

THE CRICHTON TRUST
(A Company Limited by Guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

THE CRICHTON TRUST
(A Company Limited by Guarantee)

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THE CRICHTON TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees	J. R. Brennan, Trustee M. E. Burton, Trustee P. N. Jones, Trustee I. Macmillan, Trustee G. J. R. Mappin, Trustee K. Thomson, Trustee P. J. Dickson, Trustee L. K. Douglas, Trustee M. T. Foley, Trustee
Company registered number	SC164601
Charity registered number	SC024797
Registered office	Grierson House, The Crichton Bankend Road Dumfries DG1 4ZE
Company secretary	C. Renton (from 1 April 2021) G. Gibbons (until 1 April 2021)
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

THE CRICHTON TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the audited Financial Statements of the Charity for the year 1 April 2020 to 31 March 2021. 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 2019).

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 objectives 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; 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 system” 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 prolong healthy purposeful life.

These 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. In addition, the Trust is a key partner in the region and cross-nation ambitious and ground-breaking bid for “UK City of Culture 2025” status. We strive to be leader in the realisation of opportunity from the transition to carbon NetZero and demographic shift through harnessing wisdom wealth in our ageing population to drive innovation. We sit at the heart of all that is positive

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Strategic report

Achievements and performance (continued)

and proactive in the South of Scotland and beyond.

The COVID19 pandemic spanned the entire year to 31 March 2021 presenting unprecedented societal challenges and The Trust has not escaped these. Revenue and expenditure figures for the period 2020/21 were both heavily impacted by the “lockdown” experienced and the outturn in both these areas should be considered in the context of very unusual commercial activity, given the very limited opportunity for hospitality and the very necessary (and welcomed) financial support from the UK and Scottish Government. However, The Trust managed to weather the trials and is in a remarkably positive position moving forward.

The particular trials of the year brought into sharp focus the opportunities and challenges that we, as a charity and society at large, will need to face in the coming years. Questions and opportunities the Trust had been reworking pre-pandemic have been highlighted and expanded by the impacts of COVID-19. 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 going forward and we are well prepared to do so.

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

Just prior to the Coronavirus pandemic impacting on the UK, The Trust revised its Strategic Plan to cover the 15-year period, 2020 – 2035. This, in turn, informed a review and restructure of the Senior Leadership Team which is now complete. This allows an appropriate and balanced focus on both the operational business, under a newly recruited Chief Operating Officer, and the development of new innovations and partnerships, under the Chief Executive Officer. Strategically this allows synergy across the functions and embeds future planning in our daily activities. 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 forward better’ in a responsive, nimble and adaptive way that draws strength and purpose from a central focus on the wellbeing of our people, place, partners and all who visit our properties and grounds.

The programme outlines 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%. The almost complete lockdown for much of the year and the inability to operate anything like the normal commercial business of The Trust saw our trading income decrease to £116,777.

In 2019/20, the Trust secured from South of Scotland Enterprise (formally SoSEP) a significant capital grant of £833,127 towards the costs of developing Crichton Central (formerly Criffel View) - a place for informal knowledge exchange between the student, business, academic and resident community. Despite the challenges of lockdown and associated measures, we are pleased to have been able to deliver on this capital project and to place the new Crichton Central at the very heart of our offering going forward.

The Trust promoted the Estate as ‘A Place to Breathe’ from early in the year adapting to an urgent need for outdoor space to work, eat and exercise. The grounds have seen a huge increase in use over the period that has been built upon into 2021.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Strategic report

Achievements and performance (continued)

Throughout the healthcare emergency, The Trust has demonstrated flexibility and nimbleness. We've paid close attention to the well-being of our staff and tenants, we've been decisive as required and kept the Crichton Estate and the wider community informed of developments and plans through the publication of The Crichton Magazine, regular online briefings, and video blogs, which has been well received and greatly appreciated by all. The Trust is well positioned to face the uncertainty and challenges that lie ahead.

Financial review

a. Going concern

Net income before other recognised gains and losses in 2020/21 amounted to £1,095,512 (net expenditure of £511,919 in 19/20). It is projected that The Trust will generate net income before other recognised gains and losses of £300,000 in 2021/22. 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 2021 of £13,784,531 (2020: positive reserves of £12,643,103).

This includes a surplus on unrestricted funds of £11,820,506 (2020: surplus £11,781,060) and a surplus on restricted funds of £1,964,025 (2020: £862,043) as the funds are asset based.

The surplus on unrestricted reserves includes a pension reserve for deficit funding of £2,506,000 (2020: £1,891,000), and a revaluation on fixed assets of £13,452,891 (2020: £13,274,034).

Unrestricted reserves excluding these reserves amount to £873,615 (2020: £398,026).

The Trust Reserves Policy is to make provision for free reserves of £250,000 (equating to approximately three months' salary costs). The Board has prepared projections based on the reduced activities and re-start pressures within the Trust's venues activity. While remaining prudent in budgets, the Trustees are budgeting for a loss of £250,000 for 2021/22. This will therefore result in the Group utilising some of its reserves. However, it is the intention to achieve targeted free reserves within five 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

e. Depreciation of Valued Assets Policy

During discussion of the draft Accounts to 31 March 2021, the Audit and Risk Management Committee and Trust Board discussed a proposal to change the treatment of depreciation of The Trust's value assets, namely the value of the Estate's buildings.

It was agreed that The Trust buildings appreciate in value over time as a cultural historic and business asset, and to depreciate these assets, as an accounting process, was contrary to the very purpose of The Trust.

The Accounts to 31 March 2021 have been adjusted accordingly.

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.

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:

J R Brennan	P Jones
M E Burton	I Macmillan (Chair)
P J Dickson	G R Mappin
L K Douglas	K Thomson
M T Foley	

The appointment of new Trustees is approved by its Members and the Memorandum and Articles of Association make provision for the appointment of up to 15 Trustees. There are currently nine Trustees. The power of admitting members of the Company (Article 7) shall be exercisable by the Board, who shall have full power and discretion as to the admission or refusal of any person as a member and shall not be bound to assign any reason for refusing to admit any person to membership of the Company.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

f. Related party relationships

Trustees' remuneration and travel expenses are detailed in Note 12 to the financial statements. Full information on other related party transactions is given in Note 29 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.

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 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 . 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

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: 1 November 2021

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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 2021 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 2021 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has 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.

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) require 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.

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.

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with Trustees and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, such as the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental, health and safety legislation, as well as compliance with government bodies.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- reviewing the key areas of the financial statements most susceptible to fraud whilst tailoring our audit plans.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;

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

- assessed whether judgements and assumptions made in determining the accounting estimates, such as the defined benefit pension and investment property valuations were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and
- reviewed CJRS claims made during the financial year to ensure compliant with HMRC.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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)

Armstrong Watson Audit Limited
Chartered Accountants & Statutory Auditors
Dumfries

Date:

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

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Income from:					
Donations and legacies	4	452,402	1,012,766	1,465,168	96,614
Charitable activities	5	2,021,526	-	2,021,526	2,010,323
Other trading activities	6	116,777	-	116,777	1,154,675
Investments	7	315	-	315	235
		<u>2,591,020</u>	<u>1,012,766</u>	<u>3,603,786</u>	<u>3,261,847</u>
Total income					
Expenditure on:					
Raising funds		509,090	-	509,090	957,422
Charitable activities	8	1,786,341	212,843	1,999,184	2,816,344
		<u>2,295,431</u>	<u>212,843</u>	<u>2,508,274</u>	<u>3,773,766</u>
Total expenditure					
Net income/(expenditure)					
Transfers between funds	21	295,589 (302,059)	799,923 302,059	1,095,512 -	(511,919) -
Net movement in funds before other recognised gains/(losses)					
		<u>(6,470)</u>	<u>1,101,982</u>	<u>1,095,512</u>	<u>(511,919)</u>
Other recognised gains/(losses):					
Gains on revaluation of fixed assets	14	480,916	-	480,916	-
Actuarial (losses)/gains on defined benefit pension schemes	27	(435,000)	-	(435,000)	149,000
		<u>39,446</u>	<u>1,101,982</u>	<u>1,141,428</u>	<u>(362,919)</u>
Net movement in funds					
Reconciliation of funds:					
Total funds brought forward		11,781,060	862,043	12,643,103	13,006,022
Net movement in funds		39,446	1,101,982	1,141,428	(362,919)
		<u>11,820,506</u>	<u>1,964,025</u>	<u>13,784,531</u>	<u>12,643,103</u>
Total funds carried forward					

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

The notes on pages 16 to 43 form part of these financial statements.

THE CRICHTON TRUST
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REGISTERED NUMBER: SC164601

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	99,336	16,387,689
Heritage assets	14	17,590,726	-
Investments	15	2	2
		<u>17,690,064</u>	<u>16,387,691</u>
Current assets			
Stocks	16	7,371	20,781
Debtors	17	456,569	342,177
Cash at bank and in hand	25	447,237	201,153
		<u>911,177</u>	<u>564,111</u>
Creditors: amounts falling due within one year	18	(898,840)	(970,197)
		<u>12,337</u>	<u>(406,086)</u>
Net current assets / liabilities		<u>12,337</u>	<u>(406,086)</u>
Total assets less current liabilities		<u>17,702,401</u>	<u>15,981,605</u>
Creditors: amounts falling due after more than one year	19	(1,411,870)	(1,447,502)
Net assets excluding pension liability		<u>16,290,531</u>	<u>14,534,103</u>
Defined benefit pension scheme liability	27	(2,506,000)	(1,891,000)
Total net assets		<u><u>13,784,531</u></u>	<u><u>12,643,103</u></u>

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BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Charity funds			
Restricted funds	21	1,964,025	862,043
Unrestricted funds			
Unrestricted funds excluding pension asset	21	14,326,506	13,672,060
Pension reserve	21	(2,506,000)	(1,891,000)
Total unrestricted funds	21	11,820,506	11,781,060
Total funds		13,784,531	12,643,103

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:

The notes on pages 16 to 43 form part of these financial statements.

THE CRICHTON TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£	£
Cash flows from operating activities		
Net cash used in operating activities	1,192,957	73,514
	<hr/>	<hr/>
Cash flows from investing activities		
Dividends, interests and rents from investments	315	235
Purchase of tangible fixed assets	(850,190)	(102,782)
	<hr/>	<hr/>
Net cash used in investing activities	(849,875)	(102,547)
	<hr/>	<hr/>
Cash flows from financing activities		
Cash inflows from new borrowing	50,000	-
Repayments of borrowing	(144,004)	(33,362)
Repayments of finance leases	(2,994)	-
	<hr/>	<hr/>
Net cash used in financing activities	(96,998)	(33,362)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	246,084	(62,395)
Cash and cash equivalents at the beginning of the year	201,153	263,548
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	447,237	201,153
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 16 to 43 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 2021

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 2019), 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 income before other recognised gains and losses in 2020/21 amounted to £1,095,512 (net expenditure of £511,919 in 19/20). 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 2021/22, 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 assets of £12,377 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.

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.

THE CRICHTON TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.3 Income (continued)

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.

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.

THE CRICHTON TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

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.

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

Depreciation is provided on the following bases:

Statue (P&M)	- 2% straight line
Motor vehicles	- 20% straight line
Fixtures, fittings and equipment	- 20-25% straight line
Grounds maintenance equipment (P&M)	- 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.

THE CRICHTON TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.9 Heritage assets

Where heritage assets have been purchased, they are initially recognised at cost. After recognition, under the revaluation model, heritage assets are measured at fair value. Any reliable valuation technique to estimate the fair value of a heritage asset may be used; however, it must reflect any particular historic or heritage qualities inherent in the asset being valued, meaning that depreciated replacement cost may not be an applicable technique in all circumstances.

Depreciation is not provided for, on the grounds that the assets of The Crichton Estate have indefinite useful lives.

Heritage assets are maintained in line with the charities objectives and charitable purpose. Proceeds from charitable activities and other income sources are reinvested to ensure the upkeep of the estate.

2.10 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.

2.11 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.

2.12 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.

2.13 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.

2.14 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.

THE CRICHTON TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.15 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.

2.16 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.

2.17 Operating leases

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

2.18 Pensions

The Charity operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2021.

2.19 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.

THE CRICHTON TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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 2021 £	Restricted funds 2021 £	Total funds 2021 £
Grants	82,551	1,012,766	1,095,317
Government grants - Job Retention Scheme	369,851	-	369,851
	<hr/>	<hr/>	<hr/>
	452,402	1,012,766	1,465,168
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Grants	-	71,543	71,543
Government grants	25,071	-	25,071
	<hr/>	<hr/>	<hr/>
	25,071	71,543	96,614
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE CRICHTON TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £
Management and development of property	2,021,526	2,021,526

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Management and development of property	2,010,323	2,010,323

6. Trading Activities

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Food sales	81,441	81,441
Bar	13,276	13,276
Dilapidations	22,060	22,060
	<u>116,777</u>	<u>116,777</u>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Trading income	1,154,675	1,154,675

THE CRICHTON TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Investment income	315	315
	<hr/> <hr/>	<hr/> <hr/>
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Investment income	235	235
	<hr/> <hr/>	<hr/> <hr/>

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Net finance income - LGPS scheme	45,000	-	45,000
Management and development of property	1,741,341	212,843	1,954,184
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	1,786,341	212,843	1,999,184
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
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/> <hr/>	<hr/> <hr/>
	2,500,946	315,398	2,816,344
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE CRICHTON TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Total funds 2021 £
Net finance income - LGPS scheme	45,000	45,000
Management and development of property	1,954,184	1,954,184
	1,999,184	1,999,184
	1,999,184	1,999,184
	<i>Activities undertaken directly 2020 £</i>	<i>Total funds 2020 £</i>
Net finance income - LGPS scheme	45,000	45,000
Management and development of property	2,771,344	2,771,344
	2,816,344	2,816,344
	2,816,344	2,816,344

THE CRICHTON TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Pension finance costs	45,000	45,000
Staff costs	926,399	1,117,464
Depreciation	28,733	308,348
Building costs	634,741	792,338
Bar, restaurant & function costs	-	101,076
Administrative costs	188,920	182,859
Equipment costs	3,088	41,180
Finance charges	47,535	70,056
Professional fees	94,978	109,867
Services charges	-	48,156
R&D Projects	29,790	-
Total 2021	<u>1,999,184</u>	<u>2,816,344</u>

10. Auditors' remuneration

	2021 £	<i>2020 £</i>
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<u>10,920</u>	<u>10,600</u>

11. Staff costs

	2021 £	<i>2020 £</i>
Wages and salaries	996,605	1,529,414
Social security costs	75,029	88,087
Operating costs of defined benefit pension schemes	326,000	212,000
	<u>1,397,634</u>	<u>1,829,501</u>

THE CRICHTON TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

11. Staff costs (continued)

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

	2021	<i>2020</i>
	No.	<i>No.</i>
Management and administration	8	<i>10</i>
Estates, gardens and surveyors	24	<i>25</i>
Easterbrook Hall and Neuros - permanent	16	<i>24</i>
Easterbrook Hall and Neuros - sessional	28	<i>50</i>
	76	<i>109</i>

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

	2021	<i>2020</i>
	No.	<i>No.</i>
In the band £70,001 - £80,000	-	<i>2</i>
In the band £80,001 - £90,000	1	<i>-</i>

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. Total key management personnel comprised 6 employees whose total remuneration was £283,612 (2020 - 4 employees - £320,662).

In respect of the higher paid employees noted above, pension contributions paid by the employers during the year amounted to £45,841.

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

THE CRICHTON TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

13. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation						
At 1 April 2020	16,742,354	32,425	31,209	574,449	141,514	17,521,951
Additions	-	1,818	-	-	-	1,818
Transfers between classes	(16,742,354)	-	-	-	-	(16,742,354)
At 31 March 2021	-	34,243	31,209	574,449	141,514	781,415
Depreciation						
At 1 April 2020	480,916	12,981	22,816	509,862	107,687	1,134,262
Charge for the year	-	724	2,398	16,456	9,155	28,733
Transfers between classes	(480,916)	-	-	-	-	(480,916)
At 31 March 2021	-	13,705	25,214	526,318	116,842	682,079
Net book value						
At 31 March 2021	-	20,538	5,995	48,131	24,672	99,336
At 31 March 2020	16,261,438	19,444	8,393	64,587	33,827	16,387,689

THE CRICHTON TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

13. Tangible fixed assets (continued)

The Trustees have reassessed the treatment of long-term leasehold property in the year and further information in respect of this assessment is included in note 14 to the financial statements.

The Trustees have previously included the Crichton site 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.

Additions which have been capitalised since the last valuation are valued at cost.

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:

	2021	2020
	£	£
Land and buildings	2,425,028	2,546,253
	<u> </u>	<u> </u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows: Fixtures & Fittings £Nil (2020 - £2,105).

14. Heritage assets

Assets recognised at cost

	The Crichton Estate 2021 £	Total 2021 £
Transferred from Tangible Fixed Assets	16,261,438	16,261,438
Additions	848,372	848,372
Reversals of impairment	480,916	480,916
	<u> </u>	<u> </u>
	17,590,726	17,590,726
	<u> </u>	<u> </u>

THE CRICHTON TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

14. Heritage assets (continued)

The Trustees have undertaken an assessment of the Estate of the Crichton Trust, which is the charity's core asset and includes long-term leasehold land and buildings that the charity exists to maintain and care for. During this assessment of the nature of the asset in their care, it was determined that due to the longevity of the buildings and the activities undertaken that the buildings should be reclassified as Heritage Assets. The assessment has shown that the assets have historical, artistic and technological qualities that are held and maintained principally for their contribution to knowledge and culture.

This reclassification has taken place on 1 April 2020. The assets will not be depreciated as they will be deemed heritage assets with an indefinite life.

Assets are included at fair value as assessed by the Trustees. 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. The valuation of those assets is £16.240m.

The Trustees do not consider there to have been any material changes in the value since that time to 31 March 2021, nor any impairment.

Additions since the professional valuation took place of £1,350,726 have been included at cost. The Trustees consider this to be a reasonable approximation of their fair value given the recency of their purchase or construction.

Analysis of heritage asset transactions

	2021 £	2020 £	2019 £	2018 £	2017 £
Purchases					
Leasehold property additions to the Crichton Estate	848,372	-	-	-	-
Total additions	<u>848,372</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Charge for impairment					
Reversal of historic depreciation on reclassified heritage assets	480,916	-	-	-	-
Total charge for impairment	<u>480,916</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

THE CRICHTON TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2020	2
At 31 March 2021	2
	2
Net book value	
At 31 March 2021	2
At 31 March 2020	2
	2

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.

16. Stocks

	2021 £	2020 £
Finished goods and goods for resale	7,371	20,781
	7,371	20,781

17. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	135,239	182,426
Other debtors	-	14,813
Prepayments and accrued income	321,330	144,938
	456,569	342,177
	456,569	342,177

THE CRICHTON TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

18. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	70,152	60,474
Other loans	35,483	96,360
Trade creditors	341,805	321,489
Other taxation and social security	70,248	81,490
Obligations under finance lease and hire purchase contracts	3,158	2,884
Other creditors	20,800	9,045
Accruals and deferred income	357,194	398,455
	<u>898,840</u>	<u>970,197</u>

Bank loans falling due in less than one year totalling £70,152 (2020 - £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.

Bank loans include a Government backed loan of £50,000 which is repayable over 62 months ending on 22 June 2026.

Other loans falling due within one year totalling £35,483 (2020 - £96,360) are secured on the lease of Hestan House, Crichton Estate, Dumfries.

Included within amounts falling due in less than one year are net obligations under hire purchase contracts totalling £3,158 (2020 - £2,884) that are secured against certain assets of the charity.

At the year end date deferred income of £239,015 (2020 - £211,082) was included within accruals and deferred income.

THE CRICHTON TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

19. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	569,782	577,104
Other loans	699,768	735,252
Net obligations under finance lease and hire purchase contracts	2,320	5,588
Other creditors	140,000	129,558
	1,411,870	1,447,502

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

	2021 £	2020 £
Payable or repayable by instalments	546,547	585,688
	546,547	585,688

Bank loans falling due after more than one year totalling £569,782 (2020 - £577,104) 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 £699,768 (2020 - £735,252) 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 £2,320 (2020 - £5,588) that are secured against certain assets of the charity.

20. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through income and expenditure	447,237	201,153
	447,237	201,153

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

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds						
Designated funds						
Care Campus	7,939	-	-	-	-	7,939
General funds						
General Funds	390,087	2,591,020	(2,115,431)	-	-	865,676
Revaluation reserve	13,274,034	-	-	(302,059)	480,916	13,452,891
Pension reserve	(1,891,000)	-	(180,000)	-	(435,000)	(2,506,000)
	<u>11,773,121</u>	<u>2,591,020</u>	<u>(2,295,431)</u>	<u>(302,059)</u>	<u>45,916</u>	<u>11,812,567</u>
Total Unrestricted funds	<u>11,781,060</u>	<u>2,591,020</u>	<u>(2,295,431)</u>	<u>(302,059)</u>	<u>45,916</u>	<u>11,820,506</u>
Restricted funds						
Crichton Fund	762,196	800,648	-	302,059	-	1,864,903
Statue Fund	14,851	-	(725)	-	-	14,126
Church Crypt	84,996	-	-	-	-	84,996
Care Campus	-	47,118	(47,118)	-	-	-
SOSE 5G Connect	-	15,000	(15,000)	-	-	-
Pivotal Enterprise Resilience Fund (PERF)	-	150,000	(150,000)	-	-	-
	<u>862,043</u>	<u>1,012,766</u>	<u>(212,843)</u>	<u>302,059</u>	<u>-</u>	<u>1,964,025</u>
Total of funds	<u><u>12,643,103</u></u>	<u><u>3,603,786</u></u>	<u><u>(2,508,274)</u></u>	<u><u>-</u></u>	<u><u>45,916</u></u>	<u><u>13,784,531</u></u>

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21. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2020 £</i>
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)
Total Unrestricted funds	11,923,467	-	(3,458,368)	(23,343)	149,000	11,781,060
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)	-	-
	1,082,555	71,543	(315,398)	23,343	-	862,043
Total of funds	13,006,022	71,543	(3,773,766)	-	149,000	12,643,103

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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 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Designated funds	7,939	-	-	-	-	7,939
General funds	11,773,121	2,591,020	(2,295,431)	(302,059)	45,916	11,812,567
Restricted funds	862,043	1,012,766	(212,843)	302,059	-	1,964,025
	<u>12,643,103</u>	<u>3,603,786</u>	<u>(2,508,274)</u>	<u>-</u>	<u>45,916</u>	<u>13,784,531</u>

Summary of funds - prior year

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2020 £</i>
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>

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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 pension scheme 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 on which depreciation of £19,699 has accrued, with the remaining balance of £46,205 being carried forward unspent.

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

The SOSE 5G fund relates to grant monies received from South of Scotland Enterprise in the year to support the commission of headline review to inform the justification for development and design considerations of a South of Scotland 5G hub as a partnership with the Scotland 5G centre.

The PERF fund relates to income received from Scottish Enterprise to support the charity's working capital.

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 unrestricted and restricted funds of £88,268 was 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.

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23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	99,336	-	99,336
Fixed asset investments	2	-	2
Heritage assets	15,672,906	1,917,820	17,590,726
Current assets	864,972	46,205	911,177
Creditors due within one year	(898,840)	-	(898,840)
Creditors due in more than one year	(1,411,870)	-	(1,411,870)
Provisions for liabilities and charges	(2,506,000)	-	(2,506,000)
Total	11,820,506	1,964,025	13,784,531

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
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

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NOTES TO THE FINANCIAL STATEMENTS
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24. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	1,095,512	(511,919)
Adjustments for:		
Depreciation charges	290,227	308,348
Dividends, interests and rents from investments	(315)	(235)
Decrease/(increase) in stocks	13,410	(1,130)
Decrease/(increase) in debtors	(129,678)	7,790
Increase/(decrease) in creditors	(16,877)	13,660
Difference between pension charge and cash contributions	180,000	257,000
Net cash provided by operating activities	1,432,279	73,514

25. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	447,237	201,153
Total cash and cash equivalents	447,237	201,153

26. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	201,153	246,084	447,237
Debt due within 1 year	(156,834)	51,199	(105,635)
Debt due after 1 year	(1,312,356)	42,805	(1,269,551)
Finance leases	(8,472)	2,994	(5,478)
	(1,276,509)	343,082	(933,427)

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments

The Charity operates a defined benefit pension scheme.

The most recent actuarial valuation was undertaken for 31 March 2021.

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

	At 31 March 2021	<i>At 31 March 2020</i>
	%	%
Discount rate	2.0	2.3
Future salary increases	3.65	2.6
Future pension increases	2.85	1.9
	At 31 March 2021	<i>At 31 March 2020</i>
	Years	Years
Mortality rates (in years)		
- for a male aged 65 now	20.8	21.8
- for a male aged 45 now	21.9	23.0
- for a female aged 65 now	23.3	24.3
- for a female aged 45 now	25.3	26.2

Sensitivity analysis

	At 31 March 2021	<i>At 31 March 2020</i>
	£	£
Discount rate -0.5%	811,000	678,000
Salary increase rate +0.5%	55,000	78,000
Pension increase rate +0.5%	741,000	594,000

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

	At 31 March 2021	<i>At 31 March 2020</i>
	£	£
Equities	3,991,680	3,283,040
Gilts	942,480	1,496,680
Corporate bonds	609,840	48,280
Total fair value of assets	5,544,000	4,828,000

The actual return on scheme assets was £870,000 (2020 - £591,000).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

27. Pension commitments (continued)

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

	2021	<i>2020</i>
	£	£
Current service cost	(326,000)	<i>(424,000)</i>
Interest income	98,000	<i>112,000</i>
Interest cost	(143,000)	<i>(157,000)</i>
Total amount recognised in the Statement of Financial Activities	(371,000)	<i>(469,000)</i>

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

	2021
	£
Opening defined benefit obligation	6,128,000
Current service cost	326,000
Interest cost	143,000
Contributions by scheme participants	53,000
Actuarial losses/(gains)	1,611,000
Benefits paid	(211,000)
Closing defined benefit obligation	8,050,000

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

	2021
	£
Opening fair value of scheme assets	4,237,000
Interest Income	98,000
Actuarial gains/(losses)	1,176,000
Contributions by employer	191,000
Contributions by scheme participants	53,000
Benefits paid	(211,000)
Closing fair value of scheme assets	5,544,000

A full actuarial valuation of the defined benefit scheme was carried out at 31 March 2021 by qualified independent actuary, Hymans Robertson LLP on an FRS 102 basis.

At the year end date contributions of £19,188 were outstanding and included within creditors.

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**NOTES TO THE FINANCIAL STATEMENTS
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28. Operating lease commitments

At 31 March 2021 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021	<i>2020</i>
	£	£
Not later than 1 year	2,991	<i>1,286</i>
Later than 1 year and not later than 5 years	-	<i>550</i>
	<u>2,991</u>	<u><i>1,836</i></u>

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

	2021	<i>2020</i>
	£	£
Operating lease rentals	4,935	<i>3,614</i>
	<u>-</u>	<u>-</u>

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

	2021	<i>2020</i>
	£	£
Within 1 year	961,198	<i>633,921</i>
Between 1 and 5 years	2,225,108	<i>283,434</i>
After more than 5 years	2,669,920	<i>90,129</i>
	<u>5,856,226</u>	<u><i>1,007,484</i></u>

£1,463,008 was included in the Statement of Financial Activities in respect of operating lease income (2020 - £1,463,938).

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NOTES TO THE FINANCIAL STATEMENTS
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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 £129,568 (2020 - £28,564) in the year under review for project and development work as well as various COVID-19 related relief grants.

At the year end date the Charity owed a balance of £160,000 (2020 - £180,000) to Dumfries and Galloway Council in respect of a project whereby the Charity is working in partnership with the Council to enhance infrastructure of the Crichton Estate.

During the year grants of £NIL were received from The Crichton Foundation (2020 - £9,600). Service charge income of £632 was received in year (2020 - £NIL). Dr J R Brennan was also a Trustee of The Crichton Foundation during the year. No amounts remain outstanding at the year end.

Purchases of £270 were made from Dumfries and Galloway College in the year where Dr J R Brennan is a member of the Board of Management. No amounts remain outstanding at the year end.

Rental and service charge income of £13,551 was received from Historic Environment Scotland where Dr J R Brennan is a member of the board. No amounts remain outstanding at the year end.

30. 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.

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NOTES TO THE FINANCIAL STATEMENTS
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31. Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

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

Holding

100%

The financial results of the subsidiary for the year were:

Name	Net assets £
Crichton Development Company Limited	1