Net expenditure before other recognised gains and losses in 2019/20 amounted to £511,919 (net expenditure of £281,237 in 18/19). Surplus generated from rental income was invested for public benefit into the operation of Easterbrook Hall. It is projected that The Trust will generate net income before other recognised gains and losses of £300,000 in 2020/21, with increased rental income and a significant injection of public subsidy support to offset the closure impact of Easterbrook Hall due to coronavirus during the period. The Trust also will undertake a Venues Team restructure in the Autumn of 2020 to align staff resources to reduced activity and reduce costs.

At the year end date, the Charity had net current liabilities of £406,086 which includes deferred rental income and loans to be repaid within one year which the Trustees have been in negotiation to amend the repayment dates due to the ongoing COVID-19 pandemic. The Trustees are carefully managing cashflow and are confident that sufficient funds are available to meet liabilities as they fall due.

As a result, the Trustees consider that it is appropriate to prepare the financial statements on a going concern basis.

THE CRICHTON TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.3 Income

Charitable trading activities

Income is recognised to the extent that it is probable that the economic benefits will flow to the charity and the income can be reliably measured. Income is measured as the fair value of the consideration received or receivable, excluding discounts, rebates and value added tax. The following criteria must be met before the income is recognised:

Commercial trading activities - sale of goods

Income from the sale of goods is recognised when all of the following conditions are satisfied:

- the charity has transferred the significant risks and rewards of ownership to the buyer;
- the charity retains neither the continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the charity will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Commercial trading activities - rental income

Rental income is recognised on a straight line basis over the lease terms. Income from a lease agreement is recognised in the period in which the rental relates to when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the agreement;
- the stage of completion of the agreement at the end of the reporting period can be measured reliably;
- the costs incurred can be measured reliably.

Donations and grants

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

THE CRICHTON TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.4 Expenditure (continued)

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the revaluation model, tangible fixed assets whose fair value can be measured reliably shall be carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

Fair values are determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. If there is no market-based evidence of fair value because of the specialised nature of the tangible fixed asset and it is rarely sold, except as part of a contributing business, a Charity may need to estimate fair value using an income or depreciated replacement cost approach.

Gains and losses on revaluation are recognised in the Statement of Financial Activities, with a separate revaluation reserve being shown in the Statement of funds note.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Tenant's improvements	- 10 - 25 years straight line
Statue	- 2% straight line
Motor vehicles	- 20% straight line
Fixtures, fittings and equipment	- 20-25% straight line
Grounds maintenance equipment	- 15% straight line

Following restructuring in 2016, the Trust's lease of the Crichton estate has been extended to 2170 by Dumfries and Galloway Council, which provides the Trust with a firm lease on which to base its operations. Tenant's improvements capitalised under the original lease term will continue to be depreciated over the term of that lease. Tenant's improvements are appraised on an individual project basis and will be depreciated according to the Trust's assessment of its enduring benefit.

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.13 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.14 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.15 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Charity. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.16 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2.17 Pensions

The Charity operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2020.

THE CRICHTON TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.18 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

Tangible fixed assets, as mentioned in note 2.8 above, are depreciated over a period intended to reflect their estimated useful lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.

Tangible fixed assets are also assessed as to whether there are indicators of impairment. The assessment involves consideration of the economic viability of the purpose for which the asset is used.

Actuarial assumptions in respect of the defined benefit pension scheme. In making these assumptions, advice has been taken from an independent qualified actuary. The assumptions are shown in note 27.

4. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Grants	-	71,543	71,543
Government grants - Job Retention Scheme	25,071	-	25,071
	<u>25,071</u>	<u>71,543</u>	<u>96,614</u>

THE CRICHTON TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

4. Income from donations and legacies (continued)

	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Grants	84,277	84,277

5. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £
Management and development of property	2,010,323	2,010,323

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Management and development of property	2,143,166	2,143,166

6. Trading Activities

Income from non charitable trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Trading income	1,154,675	1,154,675

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Trading income	1,148,774	1,148,774

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Investment income	235	235
	<u>235</u>	<u>235</u>
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Investment income	455	455
	<u>455</u>	<u>455</u>

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Net finance income - LGPS scheme	45,000	-	45,000
Management and development of property	2,455,946	315,398	2,771,344
	<hr/>	<hr/>	<hr/>
	2,500,946	315,398	2,816,344
	<hr/>	<hr/>	<hr/>
		Unrestricted funds 2019 £	Total funds 2019 £
Net finance income - LGPS scheme		34,000	34,000
Management and development of property		2,637,802	2,637,802
		<hr/>	<hr/>
		2,671,802	2,671,802

THE CRICHTON TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Total funds 2020 £
Net finance income - LGPS scheme	45,000	45,000
Management and development of property	2,771,344	2,771,344
	<u>2,816,344</u>	<u>2,816,344</u>

	<i>Activities undertaken directly 2019 £</i>	<i>Total funds 2019 £</i>
Net finance income - LGPS scheme	34,000	34,000
Management and development of property	2,637,802	2,637,802
	<u>2,671,802</u>	<u>2,671,802</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2020 £	<i>Total funds 2019 £</i>
Pension income	45,000	34,000
Staff costs	1,117,464	934,848
Depreciation	308,348	228,117
Building costs	792,338	943,968
Bar, restaurant & function costs	101,076	93,398
Administrative costs	182,860	179,935
Equipment costs	41,180	36,545
Finance charges	70,056	65,112
Professional fees	109,867	113,851
Services charges	48,155	43,978
Other costs	-	(1,950)
Total 2020	<u>2,816,344</u>	<u>2,671,802</u>

10. Auditors' remuneration

	2020 £	<i>2019 £</i>
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<u>10,600</u>	<u>10,300</u>

11. Staff costs

	2020 £	<i>2019 £</i>
Wages and salaries	1,529,414	1,362,738
Social security costs	88,087	78,498
Operating costs of defined benefit pension schemes	212,000	138,000
	<u>1,829,501</u>	<u>1,579,236</u>

THE CRICHTON TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

11. Staff costs (continued)

The average number of persons employed by the Charity during the year was as follows:

	2020 No.	2019 No.
Management and administration	10	9
Estates, gardens and surveyors	25	23
Easterbrook Hall and Neuros - permanent	24	22
Easterbrook Hall and Neuros - sessional	50	47
	<u>109</u>	<u>101</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020 No.	2019 No.
In the band £70,001 - £80,000	<u>2</u>	<u>1</u>

Key management personnel includes all trustees and a number of senior management personnel who together have authority and responsibility for planning, directing and controlling the activities of the charity. The charity implemented a new senior management structure at the end of 2020 and as such total key management personnel comprised 4 employees whose total remuneration was £320,662 (2019 - 5 employees - £269,029). As a result of the restructure a number of senior management left the organisation and received redundancy payments of £30,756.

In respect of the higher paid employees noted above, pension contributions paid by the employers during the year amounted to £27,491.

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 March 2020, no Trustee expenses have been incurred (2019 - £NIL).

THE CRICHTON TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	As Restated Fixtures and fittings £	Office equipment £	As Restated Total £
Cost or valuation						
At 1 April 2019	16,642,346	32,425	31,209	574,449	138,740	17,419,169
Additions	100,008	-	-	-	2,774	102,782
At 31 March 2020	16,742,354	32,425	31,209	574,449	141,514	17,521,951
Depreciation						
At 1 April 2019	225,575	12,332	20,418	470,440	97,149	825,914
Charge for the year	255,341	649	2,398	39,422	10,538	308,348
At 31 March 2020	480,916	12,981	22,816	509,862	107,687	1,134,262
Net book value						
At 31 March 2020	16,261,438	19,444	8,393	64,587	33,827	16,387,689
At 31 March 2019	16,416,771	20,093	10,791	104,009	41,591	16,593,255

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets (continued)

The Trustees have included the Crichton site at the year end date, at a valuation of £16.24m. This assessment is based on a professional valuation dated 22 November 2018 undertaken by Colliers International Valuation UK LLP on the basis of open market value, less depreciation to the year end date. The Trustees believe that there has been no movement in any of the value of the properties between the year end date and the date of professional valuation other than depreciation.

The Charity has adopted a policy of revaluation for tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows:

	2020 £	2019 £
Land and buildings	<u>2,546,253</u>	<u>2,666,681</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows: Fixtures & Fittings - £2,105 (2018 - £34,889).

14. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2019	2
At 31 March 2020	<u>2</u>
Net book value	
At 31 March 2020	2
At 31 March 2019	<u>2</u>

The company's interest in subsidiary undertakings is 2 ordinary shares of £1 each, being 100% of the share capital of Crichton Development Company Limited, a non-trading company registered in Scotland.

15. Stocks

	2020 £	2019 £
Finished goods and goods for resale	<u>20,781</u>	<u>19,651</u>

Stock recognised in cost of sales during the year as an expense was £265,385 (2019 - £326,050).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

16. Debtors

	2020 £	2019 £
	-	-
Due within one year		
Trade debtors	182,426	243,041
Other debtors	159,751	106,926
	<u>342,177</u>	<u>349,967</u>

17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	60,474	60,474
Other loans	96,360	30,935
Trade creditors	321,489	168,879
Corporation tax	-	20,000
Other taxation and social security	81,490	113,491
Obligations under finance lease and hire purchase contracts	2,884	20,272
Other creditors	9,045	14,687
Accruals and deferred income	398,455	429,320
	<u>970,197</u>	<u>858,058</u>

Included within amounts falling due in less than one year are net obligations under hire purchase contracts totalling £2,884 (2019 - £20,272) that are secured against certain assets of the charity.

Bank loans falling due in less than one year totalling £60,474 (2019 - £60,474) are secured by a bond and floating charge over the assets of the company and by a standard security over the company's interest in the lease over the Crichton estate.

Other loans falling due within one year totalling £96,360 (2019 - £30,935) are secured on the lease of Hestan House, Crichton Estate, Dumfries.

At the year end date deferred income of £211,082 (2019 - £203,469) was included within accruals and deferred income.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans	577,104	619,344
Other loans	735,252	771,526
Net obligations under finance lease and hire purchase contracts	5,588	8,473
Other creditors	129,558	180,000
	<u>1,447,502</u>	<u>1,579,343</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2020 £	2019 £
Payable or repayable by instalments	585,688	632,926
	<u>585,688</u>	<u>632,926</u>

Bank loans falling due after more than one year totalling £577,104 (2019 - £619,344) are secured by a bond and floating charge over the assets of the company and by a standard security over the company's interest in the lease over the Crichton estate.

Other loans falling due after more than one year totalling £735,251 (2019 - £771,526) are secured on the lease of Hestan House, Crichton Estate, Dumfries.

Other creditors relate to a balance owed to Dumfries & Galloway Council for working in partnership to enhance the infrastructure of the Crichton Estate.

Included within amounts falling due after more than one year are net obligations under hire purchase contracts totalling £5,589 (2019 - £8,473) that are secured against certain assets of the charity.

19. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>201,153</u>	<u>263,548</u>

Financial assets measured at fair value through income and expenditure comprise of cash at bank.

20. Prior year adjustments

The comparative figures have been amended by £26,332 to reflect excess depreciation charged on asset which had already been written down in full. The effect of this adjustment has been to increase the value of fixed asset brought forward and to increase general reserves carried forward in the year by £26,332.

THE CRICHTON TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

21. Statement of funds

Statement of funds - current year

	As restated Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
Unrestricted funds						
Designated funds						
Care Campus	10,000	-	-	(2,061)	-	7,939
General funds						
General Funds	331,971	3,190,304	(3,201,368)	69,180	-	390,087
Revaluation reserve	13,364,496	-	-	(90,462)	-	13,274,034
Pension reserve	(1,783,000)	-	(257,000)	-	149,000	(1,891,000)
	<u>11,913,467</u>	<u>3,190,304</u>	<u>(3,458,368)</u>	<u>(21,282)</u>	<u>149,000</u>	<u>11,773,121</u>
Total Unrestricted funds	<u>11,923,467</u>	<u>3,190,304</u>	<u>(3,458,368)</u>	<u>(23,343)</u>	<u>149,000</u>	<u>11,781,060</u>
Restricted funds						
Crichton Fund	894,596	32,479	(255,341)	90,462	-	762,196
Statue Fund	15,500	-	(649)	-	-	14,851
Church Crypt	100,000	-	(4,694)	(10,310)	-	84,996
Care Campus	13,589	39,064	(54,714)	2,061	-	-
Energy Saving Trust	58,870	-	-	(58,870)	-	-
	<u>1,082,555</u>	<u>71,543</u>	<u>(315,398)</u>	<u>23,343</u>	<u>-</u>	<u>862,043</u>
Total of funds	<u><u>13,006,022</u></u>	<u><u>3,261,847</u></u>	<u><u>(3,773,766)</u></u>	<u><u>-</u></u>	<u><u>149,000</u></u>	<u><u>12,643,103</u></u>

THE CRICHTON TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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21. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	As Restated Balance at 31 March 2019 £
Unrestricted funds						
Designated funds						
Care Campus	10,000	-	-	-	-	10,000
General funds						
General Funds	268,086	3,292,395	(3,228,510)	-	-	331,971
Revaluation reserve	13,452,891	-	-	(88,395)	-	13,364,496
Pension reserve	(1,175,000)	-	(172,000)	-	(436,000)	(1,783,000)
	<u>12,545,977</u>	<u>3,292,395</u>	<u>(3,400,510)</u>	<u>(88,395)</u>	<u>(436,000)</u>	<u>11,913,467</u>
Total Unrestricted funds	<u>12,555,977</u>	<u>3,292,395</u>	<u>(3,400,510)</u>	<u>(88,395)</u>	<u>(436,000)</u>	<u>11,923,467</u>
Restricted funds						
Crichton Fund	1,031,925	-	(225,724)	88,395	-	894,596
Statue fund	16,000	-	(500)	-	-	15,500
Church Crypt	100,000	-	-	-	-	100,000
Care Campus	19,357	25,407	(31,175)	-	-	13,589
Energy Saving Trust - Charging Points	-	58,870	-	-	-	58,870
	<u>1,167,282</u>	<u>84,277</u>	<u>(257,399)</u>	<u>88,395</u>	<u>-</u>	<u>1,082,555</u>
Total of funds	<u>13,723,259</u>	<u>3,376,672</u>	<u>(3,657,909)</u>	<u>-</u>	<u>(436,000)</u>	<u>13,006,022</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Summary of funds

Summary of funds - current year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
Designated funds	10,000	-	-	(2,061)	-	7,939
General funds	11,913,467	3,190,304	(3,458,368)	(21,282)	149,000	11,773,121
Restricted funds	1,082,555	71,543	(315,398)	23,343	-	862,043
	<u>13,006,022</u>	<u>3,261,847</u>	<u>(3,773,766)</u>	<u>-</u>	<u>149,000</u>	<u>12,643,103</u>

Summary of funds - prior year

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2019 £
Designated funds	10,000	-	-	-	-	10,000
General funds	12,545,977	3,292,395	(3,400,510)	(88,395)	(436,000)	11,913,467
Restricted funds	1,167,282	84,277	(257,399)	88,395	-	1,082,555
	<u>13,723,259</u>	<u>3,376,672</u>	<u>(3,657,909)</u>	<u>-</u>	<u>(436,000)</u>	<u>13,006,022</u>

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NOTES TO THE FINANCIAL STATEMENTS
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22. Summary of funds (continued)

Unrestricted funds

Care Campus designated fund relates to a designation made by Trustees for the Care Campus feasibility project.

General funds relate to free reserves.

Revaluation reserve relates to a revaluation of all leasehold property at the year end date. The transfer in the year relates to the offset of excess depreciation on revaluation over the historic cost charge.

Pension reserve relates to the defined benefit deficit.

Restricted funds

The Crichton fund can be used at the discretion of the Trustees for charitable activities in relation to the Crichton Site.

The Statue fund was set up to pay for the erection of a statue of the founder of the original Crichton Hospital.

The Church crypt fund relates to monies received towards the restoration of the Church crypt. At the year end date £53,795 has been capitalised as tenants improvements with the remaining balance of £46,205 being carried forward. Depreciation will be charged against this fund once works have been completed.

Care Campus fund relates to grant monies received in relation to the Care Campus feasibility project.

The Energy Saving Trust - Charging Points Fund relates to monies received for the purchase and installation of electric car charging points on the Crichton site.

A transfer between restricted and unrestricted funds of £58,870 was made in the year in order to release the restricted fixed asset included in 'The Energy Saving Trust - Charging Points' fund into unrestricted reserves following realisation of all restrictions.

A transfer between unrestricted and restricted funds of £90,462 was also made in the year in order to move depreciation on the revalued amount of land & buildings, out of the revaluation reserve and into the Crichton Fund.

A transfer between designated and restricted funds of £2,061 was made in the year in order to clear a negative carried forward balance within the restricted LEADER - care campus fund. The transfer was made from the the designated LEADER - care campus fund, as both funds are maintained for the same purpose.

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23. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	15,604,331	783,358	16,387,689
Fixed asset investments	2	-	2
Current assets	485,426	78,685	564,111
Creditors due within one year	(970,197)	-	(970,197)
Creditors due in more than one year	(1,447,502)	-	(1,447,502)
Provisions for liabilities and charges	(1,891,000)	-	(1,891,000)
Total	11,781,060	862,043	12,643,103

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	15,570,220	1,023,035	16,593,255
Fixed asset investments	2	-	2
Current assets	573,646	59,520	633,166
Creditors due within one year	(858,058)	-	(858,058)
Creditors due in more than one year	(1,579,343)	-	(1,579,343)
Provisions for liabilities and charges	(1,783,000)	-	(1,783,000)
Total	11,923,467	1,082,555	13,006,022

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24. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	As restated 2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(511,919)	(281,237)
Adjustments for:		
Depreciation charges	308,348	228,118
Dividends, interests and rents from investments	(235)	(455)
Decrease/(increase) in stocks	(1,130)	1,270
Decrease in debtors	7,790	138,904
Increase in creditors	13,660	100,624
Difference between pension charge and cash contributions	257,000	172,000
Net cash provided by operating activities	73,514	359,224

25. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	201,153	263,548
Total cash and cash equivalents	201,153	263,548

26. Analysis of changes in net debt

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	263,548	(62,395)	201,153
Debt due within 1 year	(91,409)	(65,425)	(156,834)
Debt due after 1 year	(1,390,870)	78,514	(1,312,356)
Finance leases	(28,745)	20,273	(8,472)
	(1,247,476)	(29,033)	(1,276,509)

27. Pension commitments

The Charity operates a defined benefit pension scheme.

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27. Pension commitments (continued)

The most recent actuarial valuation was dated 31 March 2020.

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	At 31 March 2020 %	At 31 March 2019 %
Discount rate	2.3	2.4
Future salary increases	2.6	3.3
Future pension increases	1.9	2.5

	At 31 March 2020 Years	At 31 March 2019 Years
Mortality rates (in years)		
- for a male aged 65 now	21.8	21.8
- for a male aged 45 now	23.0	23.0
- for a female aged 65 now	24.3	24.3
- for a female aged 45 now	26.2	26.2

Sensitivity analysis

	At 31 March 2020 £	At 31 March 2019 £
Discount rate -0.5%	678,000	690,000
Salary increase rate +0.5%	78,000	86,000
Pension increase rate +0.5%	594,000	593,000

The Charity's share of the assets in the scheme was:

	At 31 March 2020 £	At 31 March 2019 £
Equities	3,283,040	3,471,680
Gilts	1,496,680	685,200
Corporate bonds	48,280	411,120
Total fair value of assets	4,828,000	4,568,000

The actual return on scheme assets was £-591,000 (2019 - £59,000).

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27. Pension commitments (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2020 £	2019 £
Current service cost	424,000	138,000
Interest income	(112,000)	(118,000)
Interest cost	157,000	152,000
Total amount recognised in the Statement of Financial Activities	469,000	172,000

Movements in the present value of the defined benefit obligation were as follows:

	2020 £
Opening defined benefit obligation	6,410,000
Current service cost	212,000
Interest cost	157,000
Contributions by scheme participants	58,000
Actuarial (gains)/losses	(740,000)
Benefits paid	(181,000)
Closing defined benefit obligation	5,916,000

Movements in the fair value of the Charity's share of scheme assets were as follows:

	2020 £
Opening fair value of scheme assets	4,627,000
Expected return on assets	112,000
Actuarial (losses)/gains	(591,000)
Contributions by employer	212,000
Contributions by scheme participants	58,000
Benefits paid	(181,000)
Closing fair value of scheme assets	4,237,000

A full actuarial valuation of the defined benefit scheme was carried out at 31 March 2017, and updated to 31 March 2020, by qualified independent actuary, Hymans Robertson LLP on an FRS 102 basis.

At the year end date contributions of £22,344 were outstanding and included within creditors.

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28. Operating lease commitments

At 31 March 2020 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£	£
Not later than 1 year	1,286	2,721
Later than 1 year and not later than 5 years	550	1,284
	<u>1,836</u>	<u>4,005</u>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2020	2019
	£	£
Operating lease rentals	<u>3,614</u>	<u>10,792</u>

The Charity leases out property under non-cancellable operating leases for the following future minimum lease receipts:

	2020	2019
	£	£
Within 1 year	633,921	737,428
Between 1 and 5 years	283,434	885,758
After more than 5 years	90,129	98,130
	<u>1,007,484</u>	<u>1,721,316</u>

£1,463,938 was included in the Statement of Financial Activities in respect of operating lease income (2019 - £1,410,043).

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29. Related party transactions

Dumfries and Galloway Council owns the land on which the group operates. The group may be charged a nominal rent from Dumfries and Galloway Council. No amount has been charged in the current or previous year.

Dumfries and Galloway Council has provided the group with grants amounting to £28,564 (2019 - £8,992) in the year under review for project and development work.

At the year end date the Charity owed a balance of £180,000 (2019: £180,000) to Dumfries and Galloway Council in respect of a project whereby the Charity is working in partnership with the Council to enhance the infrastructure of the Crichton Estate.

During the year grants of £9,600 were received from The Crichton Foundation (2019 - £5,000). Dr J R Brennan was also a Trustee of The Crichton Foundation during the year. No amounts remain outstanding at the year end.

30. COVID-19

On 11 March 2020, The World Health Organisation announced COVID-19, a global pandemic which was subsequently followed by a nationwide lockdown on 23 March 2020. Although restrictions are being lifted proportionally at the time of writing, the enforced lockdown resulted in the charity's retail and trading operations ceasing immediately whilst the charity's service provision continued with the team adapting to a new working environment. The Trustees are aware of the effects this pandemic has placed on the finances of the charity and have actively sourced any available funding to allow the continuation of the services during this time.

No adjustments have been made to the financial results included within the financial statements for any events since the year end date and the Trustees have also considered the ensuing 12 months in their going concern assessment, through various scenario plannings as to when the charity's revenue trading streams may once again be fully operational to support their charitable purposes. This has been outlined in accounting policy 2.2 to the accounts.

31. Controlling party

The Trust and the Crichton Estate (the Estate) are wholly owned by Dumfries and Galloway Council which is registered as a Person of Significant Control in terms of the Small Business Enterprise and Employment Act 2015.

32. Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity	Holding
Crichton Development Company Limited	SC155341	Grierson House, The Crichton, Bankend Road, Dumfries, DG1 4ZE	Dormant	100%

The financial results of the subsidiary for the period were:

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32. Principal subsidiaries (continued)

Name	Net assets £
Crichton Development Company Limited	1