

Trust registration number: SC003133



Annual Report and Financial Statements

for the Year Ended 30 June 2021

The Gannochy Trust

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The Gannochy Trust

Reference and Administrative Details

Trust Registration Number	SC003133		
Charity name	The Gannochy Trust		
Principal Office	Pitcullen Crescent PERTH PH2 7HX		
Trustees	Mr. David M. Gray, Chairman Mr. Ian W. McMillan (retired 10 November 2020) Mrs. Jane S. Mudd Mr. Stephen J. Hay Mr. Bruce N. Renfrew Mr. Roland A. Bean Mrs. Ailsa Macmillan (from 17 December 2020) Ms. Ruth Ogston (from 17 December 2020)		
Senior Management Team	Mrs. Joanna McCreadie, Chief Executive (until 17 August 2021) Mr. Andy A. Duncan MRICS, Estates Manager Mrs. Fiona Russell, Grants Manager Mr. Steven J. F. Greig, Development Manager		
Accountant	Morris & Young Chartered Accountants 6 Atholl Crescent PERTH PH1 5JN	Auditor	Chiene + Tait LLP Chartered Accountants and Statutory Auditor 61 Dublin Street EDINBURGH EH3 6NL
Investment Manager	Brewin Dolphin Sixth Floor Atria One 144 Morrison Street EDINBURGH EH3 8EX		

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Reference and Administrative Details

Investment

Advisor until 30 June 2021 Mr Simon Jagger

Jagger & Associates
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Investment

Advisor from 1 July 2021 Mr David O'Hara

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Trustees' Report for the year ended 30 June 2021

1. About us

The Gannochy Trust is a registered charity and has a wide range of interests and activities. These include: providing homes for rent; managing our estate, from woodlands to farms; and grant making. Income to support the Trust's activities is generated from our substantial investments and from rental of our properties. In all of our work, we strive to deliver A. K. Bell's vision and ideas, emphasising the importance of people and communities.

Our housing is of a very high quality. A range of different types and sizes of houses provides for all kinds of households, including those who may need additional support to continue living independently. A range of supports and activities are available for tenants with the aim of creating a strong, vibrant community where people feel at home.

Our estate includes farms, currently let to tenant farmers; woodlands, including Quarrymill Woodland Park; and a range of buildings. Of particular importance to the Trust is Doo'cot Park, built by A. K. Bell. A beautiful listed building, it is still used today by Perth Doo'cot Cricket Club and matches are played regularly on the well-maintained grounds. The Trust owns Kincarrathie House, which is operated by the Kincarrathie Trust as a residential care home with a beautiful walled garden. Amongst the other buildings owned by the Trust are the Gannochy Community Hall and buildings which are let to the Duke of Edinburgh Award – Perth and Kinross Association and The Macmillan Coffee Shop Association.

Our grant making has long provided charities with the funding they need to carry out their essential work. In 2020, we provided a new Covid-19 Recovery and Renewal Fund for charities in Perth and Kinross. We also continued to give both revenue and capital grants. While a higher proportion of funding is awarded in Perth and Kinross, we have continued to support charities in the rest of Scotland.

2. Governance

The Board of Trustees are responsible for the strategic direction and oversight of the activities of the Gannochy Trust. All trustees are recruited for their skills and experience and serve for up to two terms of four years. Each trustee has a thorough induction, access to development opportunities and an annual meeting with the Chair to discuss their role. Governance is regularly reviewed, taking full account of current relevant legislation and guidance.

Seven Trustees form the Board which is responsible for the overall governance and strategic direction of the Trust. A list of the Trustees who served during the year ending the 30th of June 2021 is set out below.

Our trustees in 2020-21 were:

David Gray, Chair

Bruce Renfrew

Jane Mudd

Ian McMillan (retired 10th November 2020)

Roland Bean

Stephen Hay

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Ailsa Macmillan (joined 17th December 2020)

Ruth Ogston (joined 17th December 2020)

During the year Ian McMillan retired. He served as a Trustee for nearly 17 years, and latterly chaired the programme board for the development of new housing on the estate.

Trustees and staff are grateful for his leadership and expertise over many years.

Over the course of the year, Trustees held ten meetings and participated in a range of working and sub-groups, as constituted by the Board. While confident that current governance arrangements are strong and effective, the Trustees remain mindful of the need to continuously review, and where necessary, make improvements to governance. The Trustees have therefore constituted a sub-group of the Board to meet, review and discuss governance at least annually.

During the year the governance sub-group, with the full support of all trustees, commissioned legal advisors to review the established trust deed and draft a new deed. This addressed the need to ensure that A. K. Bell's wishes in the original deed were articulated in a modern context. An application was made to the Office of the Scottish Charities Regulator (OSCR) for a Charity Reorganisation Scheme. A new Supplementary Deed of Trust was signed on 9th November 2021 in entire substitution for the existing Deed of Trust, thereby introducing a new constitution for the Gannochy Trust. The charity's structure remains as an unincorporated trust.

Key changes include changing the name of the charity from "Gannochy Trust" to "The Gannochy Trust", with effect from the date of the meeting, and revising the charitable purposes in terms of the Charities and Trustee Investment (Scotland) Act 2005 in line with the modern-day charitable activities of the Trust whilst retaining key wording as provided by the Trust's founder, Arthur Kinmond Bell, so as not to lose sight of the founder's original intentions. Other additions include terms of office for Trustees and provisions to cover the circumstances under which a Trustee would retire or will have been deemed to retire, Trustees powers of delegation to sub-committees and others, and Conflicts of Interest.

There were no direct related party transactions during the year. Further details can be found in Note 23 of the financial statements.

The Trustees aim to have a fair and consistent approach to the salary review process for all staff. From time to time, the Trust carries out a salary benchmarking exercise of broadly comparable organisations in order to inform a clear pay and conditions policy around salary points and relativity between jobs. The next benchmarking exercise will take place before the end of June 2022.

3. The Gannochy Trust Team

The day-to-day running of the Trust was delegated to the Chief Executive, Joanna McCreadie, and her team. Meeting the operational demands from a wide range of activities requires flexibility as well as considerable knowledge, skill and experience. The Trustees would like to thank all the team for their exceptional efforts throughout a busy year. The senior team consisted of:

Joanna McCreadie, Chief Executive

Andy Duncan, Estates Manager

Steven Greig, Development Manager

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Fiona Russell, Grants Manager

The senior team works closely with trustees to develop strategy and support good governance. An agreed development plan is in place to support ongoing improvement and monitor planned progress. Throughout the pandemic most of the Trust's staff worked from home, in line with Scottish Government guidance. Meetings and communications were managed digitally, supported by investment in new ICT equipment. While there were challenges with this way of working, the team adapted quickly and continued to work well together, implementing changes and improvements.

Joanna McCreadie left in August 2021 after 15 months in post to take up a new post at Redress Scotland. The Trustees wish her well and would like to thank her for her achievements whilst at the Trust. The Trustees were delighted to appoint Andy Duncan as Chief Executive from 1st November 2021.

4. The impact of the Covid-19 pandemic

Our work throughout the year was affected by the Covid-19 pandemic. Like many similar organisations, the Trust's staff and trustees worked digitally throughout the year with very few in person meetings. Adaptation to this way of working had to be rapid and was supported by investment in ICT with improved security measures. Meetings with charities were almost all managed virtually as was the grants plus programme. The estate team continued to work throughout the pandemic, carefully following guidance and risk assessments. This ensured that support and maintenance for housing tenants was continued and Quarrymill Woodland Park was well looked after.

5. Development of a new strategy for the Trust

In 2020-21 the Trust developed a new mission, values and overarching strategy. This was designed to integrate all of the Trust's work and areas of interest over the next five years. Trustees and staff worked together to agree the strategy with the support of an external consultant.

Our Mission: Improving lives and supporting communities, inspired by the wishes of A.K. Bell.

Our Aspirational Values: Collaborative; Imaginative and Bold.

Our strategic aims:

- striving for excellence;
- improving lives;
- enhancing the environment;
- building resilience and sustainability; and
- supporting Perth and Kinross to recover and thrive.

The Trust is developing a number of related action plans to support the implementation of the strategy for our key work areas: grants, estates, housing and investments.

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Trustees' Report for the year ended 30 June 2021

6. Communications

The Trust has a communications plan and has made improvements, internally and externally, over the last year. Internally, this has included increasing communication structures and adapting to the restrictions and challenges of the Covid-19 pandemic. Externally, the Trust established new social media accounts and has reviewed the website. This led to the development of a new, improved website that aimed to be engaging and informative for tenants and external stakeholders. The new website was launched in November 2021.

In relation to grant making, the Trust engaged with charities throughout the year. The chief executive, grants manager and development manager had regular meetings with a wide range of charities. As well, the Trust worked in collaboration with the Perth and Kinross Association of Voluntary Services on a series of digital engagement events with charities, titled #BeConnected. Over 100 charities in Perth and Kinross participated in these events to explore the themes of strengths, challenges and moving forward in the charitable sector. The #BeConnected report has been published and has influenced the Trust's work on a new grant strategy. During the year, we completed a review of signage for the Trust's offices, Doo'cot Park and Kincarrathie House. New signs were designed and have now been installed throughout this part of the estate. A new cricket board has been designed with Doo'cot Park Cricket Club and was installed during the 2021 cricket season.

7. Housing

7.1. Housing review

A review of the Trust's housing provision was undertaken during the year with a comprehensive report considered by Trustees. The housing criteria, used to assess prospective tenants, were reviewed and changed. These criteria were then used to redesign the application process, including the approach to assessing applications. The housing list was opened for applications in June 2021 and the high number of applications demonstrated the interest in our homes. Further improvement to the housing service is planned, and the Trust has also invested in a new housing software system. This will support the staff team in managing maintenance, refurbishment and work with tenants.

7.2. Consultation

The Trust commissioned a consultation with housing tenants from the Scottish Communities Development Centre (SCDC). The aim of this work was to understand the short to long term needs of tenants; gather their views on the work of the Trust in relation to housing; and discuss how the green spaces on the estate could be developed. Throughout the consultation tenants were openly encouraged to share their experiences of living on the estate, changes they thought could be made and any ideas for improvement. The findings from the consultation are being used to plan the green spaces and improve housing at the Trust.

7.3. Refurbishment and improvement

The first homes on the estate were built almost 100 years ago, in 1923. The Trust has continued to invest in a refurbishment programme for the older houses. This programme was affected by the Covid-19 pandemic, which delayed planned work; there have also been issues with building supplies which have been difficult to manage. However, 14 homes were refurbished during the year and this programme will continue in 2021/22.

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7.4. Completion of new homes

The expansion of the housing estate with 48 new homes was completed in the year, although the Covid-19 pandemic did cause some delays. An event to celebrate the opening of the estate was held in October 2020, and John Swinney, Deputy First Minister formally launched the new housing. There has been considerable interest in the new homes, and the Glasgow Institute of Architects honoured the development with two awards in their Large Residential and Sustainability categories. The project has subsequently won a further five awards – two at the Scottish Design Awards, one at the Herald Property Awards, and two at the UK-wide Inside Housing Development Awards. The new homes are now almost all occupied, although there is one vacant house available for visitors to view.

The new homes have been carefully designed to incorporate many features of the existing Gannochy houses as well as the benefits of more modern technology. The tradition of good ventilation, started by A. K. Bell in 1923, is a critical part of the design. All houses have natural wood-fibre insulation to help them 'breathe'; enhanced natural ventilation with over window ventilators; a central ventilation stack with a distinctive chimney; and a generous utility room for laundry. The result is houses that combine the best of vernacular design with modern approaches – creating a home which is practical and comfortable.

The houses have been designed to provide for a mix of different people and households. There are 38 two-bedroom houses; six one-bedroom houses and four three-bedroom houses for families that have specific needs. Each house has a good-sized garden and the tradition of enjoying the outdoors and fresh air is emphasised by every house having a 'sit-ooterie' – a covered area where there is shelter from the weather but the outdoors can be enjoyed.

In July 2021, there was considerable excitement about the royal visit. Princess Anne visited the housing estate and met with tenants, the Trust's staff, trustees and local dignitaries. The tenants greatly enjoyed the opportunity to meet Princess Anne and have her visit their homes.

7.5. Activities on the housing estate

Even during the pandemic, activities continued. Although not able to meet in person for a large part of the year the events group continued to communicate and support each other. Tenants also set up a new Neighbourhood Watch group on the estate and have seen membership grow in the early stages. The quarterly estate newsletter has continued to be published, highlighting important information for tenants and what's happening on the estate.

The Gannochy Gardens and Patios Awards took place in late summer with the support of Beautiful Perth. The gardens across the estate are remarkable, with a wide range of garden ornaments and lovely planting. The annual sunflower competition had many children taking part this year and the winners of the competition surpassed themselves with sunflowers that grew higher than the tape measure. The green spaces on the estate have been particularly valued this year, due to the restrictions caused by the Covid-19 pandemic. One family hung messages on their hedge for by-passers to read; this small kindness brought a lot of joy to the estate.

The Gannochy Trust is committed to developing the estate as a Lifetime Neighbourhood, a place which is inclusive, regardless of age or disability. The features of a Lifetime neighbourhood include: tenant led activities; good access so that tenants can get out and about; a mix of services and amenities; built and natural environment that promote social contact; inclusive social networks; and a range of housing that is based on inclusive design principles. The new homes on the estate, together with the established houses, support the Trust in providing an inclusive Lifetime Neighbourhood that is beneficial to all tenants.

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8. Estate

8.1. Quarrymill Woodland Park

During the year a programme of repair and refurbishment of the bridges and footpaths at Quarrymill Woodland Park was completed. A. K. Bell purchased Quarrymill with the intention that it would be used as 'a place of public resort' and the recent work has undoubtedly made improvements. Throughout the year, the Covid-19 pandemic increased the value and the use of Quarrymill by local people. To help us understand how we could continue to develop and improve Quarrymill, aligned to A. K. Bell's intentions, we completed a visitor survey in the summer of 2021. The findings of this survey will be used to help us develop new signage, as well as improve other aspects of the woodland park.

The Covid-19 pandemic has meant that The Macmillan Coffee Shop Association's coffee and gift shop has been closed or had limited access for much of the year and has had to adapt to restrictions. However, this has given an opportunity for the volunteers to invest time in considering how they can develop in the longer term. The Trust has supported the group with this through the grants plus programme, with support from The Cranfield Trust. This will support The Macmillan Coffee Shop Association to continue their vital work.

8.2. Cricket, A. K. Bell and the Covid-19 pandemic

The Trust's interest and commitment to cricket reflects A. K. Bell's passion for the game. Described as 'a sure catch in the long field' as a young man in 1885, he played cricket throughout his life. A. K. Bell was president of the Scottish Cricket Union, played for the Perth County cricket team and scored a century playing for Wolfhill at the age of 55. Building Doo'cot Cricket Park, with its beautiful pavilion and fine grounds, must have been a source of great satisfaction and pride for him.

Throughout the year the Trust has looked after Doo'cot Park as instructed by A. K. Bell, and supported Doo'cot Park Cricket Club. Grant awards have also supported the development and delivery of cricket, through work with Live Active Leisure, Cricket Scotland and other organisations. Much of this work has focussed on accessible cricket for different groups.

Like almost aspects of life in 2020-21, cricket has been affected by the Covid-19 pandemic. The Perth Doo'cot Cricket Club were careful to work within Covid-19 guidance and this meant there were very few matches and reduced opportunity for practice sessions. However, the club remained active over the period and have continued to promote cricket for all. The new signage, particularly the cricket board, has been welcomed by Doo'cot Park Cricket Club and members.

8.3. New strategy for the Trust's estate

A working group of trustees and staff has been working together to develop a new estate strategy for the Trust. This will be closely linked to the new overarching strategy. Two of the strategic aims are of particular importance for the estate strategy: improving lives and enhancing the environment. As part of the strategy development, we have commissioned a specialist biodiversity study and have sought advice from other experts.

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Trustees' Report for the year ended 30 June 2021

9. Grant making

9.1. Strategic Youth Work Partnership

The Trust has continued to work in partnership with Perth and Kinross Council on the unique strategic youth work partnership. This provides funding to youth work charities across Perth and Kinross to deliver universal youth work. The partnership is now moving into the third year and evidence is emerging of the difference this approach has made to the charities and children and young people in communities. Even with the disruption of the pandemic, there has been an increase in universal youth work with an accompanying increase in geographic coverage and participation. Young people have reported that the support they have experienced has increased their self-confidence and improved their emotional wellbeing. Charities have found that longer term funding has allowed them to become more sustainable, recruit more staff and volunteers and achieve increased positive outcomes with young people.

9.2. Grants Plus

The Trust has been developing a new approach to grants plus, reflecting our interest in supporting and building the capacity of charities. Our recent work on #BeConnected, a series of conversations with charities in Perth and Kinross, helped us to design our grants plus programme. Through our work on grants plus, we aim to support charities with developing sustainability; enable charities in building capability; encourage innovation and enterprise; be a more impactful and responsive funder for the sector; and build relationships and collaboration in Perth and Kinross. Most of our grants plus activities are delivered in partnership with specialist providers, allowing us to draw on their expertise and share this with charities.

The grants plus programme included:

- mentoring and development work for individual charities, led by The Cranfield Trust;
- masterclasses and one to one consultations on trustee recruitment, led by Aspen People;
- courses on measuring impact, led by Evaluation Support Scotland; and
- a unique sustainability course, developed in partnership with The Lasting Difference.

Planning is underway to develop grants plus further over the next year to include networking and building connections in partnership with Perth and Kinross Association of Voluntary Services (PKAVS). All of the elements of the grants plus programme will be evaluated, to help assess impact and relevance for charities. We also offer all Perth and Kinross charities free use of our buildings and grounds.

9.3 Strategic partnerships

The Trust has four strategic partners: Live Active Leisure, Horsecross Arts, Perth and Kinross Countryside Trust and Perth and Kinross Heritage Trust. Over the course of the year there has been increased engagement with the strategic partners and ongoing discussion about how the partnerships can be effective. This has led to the development of a Memorandum of Understanding for each partnership. Looking forward, it is hoped the Trust can continue to work closely with these charities.

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9.4. Grants strategy

The current grants strategy has been in operation throughout the year and will continue through to June 2022. The significant change in this strategy has been the substantially increased funding available to charities based or working in Perth and Kinross. Charities can apply for project funding, employing staff, supporting volunteers and for core operating costs. Grants are awarded for capital projects in Perth and Kinross only. Charities awarded a grant are asked to report on outcomes.

Towards the end of 2020-21, the Trust set up a working group of trustees and staff to review the current grants strategy and develop a new strategy. To support this work, a specialist consultancy was appointed. They have undertaken a review of practice and engaged with staff, trustees and grantees to support development of the new strategy. Discussions with charities and the themes that emerged from #BeConnected also informed this work. The new grants strategy should be published in early 2022.

9.5. Grant awards

The Covid-19 pandemic had a particular impact in relation to gender-based violence, and the need for services in Perth and Kinross substantially increased. Perth and Kinross Council raised this issue with the Trust, sharing their concerns about the risks and available resources. Following discussion with Perth and Kinross Council, review of available information and exploratory work with charities based in Perth and Kinross, the Trust has provided support to two local charities working on gender-based violence. In addition, through the grants plus programme, each were provided with a budget to work with external experts on their strategies for income generation and sustainability.

The Covid-19 Recovery and Renewal fund was launched on 1st June 2020 and concluded on 18th August 2020. This fund was designed to support charities based in or doing important work in Perth and Kinross with sustainability through the pandemic and adaptation to support people and communities. A total of 66 applications were received and £525,387.25 was awarded (£471,261.25 during 2020/21), with a wide range of charities being funded. Amongst the applications were much needed local responses to the pandemic, from providing food and meals to increased support for wellbeing. One example of this was the work of the charity Saints in the Community who used part of their grant award to support people with dementia. They created memory boxes with items that evoked the happy experience of attending football matches, bringing much joy to people experiencing isolation. Another example was Perth Citizens Advice, who were awarded funding to support their adaptation to virtual working. This project is expected to offer interesting insight into how more vulnerable groups can be supported digitally.

In 2020/21, the Gannochy Trust made grant awards which totalled £4,056,883. Of this, £1.5m was to develop and inspire young people across Scotland; £0.8m was to improve the quality of life for people in Perth and Kinross; £1.1m was for capital projects; and £0.5m was in relation to the Covid-19 Fund mentioned above. A number of larger grants were made in the year to support a range of projects including: grants to the Trust's four strategic partners; a £1m grant to Pitlochry Festival Theatre to support a second performance space; and £129,568 over three years to RSPB Scotland to support their Growing Up With Quarrymill project.

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10. Financial review

10.1. Financial Management

Expenditure is carefully monitored and managed in all aspects of the Trust's work. This ensures that the best use is made of charitable funds, while achieving very good quality in delivery, such as maintaining all of our houses to high standards. A well-developed procurement and tendering policy is in place, which supports the Trust to achieve best value.

All income and expenditure throughout the financial year is carefully monitored. Regular reports to Trustees ensure there is robust oversight of the budget. An annual budget review, led by the Chief Executive, ensures that the budget is refined to meet existing and emerging financial demands. Detailed financial policies and procedures, including a scheme of delegation support the day-to-day financial management as well as strategic financial decision-making.

The year saw an increase in expenditure on ICT equipment, as the Trust improved security and supported both trustees and staff to work from home. We also experienced rising costs in building materials, with scarcities of some materials causing delay in our maintenance programme.

10.2. Financial Performance

Our income from charitable activities (primarily rent from housing) was £1.6m (2020: 1.4m) and our investment income (primarily dividends) was £1.9m (2020: £1.9m).

Total expenditure was £6.6m (2020: £8.1m). Included in this were £4.3m of grants awarded and related costs (2020: £5.1m) and £1.3m of housing and related costs (2020: £0.9m). Also included is £0.2m related to the Trust's housing expansion (2020: £1.4m), where construction was completed during the year. The expansion was revalued on completion, giving a gain on revaluation of £0.6m.

Net expenditure before gains on investments was £3.0m (2020: £4.7m).

Total funds at the year-end were £224.4m (2020: £201.6m). These funds increased by £22.9m after gains on investments of £25.3m. (In 2020, they decreased by £6.9m after losses on investments of £2.2m). Details of these funds are set out in Note 20 to the accounts.

£207.9m are expendable endowment funds, of which £44.4m are represented by tangible fixed assets that cannot be readily disposed of, with the balance represented by investments.

Restricted funds, which are all represented by investments amounted to £1.2m. Unrestricted funds were £15.2m, represented by £18.9m of OEIC Cash funds and £1.6m of cash and debtors, offset by liabilities of £5.3m. These unrestricted general funds are available for the general use of the Trust in line with its objectives and are supplemented from the Trust's expendable endowment funds as and when required. The Trustees are the sole judges of what constitutes revenue, reserves and capital and, if revenue and reserves are insufficient, they may decide to spend out of capital.

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10.3. Reserves policy

The Trust does not have a specific reserves policy. Rather the Trust focuses on close monitoring of its investment performance and mitigating the associated risks. The Trust manages the investment portfolio with significant cash of up to £20 million held with Royal London Asset Management and placed under administration by Brewin Dolphin to ensure it can continue its charitable activities and meet foreseeable medium-term commitments over the next four or five years. Since grants are at the discretion of Trustees, unforeseeable and unavoidable significant financial obligations are very improbable. The Trustees may vary this cash balance if they believe it could be better invested.

10.4. Investment policy

The principal objective of the Trust is the maintenance and development of the housing estate with any surplus invested to allow the Trust to make charitable donations in line with the aims of the Trust Deed. The Trust's investment portfolio is managed with the aim of generating a surplus that will both meet the needs of the housing estate and at a minimum maintain in real terms the underlying value of the portfolio.

10.5. Investment Risk Management

The Trust pays particular attention to ensuring effective investment management. The Trust:

- implements a clear investment strategy, which is regularly reviewed;
- employs an Investment Manager (Brewin Dolphin) to manage the larger part of the Trust's investment portfolio, on a discretionary basis;
employs an Investment Adviser to advise the Trust on investment strategy, and on its directly managed investment assets, strategic asset allocation and risk measurement. The Investment Adviser also monitors the performance of the Investment Managers and produces
- detailed six-monthly reports on the performance of all the managers employed by the Trust which are reviewed at board meetings. During the year the Trust reviewed its requirements for investment advice and following a tendering exercise has appointed Isio as its Investment Adviser with effect from 1st July 2021;
receives quarterly performance reports from Brewin Dolphin which are reviewed at Board meetings. During Covid the Trust has not met its advisers and managers physically but has
- meet the Investment Adviser, the discretionary and the Execution Only managers via video meetings; and
- has reviewed and tightened its control processes to minimise the risks of fraud or a cyber security breach.

10.6. Asset Allocation

The Trust's current investment strategy for the unrestricted portfolios was implemented in December 2016. The Trust's strategic asset allocation has not changed over the course of the last year. The unrestricted portfolio is managed on a total return basis, which necessitates quarterly capital withdrawals. During the year £3.5m of capital was withdrawn to meet Trust expenses and commitments.

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10.6.1. The Portfolio

The unrestricted portfolio is divided into 3 distinct segments, with differing risk and return profiles; cash, multi-asset portfolios (collectively referred to as Execution Only) and a growth portfolio, which is heavily weighted to equities. The restricted funds (the Farquharson portfolio) have been invested for income and capital growth and managed to a different mandate by Brewin Dolphin. During the year and following discussions with the Trustees of the Kincarrathie Trust the target yield on the portfolio was reduced to 2% in order to place more emphasis on growth. Table 1 shows the value of the portfolio and the net time weighted returns that each segment generated.

Table 1: Portfolio Value and Performance FY 2021-21

Asset (£m)	Value 30/06/2021	Value 30/06/2020	Return (net)
Growth Portfolio	100.7	83.4	22.6%
Execution Only	63.0	57.2	14.0%
Cash	18.9	18.7	1.1%
Total Unrestricted	182.5	159.3	17.0%
Farquharson	1.2	1.1	18.6%

10.6.2. Cash

The target range for cash is 5-15% of assets. The Trustees have maintained a cash balance of approximately £19 million in order to cover anticipated expenditure over the subsequent 4 or 5 years regardless of financial market conditions. This is currently held with Royal London Asset Management in two funds.

10.6.3. Execution Only Portfolio

The target range for this segment of the portfolio is 30-40% of assets. This portfolio is invested in pooled funds managed by three different investment managers with different return targets. All the funds are diversified growth funds, characterised by low volatility targets and modest expected returns. During the year £2m was withdrawn from the execution only portfolio.

Table 2: Execution Only Portfolio Value and Performance FY 2020-21

Fund (£m)	Value 30/06/2021	Value 30/06/2020	Return (net)
Baillie Gifford Multi-asset Growth	27.9	26.3	14.6%
Ruffer Absolute Return	16.9	14.9	13.8%
Newton Real Return	18.1	16.0	13.0%
Total	63.0	57.2	14.0%

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10.6.4. Growth Portfolio

The target range for the growth portfolio is 50-60% of assets. Brewin Dolphin manages the growth portfolio on a discretionary basis with a target of returning inflation as measured by CPI (consumer price index) plus 3.5%. During the year CPI was 2.6%, meaning the benchmark target was 6.1% which the portfolio comfortably beat.

10.7. Investment Performance

From an investment perspective the year was again dominated by the Covid-19 pandemic. The Trust's portfolios benefitted from a strong recovery in financial markets. The Trust's portfolios beat their respective benchmarks over the year and the cash funds generated a small nominal return. Over the last three years and since the current strategy was implemented the Trust's portfolios have also beaten their benchmarks.

The Trust's current strategy for the restricted fund was implemented in January 2013 and for the unrestricted funds at the end of 2016. Since the inception of the current strategies the growth portfolio and the execution only portfolio have beaten their benchmarks and the restricted funds have maintained their real value.

Table 3: Long Term Portfolio Performance: Total Return

	1 year	3 years	Since 31/12/2016
Execution Only	14.0%	6.1%	5.2%
Growth Portfolio	22.6%	9.0%	9.2%
Total	17.0%	7.8%	7.2%
CPI+3.5%	6.1%	5.3%	5.6%
CPI	2.5%	1.7%	1.9%
			Since 02/01/2013
Farquharson	18.6%	6.4%	6.6%
CPI	2.5%	1.7%	1.6%

Note: figures are annualised and net of fees

10.8. Responsible Investment

The Trust regularly discusses socially responsible investment (SRI) issues with its Investment Adviser and its Investment Managers. An important factor in the decision to appoint Isio as the Trust's Investment Adviser was their expertise in ESG (Environmental, Social and Governance) issues as they relate to portfolio management. The discretionary and execution only managers have all demonstrated an increased focus on this aspect of portfolio management during the year. With regard to voting the Trust's shares, Brewin Dolphin generally follow the guidance issued by Institutional Shareholder Services, a leading provider of corporate governance and responsible investments solutions

The Gannochy Trust

Trustees' Report for the year ended 30 June 2021

10.9. Risk management

The major risks identified by the Trust include the construction of the new houses on the Gannochy Trust estate and the risks arising from the diverse and varied operations of the Trust. A strategic risk register has been implemented and is reviewed regularly by staff and Trustees, with full formal reviews completed at a minimum of six-monthly intervals. The risk register includes all areas of the Trust's operations. With the onset of the Covid-19 pandemic, a review of the risk register was undertaken and this specific major risk added.

While there is considerable expertise within the Gannochy Trust team in the identification and management of risk, Trustees are mindful of the value of objective and impartial advice. WorkNest (formerly Law at Work) have therefore been appointed as external advisors to the Trust and provide a number of services that support risk management. This includes an annual health and safety audit, development of a detailed improvement plan and provision of expert advice on an ongoing basis.

11. Our future plans

As the Covid-19 pandemic has continued throughout the year, the Trust has adapted to working digitally and has continued to deliver against agreed strategic and operations plans. With the easing of restrictions towards the end of the year, trustees and staff are looking forward to resuming in person meetings, at the same time as continuing to follow Scottish Government guidance and manage risk well. We expect that we will continue to develop and adapt our plans and working practices.

An important part of our plans for next year is implementing our new overarching strategy. This will be driven by our new mission and informed by our aspirational values. To implement the strategy, we will need to consider each of our action plans in detail, testing these against our strategic aims. An important part of this will be ensuring that our plans are based on robust knowledge and that, as we move them forward, they will achieve positive impact.

The new grants strategy will be based on a review of the existing strategy, and consideration of how our strategic aims can best be delivered within grant-making. There is potential for the Trust to take a focussed funding approach and the information gathered from charities in the #BeConnected events will support this development work. While the grants plus programme was reviewed and developed over the last year, we plan to use evaluation and feedback to ensure programme elements deliver capacity building for charities.

In estates, there will be considerable work in agreeing a new strategy and implementing this. Much of this work will be informed by commissioned expert surveys and this will ensure that actions we take are knowledge based. As well, the Trust will give careful consideration to enhancing the environment throughout the estate.

Housing remains a key area for the Trust, recognising that this is part of A. K. Bell's legacy that lives on today. Throughout the year we will be working to improve operational processes. This will be informed by the views and feedback from tenants, who we hope will actively and openly engage with the consultation we have commissioned through the Scottish Communities Development Centre. Improvements will include the installation of a new housing software management system and development of the green spaces on the estate.

The Gannochy Trust

Trustees' Report for the year ended 30 June 2021

The strong governance of the Trust will continue to be important, as we move forward with implementing the strategy and finalising action plans. The new Trust Deed has come into place, ensuring that we continue to work to fulfil A. K. Bell's wishes in a modern-day context. Trustees are highly committed to managing investments and resources to ensure the longevity of the Trust and to support the broad range of activities undertaken and planned for the future.

12. Disclosure of information to the auditor

Trustees understand their individual and collective responsibilities and have taken steps to make themselves aware of any relevant audit information and to establish that the Trust's auditor is aware of that information. The Trustees confirm that there is no relevant information that they know of and of which the auditor is unaware.

13. Statement of Trustees Responsibilities

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources of the Trust 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 in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

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

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

The Gannochy Trust

The annual report was approved by the Trustees of the Trust on 16 December 2021 and signed on its behalf by:

David McLaren Gray

.....
Mr. David M. Gray
Trustee

The Gannochy Trust

Independent Auditor's Report to the Trustees of The Gannochy Trust

Opinion on financial statements

We have audited the financial statements of the Gannochy Trust (the 'charity') for the year ended 30 June 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash flows, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 charity's affairs as at 30 June 2021 and of its incoming resources and application of resources, 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 Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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 charity's ability to continue as a going concern for a period of at least 12 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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's 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.

The Gannochy Trust

Independent Auditor's Report to the Trustees of The Gannochy Trust

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity 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 where the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities on page 16 the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 report in accordance with regulations made under that Act.

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 auditor's 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.

The Gannochy Trust

Independent Auditor's Report to the Trustees of The Gannochy Trust

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:

We gained an understanding of the legal and regulatory framework applicable to the charity and the industry in which it operates and considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, the Charities and Trustee Investment (Scotland) Act 2005.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

We focused on laws and regulations that could give rise to a material misstatement in the charity's financial statements. Our tests included, but were not limited to:

- agreement of the financial statements disclosures to underlying supporting documentation;
- enquiries of senior management and the Trustees;
- review of minutes of board meetings throughout the period;
- review of legal correspondence or invoices, and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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 auditor's report.

The Gannochy Trust

Independent Auditor's Report to the Trustees of The Gannochy Trust

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Chiene + Tait LLP

CHIENE + TAIT LLP

Chartered Accountants and Statutory Auditor

61 Dublin Street

Edinburgh

EH3 6NL

..04 January 2022... 2021

Chiene + Tait LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Gannochy Trust

Statement of Financial Activities for the Year Ended 30 June 2021

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2021 £	Total 2020 £
Income and Endowments from:						
Charitable activities	3	1,628,749	-	-	1,628,749	1,442,235
Investment income	4	1,165	26,668	1,868,666	1,896,499	1,945,371
Other income		<u>1,688</u>	-	-	<u>1,688</u>	<u>1,017</u>
Total Income		<u>1,631,602</u>	<u>26,668</u>	<u>1,868,666</u>	<u>3,526,936</u>	<u>3,388,623</u>
Expenditure on:						
Raising funds	5	(1,200)	(2,703)	(217,127)	(221,030)	(210,346)
Charitable activities	6, 7	<u>(6,220,841)</u>	<u>(26,668)</u>	<u>(179,597)</u>	<u>(6,427,106)</u>	<u>(7,880,825)</u>
Total Expenditure		<u>(6,222,041)</u>	<u>(29,371)</u>	<u>(396,724)</u>	<u>(6,648,136)</u>	<u>(8,091,171)</u>
Net expenditure before gains/(losses) on investments		<u>(4,590,439)</u>	<u>(2,703)</u>	<u>1,471,942</u>	<u>(3,121,200)</u>	<u>(4,702,548)</u>
Realised gains/(losses) on investment assets		-	17,079	992,294	1,009,373	(3,417,597)
Unrealised gains/(losses) on investment assets	14	<u>197,811</u>	<u>155,987</u>	<u>23,924,651</u>	<u>24,278,449</u>	<u>1,182,796</u>
Total gains/(losses) on investment assets		<u>197,811</u>	<u>173,066</u>	<u>24,916,945</u>	<u>25,287,822</u>	<u>(2,234,801)</u>
Net (expenditure)/income		(4,392,628)	170,363	26,388,887	22,166,622	(6,937,349)
Gross transfers between funds	20	2,860,611	-	(2,860,611)	-	-
Gains on revaluation of fixed assets	13	<u>-</u>	<u>-</u>	<u>646,028</u>	<u>646,028</u>	<u>-</u>
Net movement in funds		(1,532,017)	170,363	24,174,304	22,812,650	(6,937,349)
Reconciliation of funds						
Total funds brought forward	20	<u>16,683,859</u>	<u>1,071,190</u>	<u>183,774,692</u>	<u>201,529,741</u>	<u>208,467,090</u>
Total funds carried forward	20	<u>15,151,842</u>	<u>1,241,553</u>	<u>207,948,996</u>	<u>224,342,391</u>	<u>201,529,741</u>

All of the Trust's activities derive from continuing operations during the above two periods.

The funds breakdown for 2021 and 2020 are shown in note 20.

The notes on pages 26 to 48 form part of these financial statements.

The Gannochy Trust
(Registration number: SC003133)
Balance Sheet as at 30 June 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	44,371,681	43,258,920
Investments	14	<u>183,754,092</u>	<u>160,330,421</u>
		<u>228,125,773</u>	<u>203,589,341</u>
Current assets			
Debtors	15	814,227	792,129
Cash at bank and in hand	22	<u>843,351</u>	<u>2,331,756</u>
		1,657,578	3,123,885
Creditors: Amounts falling due within one year	17	<u>(4,417,876)</u>	<u>(3,480,795)</u>
Net current liabilities		<u>(2,760,298)</u>	<u>(356,910)</u>
Total assets less current liabilities		225,365,475	203,232,431
Creditors: Amounts falling due after more than one year	18	<u>(1,023,084)</u>	<u>(1,702,690)</u>
Net assets		<u>224,342,391</u>	<u>201,529,741</u>
Funds of the Trust:			
Endowment funds			
Capital fund		184,794,904	161,171,662
Revaluation reserve		<u>23,154,092</u>	<u>22,603,030</u>
Total endowment funds	20	<u>207,948,996</u>	<u>183,774,692</u>
Restricted	20	<u>1,241,553</u>	<u>1,071,190</u>
Unrestricted income funds			
General funds	20	15,151,842	16,230,386
Designated funds	20	<u>-</u>	<u>453,473</u>
Total unrestricted	20	<u>15,151,842</u>	<u>16,683,859</u>
Total funds		<u>224,342,391</u>	<u>201,529,741</u>

The Gannochy Trust
(Registration number: SC003133)
Balance Sheet as at 30 June 2021

The financial statements on pages 22 to 48 were approved by the Trustees, and authorised for issue on 16 December 2021 and signed on their behalf by:

David McLaren Gray

Stephen Hay

.....
Mr. David M. Gray
Trustee

.....
Mr. Stephen J. Hay
Trustee

The notes on pages 26 to 48 form part of these financial statements.

The Gannochy Trust

Statement of Cash Flows for the Year Ended 30 June 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net income/(expenditure)		22,812,650	(6,937,349)
Adjustments to cash flows from non-cash items			
Depreciation	13	210,126	189,983
Gain on disposal of fixed assets held for the charity's own use		-	(1,201)
Income from investments	4	(1,896,499)	(1,945,371)
Unrealised gain on investments	14	(24,278,449)	(1,182,796)
Realised loss on investments		(1,009,373)	3,417,597
Gain on revaluation of fixed assets	13	(646,028)	-
Cash movement in investments	14	<u>538,311</u>	<u>275,309</u>
		(4,269,262)	(6,183,828)
Working capital adjustments			
(Increase)/decrease in debtors	15	(22,098)	377,790
Increase in creditors	17, 18	<u>257,475</u>	<u>1,395,186</u>
Net cash flows from operating activities		<u>(4,033,885)</u>	<u>(4,410,852)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets	13	(676,859)	(4,909,134)
Sale of tangible fixed assets		-	1,200
Purchase of investments	14	(13,842,969)	(15,904,094)
Proceeds from the sale of investments	14	15,168,809	22,570,255
Income from investments	4	<u>1,896,499</u>	<u>1,945,371</u>
Net cash flows from investing activities		<u>2,545,480</u>	<u>3,703,598</u>
Net decrease in cash and cash equivalents		(1,488,405)	(707,254)
Cash and cash equivalents at 1 July 2020	22	<u>2,331,756</u>	<u>3,039,010</u>
Cash and cash equivalents at 30 June 2021	22	<u>843,351</u>	<u>2,331,756</u>
Reconciliation of net cash flow to movement in net funds			
Decrease in cash		(1,488,405)	(707,254)
Net funds at 1 July 2020		<u>2,331,756</u>	<u>3,039,010</u>
Net funds at 30 June 2021		<u>843,351</u>	<u>2,331,756</u>

All of the cash flows are derived from continuing operations during the above two periods.

These notes on pages 26 to 48 form part of these financial statements.

The Gannochy Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

1 General information

The Gannochy Trust is a Trust founded in 1937 and is registered with the Office of the Scottish Charity Regulator under Charity Number SC003133.

2 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)(Second edition - October 2019)), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis of preparation

The financial statements are presented in sterling (£) and are rounded to the nearest £1.

The Gannochy 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 notes.

Significant judgements and estimation uncertainty

In the application of the Trust's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. As the estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

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 addressed below.

Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See Note 13 for carrying amounts of tangible assets.

Assets under construction

As detailed at Note 13 assets under construction represented development works related to Estate Expansion. The total anticipated costs were expected to exceed valuation on completion, and therefore a proportion of costs were expensed as they are incurred in order to recognise the related impairment. The level of impairment was based on a comparison of projected market values to projected development costs.

The Gannochy Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

2 Accounting policies (continued)

Going concern

The financial statements have been prepared on a going concern basis.

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern, including the impact this year of COVID 19. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements and are satisfied that no material uncertainties exist in respect of going concern.

Income and endowments

Investment income

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the bank.

Accumulation units received in the year are invested for the purpose of capital growth therefore these have not been recognised as income within the financial statements.

Rental income from property held and managed in furtherance of charitable activities is recognised in the period to which it relates.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, where probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the assets' use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in the management of investments.

The Gannochy Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

2 Accounting policies (continued)

Charitable activities

Charitable expenditure comprises those costs incurred by the Trust in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

The cost of charitable activities includes grants made, providing housing, the costs incurred with the Gannochy Estate, Doo'cot Park, Quarrymill and include an apportionment of overall overhead and support costs.

Grant expenditure

Grant-making consists of grants paid, being payments made to third parties in the furtherance of the charitable objectives of the Trust.

In addition included within grant-making are grants which are payable under certain conditions. These grants are accounted for where either the Trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the Trust.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Support costs

Support costs include central functions and have been allocated to charitable activities based on staff time and usage.

Governance costs

These include the costs attributable to the Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

Taxation

The Trust is a charity and is not liable to Corporation Tax. The Trust is not registered for VAT and resources expended therefore include irrecoverable input VAT.

The Gannochy Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

2 Accounting policies (continued)

Tangible fixed assets

There is no amount below which assets are not capitalised.

Tangible fixed assets are stated at cost less depreciation (with the exception of The Gannochy Housing Estate and other agricultural and related properties which have been revalued). Tangible fixed assets are depreciated over their estimated useful lives and are calculated on the cost less the estimated residual value of the assets.

The land and buildings were valued in June 2019 on the basis of market value, existing use value and existing use value - social housing and depreciated replacement cost where appropriate. The valuation of the agricultural land and buildings was carried out by Bidwells, Chartered Surveyors, while the residential properties were valued by D M Hall, Chartered Surveyors. Both these Chartered Surveyors are external to the Trust.

During the year the Estate Expansion was completed. The total costs were less than anticipated therefore the valuation on completion has been adopted.

In the opinion of the Trustees, these valuations are appropriate to be used at 30 June 2021. Consideration has been given as to the useful life of each of these properties and 50 years is still deemed to be appropriate.

The Trust Deed sets out obligations on the Trustees for the maintenance of the properties within the Gannochy Estate in terms of which the Trustees consider that it would not be competent for them to sell such properties. In consequence, the market value which is attributed to such properties is considered by the Trustees to be of restricted use.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Business and charitable property	Straight line over fifty years
Fixtures, fittings and equipment	10% to 33% straight line basis

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the period, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the period and are credited or charged to the Statement of Financial Activities based on the market value at the period end.

The Gannochy Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

2 Accounting policies (continued)

Trade debtors

Rent arrears and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due. Concessionary loans made in furtherance of charitable objectives are accounted for at the amount paid, less any subsequent repayments.

Cash and cash equivalents

Cash at bank and cash 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.

Trade creditors

Creditors are recognised where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments other than investments are initially recognised at transaction value and subsequently measured at their settlement value.

Fund accounting

Unrestricted income funds are general funds that are available for use at the Trustees' discretion in furtherance of the objectives of the Trust.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the Trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Endowment funds represent the current value of the original capital invested. The Trustees are the sole judges as to what constitutes revenue, reserves and capital and as far as revenue and reserves are insufficient may spend out of capital, and the endowment funds are therefore considered to be expendable.

Further details of each fund are disclosed in Note 20.

Pensions and other post retirement obligations

The Trust operates a defined contribution pension scheme. Contributions are charged in the Statement of Financial Activities as they become payable in accordance with the rules of the scheme. The Trust also provides benefits to a small number of former employees who are not members of the pension scheme. A reliable estimate of future commitments regarding these is not available, and accordingly no provision has been made in these financial statements.

The Gannochy Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

3 Income from charitable activities

	Unrestricted funds	Total 2021	Total 2020
	General	£	£
	£	£	£
Housing	1,520,898	1,520,898	1,359,348
Charitable Buildings Other	67,300	67,300	47,679
Farms & Fields	40,551	40,551	35,208
	<u>1,628,749</u>	<u>1,628,749</u>	<u>1,442,235</u>

Housing includes affordable rents, pensioner's housing and other properties. All income from charitable activities was unrestricted in 2020.

4 Investment income

	Unrestricted funds	Restricted funds	Endowment funds	Total 2021	Total 2020
	General	£	Expendable	£	£
	£	£	£	£	£
Dividends receivable from listed investments	-	26,668	1,868,666	1,895,334	1,925,107
Interest received	1,165	-	-	1,165	20,264
	<u>1,165</u>	<u>26,668</u>	<u>1,868,666</u>	<u>1,896,499</u>	<u>1,945,371</u>

Of the total investment income for the year to 30 June 2020, £20,312 was Unrestricted, £32,963 Restricted and £1,892,096 related to Expendable Endowment funds.

The Gannochy Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

5 Expenditure on raising funds

Investment management costs

	Unrestricted funds		Endowment funds		
	General	Restricted	Expendable	Total	Total
	£	funds	£	2021	2020
		£		£	£
Administration of the investments	<u>1,200</u>	<u>2,703</u>	<u>217,127</u>	<u>221,030</u>	<u>210,346</u>

Of the total investment management costs for the year to 30 June 2020, £1,200 was Unrestricted, £2,683 was Restricted and £206,463 related to Expendable Endowment funds.

6 Expenditure on charitable activities

	Activity undertaken directly	Grant funding of activity	Activity support costs	Total 2021	Total 2020
	£	£	£	£	£
Grant-Making	5,136	4,057,113	276,981	4,339,230	5,149,141
Housing	779,939	-	529,434	1,309,373	909,089
Estate Extension	128,042	-	104,808	232,850	1,425,085
Charitable Buildings Other	140,422	-	100,538	240,960	121,991
Gardens, Grounds & Plantation	89,320	-	64,502	153,822	122,000
Estate Buildings	3,454	-	1,360	4,814	5,637
Farms & Fields	64,888	-	47,198	112,086	115,059
Community	-	-	33,971	33,971	32,823
	<u>1,211,201</u>	<u>4,057,113</u>	<u>1,158,792</u>	<u>6,427,106</u>	<u>7,880,825</u>

Of the total expenditure for the year to 30 June 2020, £7,685,561 was Unrestricted, £32,963 Restricted and £162,301 related to Expendable Endowment funds.

The Gannochy Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

7 Analysis of governance and support costs

Support costs allocated to charitable activities

	Governance costs	Employed staff costs	Administration costs	Premises costs including depreciation	Total 2021	Total 2020
	£	£	£	£	£	£
Grant-Making	69,421	122,633	78,891	6,036	276,981	249,342
Housing Estate	48,595	267,464	64,909	148,467	529,435	521,244
Extension	-	65,993	9,909	28,905	104,807	58,443
Charitable Buildings Other	6,942	56,091	24,790	12,715	100,538	89,925
Gardens, Grounds & Plantation	6,942	35,597	17,800	4,163	64,502	57,619
Estate Buildings	-	1,360	-	-	1,360	1,608
Farms & Fields	6,942	16,863	13,553	9,840	47,198	69,333
Community	-	23,227	10,744	-	33,971	32,823
	<u>138,842</u>	<u>589,228</u>	<u>220,596</u>	<u>210,126</u>	<u>1,158,792</u>	<u>1,080,337</u>

The basis of allocation is staff time and usage.

Governance costs

	Total 2021	Total 2020
	£	£
Staff costs		
Wages and salaries	55,977	47,988
Other staff costs	703	7,441
Audit fees		
Audit of the financial statements	6,480	6,456
Accountancy fees	6,000	6,641
Legal fees & consultants	49,603	37,671
Allocated support costs	<u>20,079</u>	<u>18,229</u>
	<u>138,842</u>	<u>124,426</u>

The Gannochy Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

8 Grant-making

Analysis of grants awarded

	Grants to organisations £
Analysis	
To Develop and Inspire Young People (Scotland-wide including Perth & Kinross)	1,586,487
To Improve the Quality of Life for People (Perth & Kinross only)	834,807
Capital Projects (Perth & Kinross only)	1,137,890
COVID-19 Recovery & Renewal Fund (Perth & Kinross only)	471,261
Other	26,668
	<u>4,057,113</u>

The support costs associated with grant-making are £276,981 (30 June 2020 - £249,342).

Grants awarded in the year of £100,000 and over

	2021 £
Name of organisation	
Live Active Leisure	152,000
Perth & Kinross Countryside Trust	100,000
Perth & Kinross Heritage Trust	100,000
Pitlochry Festival Theatre	1,000,000
RSPB Scotland	129,568
Other (all less than £100,000)	2,715,545
Commitments withdrawn	(140,000)
	<u>4,057,113</u>

The Gannochy Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

8 Grant-making (continued)

All awards are made under the charitable activity of Grant-Making.

The £152,000 grant to Live Active Leisure is to support their Sport and Active Recreation Initiatives 2021/22 and Cricket Development 2021/22.

The £100,000 grant to Perth & Kinross Countryside Trust is to support their core running costs 2021/22.

The £100,000 grant to Perth & Kinross Heritage Trust is to support their core running costs 2021/22.

The £1,000,000 grant to Pitlochry Festival Theatre is to support a second performance space and re-configuring of the entrance area within the theatre footprint.

The £129,568 grant to RSPB Scotland is to support their Growing Up With Quarrymill project 2021/22 to 2023/24.

Grants of £100,000 and over paid out, provided for in previous years

	Unrestricted funds
	£
Other (all under £100,000)	1,898,510
	<hr/>
	1,898,510
	<hr/> <hr/>

The Gannochy Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

9 Net (incoming)/outgoing resources

Net (incoming)/outgoing resources for the year include:

	2021	2020
	£	£
Audit fees	6,480	6,456
Profit on disposal of tangible fixed assets	-	(1,200)
Depreciation of fixed assets	<u>210,126</u>	<u>189,983</u>

10 Taxation

The Trust is a registered charity and is therefore exempt from taxation.

11 Trustees remuneration and expenses

No Trustees, nor any persons connected with them, have received any remuneration from the charity during the year (2020: no remuneration received).

1 Trustee received reimbursement for retirement gifts purchased on behalf of the Trust amounting to £240.00 (2020: 3 Trustees £584.70).

Trustees agreed not to take an honorarium during the year (2020: £50 each less tax) as stated within the governing Trust Deed and £1,062.70 was paid for Directors and Officers insurance cover for the Trustees (2020: £1,062.14).

12 Staff costs

The aggregate payroll costs were as follows:

	2021	2020
	£	£
Staff costs during the year were:		
Wages and salaries	535,620	518,398
Social security costs	49,190	44,907
Pension costs	52,933	47,274
Other staff costs	<u>19,644</u>	<u>20,939</u>
	<u>657,387</u>	<u>631,518</u>

The Gannochy Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

12 Staff costs (continued)

The monthly average number of persons (including senior management team) employed by the Trust during the year, analysed by category, was as follows:

	2021 No	2020 No
Estate upkeep (7 full-time)	7	7
Management and administration (7 full-time/2 part-time)	9	8
	<u>16</u>	<u>15</u>

The total employee benefits of the key management personnel of the Trust were £276,344 (2020 - £260,959).

The number of employees whose emoluments fell within the following bands was:

	2021 No	2020 No
£70,001 - £80,000	1	-

Pensions

All employees participated in the Defined Contribution Pension Scheme.

Contributions to the employee pension scheme for the year totalled £57,847 (2020 - £47,274).

The basis of allocating the pension expense is included at Note 7 under staff costs. There was no outstanding liability at the year end.

The Gannochy Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

13 Tangible fixed assets

	Land and buildings £	Assets under construction £	Furniture and equipment £	Total £
Cost or valuation				
At 1 July 2020	40,575,357	3,133,348	455,110	44,163,815
Revaluations	646,028	-	-	646,028
Additions	397,576	254,750	24,533	676,859
Transfers	<u>3,388,098</u>	<u>(3,388,098)</u>	<u>-</u>	<u>-</u>
At 30 June 2021	<u>45,007,059</u>	<u>-</u>	<u>479,643</u>	<u>45,486,702</u>
Depreciation				
At 1 July 2020	525,021	-	379,874	904,895
Charge for the year	<u>179,597</u>	<u>-</u>	<u>30,529</u>	<u>210,126</u>
At 30 June 2021	<u>704,618</u>	<u>-</u>	<u>410,403</u>	<u>1,115,021</u>
Net book value				
At 30 June 2021	<u>44,302,441</u>	<u>-</u>	<u>69,240</u>	<u>44,371,681</u>
At 30 June 2020	<u>40,050,336</u>	<u>3,133,348</u>	<u>75,236</u>	<u>43,258,920</u>

Assets under construction represented development works in connection to the Estate Expansion which was completed during the year. The remaining 25 properties were transferred from assets under construction to land and buildings. Now that the Estate Expansion has been completed the valuation carried out in June 2019 has been adopted in these Accounts.

Land and buildings comprise assets which have been subject to past revaluations and assets which are carried at cost.

The original cost of the revalued properties was £24,965,364, with depreciation applied to these assets of £4,394,239 giving a net book value of £20,571,125.

Land and buildings not subject to a revaluation have a net book value of £539,489 at the year end.

The land and buildings valuation was carried out by D M Hall in June 2019 using a different bases of valuation for different assets in the portfolio as appropriate - current market value; depreciated replacement cost; and the Existing Use Value for Social Housing which is the specific method used for properties within the affordable housing sector. The valuation of the agricultural land and buildings was carried out by Bidwells, Chartered Surveyors, while the residential properties were valued by D M Hall, Chartered Surveyors. Both these Chartered Surveyors are external to the Trust. In the opinion of the Trustees, these valuations are appropriate to be used at 30 June 2021.

The Gannochy Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

14 Fixed asset investments

Other investments

	Listed investments £	Other investments £	Total £
Cost or Valuation			
At 1 July 2020	141,662,198	18,668,223	160,330,421
Additions	13,842,969	-	13,842,969
Disposals	(14,159,436)	-	(14,159,436)
Unrealised gain	24,080,638	197,811	24,278,449
Cash movement	<u>(538,263)</u>	<u>(48)</u>	<u>(538,311)</u>
At 30 June 2021	<u>164,888,106</u>	<u>18,865,986</u>	<u>183,754,092</u>
Net book value			
At 30 June 2021	<u>164,888,106</u>	<u>18,865,986</u>	<u>183,754,092</u>
At 30 June 2020	<u>141,662,198</u>	<u>18,668,223</u>	<u>160,330,421</u>

The historical cost of the listed and other investments (excluding cash) at 30 June 2021 was £134,855,750 (2020: £133,989,200).

Included in listed investments is cash held by Brewin Dolphin totalling £1,246,257 (2020: £1,784,568).

Other investments comprise wholly of OEIC cash funds.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange.

Liquidity risk is anticipated to be low, as all assets are traded in markets with good liquidity and high trading volumes. Furthermore, a significant proportion of the Trust's investments are in diversified growth funds and cash funds to secure short and medium term cash-flows. The Trust has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Trust manages investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings. The Trust does not make use of derivatives and similar complex financial instruments.

The Gannochy Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

14 Fixed asset investments (continued)

Details of investments in which the Trust hold 5% or more of their total portfolio are as follows:

	Total £
Baillie Gifford Multi Asset Growth	27,934,926
BNY Mellon Fund Manager Real Return	18,113,676
Royal London Enhanced Cash Plus	15,149,529
Link Fund Solutions Limited (Ruffer Absolute Return)	16,927,607
Vanguard Funds S&P 500 ETF	13,318,180
	91,443,918
Other (investments less than 5%)	92,310,174
	183,754,092

15 Debtors

	2021 £	2020 £
Prepayments	3,489	-
Kincarrathie Trust	6,639	11,826
Loan - Hope Park Trust	50,000	60,000
Loan - William Simpson's Home	-	86,250
Loan - The Y Centre	122,563	16,000
Rent debtors	5,707	15,776
Insurance rebate	11,764	-
Accrued income	224,065	212,277
Other debtors - Bond Payment	390,000	390,000
	814,227	792,129

The Gannochy Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

15 Debtors (continued)

Debtors includes £552,563 (2020: £527,250) receivable after more than one year.

This can be analysed as follows:	30 June 2021	30 June 2020
	£	£
Loan - Hope Park Trust	40,000	50,000
Loan - William Simpson's Home	-	71,250
Loan - The Y Centre	122,563	16,000
Other debtors - Bond Payment	390,000	390,000
	<u>552,563</u>	<u>527,250</u>

The above loans are made in furtherance of the Trust's charitable objectives and accordingly no interest is charged on the capital. The loan in relation to The Hope Park Trust is repayable at £10,000 per annum and is unsecured.

A security has been taken out in connection to the loan to The Y Centre over the church building element of the site. The loan will be converted to a donation if the project commences within a 3 year period and if not security will be called up.

Other debtors relates to a bond payment made in connection with a new road for the estate extension. Once the extension is complete this will be repaid.

16 Cash and cash equivalents

	2021 £	2020 £
Cash on hand	200	200
Cash at bank	<u>843,151</u>	<u>2,331,556</u>
	<u>843,351</u>	<u>2,331,756</u>

17 Creditors: amounts falling due within one year

	2021 £	2020 £
Charitable commitments - grants payable	4,211,774	3,254,958
Accruals	<u>206,102</u>	<u>225,837</u>
	<u>4,417,876</u>	<u>3,480,795</u>

18 Creditors: amounts falling due after one year

	2021 £	2020 £
Charitable commitments - grants payable	<u>1,023,084</u>	<u>1,702,690</u>

The Gannochy Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

19 Capital commitments

Expenditure in respect of the renovation of existing properties contracted for, but not incurred or provided for in the financial statements at 30 June 2021, amounted to £nil (2020: £798,513).

Expenditure in respect of the purchase of housing management software contracted for, but not incurred or provided for in the financial statements at 30 June 2021, amounted to £13,958 (2020: £nil).

Expenditure in respect of the existing housing renovations contracted for, but not incurred or provided for in the financial statements at 30 June 2021, amounted to £44,000 (2020: £nil).

The Gannochy Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

20 Funds

	Balance at 1 July 2020 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 30 June 2021 £
Unrestricted funds						
<i>Unrestricted general funds</i>						
Unrestricted income fund	16,230,386	1,631,602	(6,220,841)	3,312,884	197,811	15,151,842
<i>Unrestricted designated funds</i>						
Estate extension	453,473	-	(1,200)	(452,273)	-	-
Total unrestricted funds	<u>16,683,859</u>	<u>1,631,602</u>	<u>(6,222,041)</u>	<u>2,860,611</u>	<u>197,811</u>	<u>15,151,842</u>
Restricted funds						
W.G. Farquharson Bequest	1,071,190	26,668	(29,371)	-	173,066	1,241,553
Endowment funds						
<i>Expendable endowment funds</i>						
Capital fund	161,171,662	1,868,666	(301,758)	(2,860,611)	24,916,945	184,794,904
Revaluation reserve	22,603,030	-	(94,966)	-	646,028	23,154,092
	<u>183,774,692</u>	<u>1,868,666</u>	<u>(396,724)</u>	<u>(2,860,611)</u>	<u>25,562,973</u>	<u>207,948,996</u>
Total funds	<u><u>201,529,741</u></u>	<u><u>3,526,936</u></u>	<u><u>(6,648,136)</u></u>	<u><u>-</u></u>	<u><u>25,933,850</u></u>	<u><u>224,342,391</u></u>

The Gannochy Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

20 Funds (continued)

	Balance at 1 July 2019 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 30 June 2020 £
Unrestricted funds						
<i>Unrestricted general funds</i>						
Unrestricted income fund	17,572,413	1,463,564	(7,685,561)	4,879,970	-	16,230,386
<i>Unrestricted designated funds</i>						
Estate extension	4,968,025	-	(1,200)	(4,716,004)	202,652	453,473
Total unrestricted funds	<u>22,540,438</u>	<u>1,463,564</u>	<u>(7,686,761)</u>	<u>163,966</u>	<u>202,652</u>	<u>16,683,859</u>
Restricted funds						
W.G. Farquharson Bequest	1,145,125	32,963	(35,646)	-	(71,252)	1,071,190
Endowment funds						
<i>Expendable endowment funds</i>						
Capital fund	162,085,684	1,892,096	(368,764)	(71,153)	(2,366,201)	161,171,662
Revaluation reserve	22,695,843	-	-	(92,813)	-	22,603,030
	<u>184,781,527</u>	<u>1,892,096</u>	<u>(368,764)</u>	<u>(163,966)</u>	<u>(2,366,201)</u>	<u>183,774,692</u>
Total funds	<u>208,467,090</u>	<u>3,388,623</u>	<u>(8,091,171)</u>	<u>-</u>	<u>(2,234,801)</u>	<u>201,529,741</u>

The Gannochy Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

20 Funds (continued)

The specific purposes for which the funds are to be applied are as follows:

Designated Funds - This represents funds set aside for the estate expansion, currently under construction.

Restricted Funds - W.G. Farquharson bequeathed certain properties to the Trust which were disposed of in 1994 and 2011 with the net proceeds invested on the stock market for the W.G. Farquharson Bequest. Movements occur on this fund as investments are bought and sold as gains or losses. £26,668 was remitted directly to the Kincarrathie Trust during the year.

Endowment Funds - the Trustees are the sole judges as to what constitutes revenue, reserves and capital and as far as revenue and reserves are insufficient may spend out of capital.

During the year £3,500,000 of investment funds were transferred from the Trust's discretionary portfolio held within endowment funds to unrestricted general income funds and £452,273 was released from the designated estate extension fund to unrestricted general income funds as the development work reached completion.

The Gannochy Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

21 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Endowment funds Expendable £	Total funds 2021 £
Tangible fixed assets	69,240	-	44,302,441	44,371,681
Fixed asset investments	18,865,984	1,241,553	163,646,555	183,754,092
Current assets	1,657,578	-	-	1,657,578
Current liabilities	(4,417,876)	-	-	(4,417,876)
Creditors over 1 year	<u>(1,023,084)</u>	<u>-</u>	<u>-</u>	<u>(1,023,084)</u>
Total net assets	<u>15,151,842</u>	<u>1,241,553</u>	<u>207,948,996</u>	<u>224,342,391</u>
	Unrestricted funds General £	Restricted funds £	Endowment funds Expendable £	Total funds 2020 £
Tangible fixed assets	75,236	-	43,183,684	43,258,920
Fixed asset investments	18,668,223	1,071,190	140,591,008	160,330,421
Current assets	3,123,885	-	-	3,123,885
Current liabilities	(3,480,795)	-	-	(3,480,795)
Creditors over 1 year	<u>(1,702,690)</u>	<u>-</u>	<u>-</u>	<u>(1,702,690)</u>
Total net assets	<u>16,683,859</u>	<u>1,071,190</u>	<u>183,774,692</u>	<u>201,529,741</u>

22 Analysis of net funds

	At 1 July 2020 £	Cash flow £	At 30 June 2021 £
Cash at bank and in hand	<u>2,331,756</u>	<u>(1,488,405)</u>	<u>843,351</u>
Net debt	<u>2,331,756</u>	<u>(1,488,405)</u>	<u>843,351</u>
	At 1 July 2019 £	Cash flow £	At 30 June 2020 £
Cash at bank and in hand	<u>3,039,010</u>	<u>(707,254)</u>	<u>2,331,756</u>
Net debt	<u>3,039,010</u>	<u>(707,254)</u>	<u>2,331,756</u>

The Gannochy Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

23 Related party transactions

The following relations exist between the Trustees who have served at any time during the year and related parties, including charities who have received or provided services. The Trustees do not participate in deliberations relating to, and do not vote on, decisions affecting the charities with whom they have a relationship. The related parties are:

Mr. Ian W. McMillan (retired from The Gannochy Trust on 10.11.2020)

St. Leonard's-in-the-Fields (Trustee)

There was no application for funding received during the year.

Mr. Stephen J. Hay

NHS Tayside Endowment Fund (Informal Investment Advisor until 12.07.2021)

There was no application for funding received during the year.

Mr. Bruce N. Renfrew

Thorntons Law LLP (Member)

Thorntons Trustees Limited (Director)

Thorntons Policy Trustees Limited (Director)

Whitehall Chambers Trustees Limited (Director)

Brothock Trustees Limited (Director)

Pagan Osborne Discretionary Trustees Limited (Director)

Pagan Osborne & Grace Trustees Limited (Director)

Murray Donald Trustees Limited (Director)

Murray Donald Drummond Cook Trustees Limited (Director)

Kinnoull Parish Church (Elder)

There were no applications for funding received during the year.

The Gannochy Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

23 Related party transactions (continued)

Mrs Ailsa Macmillan

Perth Choral Society (Member)

Dundee Rep and Scottish Dance Theatre (Employee)

There were no applications for funding received during the year.

Ms Ruth Ogston

National Theatre of Scotland (Employee)

The Thomson Trust (Trustee)

Random Accomplice Theatre Company (Board Member)

There were no applications for funding received during the year.

24 COVID 19

During the year to 30 June 2021 the economic impact of COVID 19 continued to impact the operations of the Trust and the activities of its beneficiaries as set out in more detail in the Trustees' Report. The Trustees have taken appropriate action to mitigate the operational effects on its activities and continue to monitor this on a regular basis. The Trustees recognise the risk to the Trust's investment portfolio and this is regularly reviewed with the senior management team and support from investment managers and advisers. The Trustees remain satisfied that all financial risks associated with COVID 19 have been mitigated appropriately, and that the investment allocations do not expose the Trust to any significant risk to key income sources and investment carrying values such that its ability to meet grant commitments and continue planned activities is materially affected.