

Trust registration number: SC003133



Annual Report and Financial Statements

for the Year Ended 30 June 2018

# **The Gannochy Trust**

## **Contents**

Reference and Administrative Details	1
Trustees' Report	2 to 14
Independent Auditors' Report	15 to 17
Statement of Financial Activities	18
Balance Sheet	19 to 20
Statement of Cash Flows	21
Notes to the Financial Statements	22 to 45

# The Gannochy Trust

## Reference and Administrative Details

<b>Charity name</b>	The Gannochy Trust		
<b>Trust Registration Number</b>	SC003133		
<b>Principal Office</b>	Pitcullen Crescent PERTH PH2 7HX		
<b>Trustees</b>	Dr. James H.F. Kynaston, Chairman Mr. Ian W. McMillan Dr. John A. Markland CBE (resigned 5 December 2017) Mrs. Jane S. Mudd Mr. David M. Gray Mr. Stephen J. Hay Mr. Bruce N. Renfrew Mr. Roland A. Bean (appointed 5 December 2017)		
<b>Senior Management Team</b>	Ms. Carol Downie MBE, Chief Executive Mr. Andy A. Duncan MRICS, Estates Manager Mrs. Fiona Russell, Grants Manager		
<b>Accountant</b>	Morris & Young Chartered Accountants 6 Atholl Crescent PERTH PH1 5JN	<b>Auditor</b>	Chiene + Tait LLP Chartered Accountants and Statutory Auditor 61 Dublin Street EDINBURGH EH3 6NL
<b>Investment Manager</b>	Brewin Dolphin Sixth Floor Atria One 144 Morrison Street EDINBURGH EH3 8EX	<b>Investment Advisor</b>	Mr. Simon Jagger Jagger & Associates Ground Floor 14 Exchange Quay Salford Quays MANCHESTER M5 3EQ

# **The Gannochy Trust**

## **Trustees' Report for the year ended 30 June 2018**

The Trustees present their report and audited financial statements for the period ended 30 June 2018, prepared in accordance with the accounting policies set out in Note 1 of the Accounts. They comply with the Charity's governing document and Statement of Recommended Practice 'Accounting and Reporting by Charities' applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic or Ireland (FRS102) (effective 1 January 2015).

### **Background and charitable objectives**

Arthur Kinmond Bell, the founder of the Gannochy Trust, was a noted visionary who delivered his philanthropy with a degree of unassuming reserve. An extremely able businessman, with considerable foresight and acumen, he established the Gannochy Trust in 1937, for charitable and public purposes.

A K Bell's belief that "after you have a roof over your head and your bread and butter" you should look to invest any surplus for the benefit of your native town, has matured into a lasting legacy that has improved the quality of life of many thousands of people, not only in Perth but all over Scotland.

The Trust's three year Strategic Plan (2016 to 2019) supports the objectives that were set out by A K Bell in the Trust Deed. The Plan outlines the following five overarching strategic aims:

- Housing - a good place to live and grow up
- Estate - protecting and enhancing our green spaces
- Community - improving the quality of community life through use of the Trust's assets
- Grant-giving - to be a responsive and engaged funder
- People, Resources and Organisational Development - to deliver the best possible outcomes for the Trust

A summary of the Trust's Activities, Achievements and Performance of the Trust under each of the strategic aims is outlined in the following section.

### **Activities, Achievements and Performance**

During the past 12 months, the Trust has achieved the key development areas that we set ourselves in the last Trustees Report. The Trust:

- carried out a review of the Strategic Plan to ensure that staffing levels match our ambition as a Trust
- finalised the design of the Housing Expansion, appointed the contractor and started building 48 houses
- began a review of the impact of our grant-making strategy for 2015 to 2018 in preparation for the development of a new funding strategy for 2019 to 2022
- started the development of a five to ten year plan of improvements for the Gannochy Estate, particularly developments to the path network and riparian planting
- continued to explore the potential of partnerships and collaboration to address a common goal
- explored new opportunities and projects to maximise the use of the Trust's assets for the benefit of the people of Perth
- set up a Governance Sub Group to review the legal structure of the Trust.

# **The Gannochy Trust**

## **Trustees' Report for the year ended 30 June 2018**

### **Our Housing – a good place to live and grow up**

The Trust's aim is to provide affordable, high quality, energy efficient housing of character, vision and design in an attractive physical environment; improving existing housing where appropriate and developing exemplar new housing that is sympathetic to AK Bell's original vision.

One of A K Bell's first projects was the building of the Gannochy Housing Estate between 1923 and 1931, a project described by the then Chancellor of the Exchequer, Neville Chamberlain, as 'unique in character and certainly the best I have seen'.

The Gannochy housing estate of 149 sandstone 'family' bungalows were at the 'cutting edge' of urban layout and design: influenced by the 'Garden Cities' movement, with good quality housing and plenty of open space. Subsequent phases of three sheltered housing developments of 63 homes and a terrace of 6 single person houses meant that the Trust could meet the specific needs of tenants as their circumstances changed.

Over the next three years, in addition to maintaining and developing the existing housing estate to a high standard, the Trust will complete the construction of 48 new affordable homes. These houses have been designed to provide flexible, healthy and inspiring 'homes for life' within a caring and inclusive lifetime neighbourhood. The individual house designs have been developed to deliver 21st century houses which respect the values, ethos and vision of our founder's original estate.

### **Our achievements during the period have included:**

- Securing planning permission for the new housing expansion of 48 new affordable homes.
- Appointing Campion Homes to construct the project and commencing work on site.
- Continuing a major refurbishment programme on our existing housing including 5 full refurbishments and energy efficiency upgrades to bring our properties up to Energy Performance Rating D.

### **Our Estate – protecting and enhancing our green spaces**

The Trust aims to grow, develop and create safe, attractive green spaces for play, learning, creativity and active travel while improving wildlife habitats and increasing biodiversity.

A K Bell recognised that well designed buildings and spaces positively impact on quality of life and that green spaces and parks as a community resource for exercise, socialising, community events and education, contribute to what makes an area a good place to live and bring up children.

### **Our achievements during the period have included:**

- The management and maintenance of a diverse estate as amenity space for the people of Perth in line with the primary purpose set out in the Trust Deed. The estate consists of:
  - o 3 tenanted farms which include a network of paths and roads
  - o 2 Cricket pitches and a listed 'arts and crafts' Doo'cot Cricket Pavilion
  - o Quarrymill Woodland Park and coffee shop, and
  - o A number of green spaces and woodland areas
- As part of the asset management of the estate, a detailed survey of the network of bridges on the Annaty Burn within Quarrymill Woodland Park has been undertaken and a programme of upgrading and repairs has been put in place.

## **The Gannochy Trust**

### **Trustees' Report for the year ended 30 June 2018**

- The Growing up with Quarrymill Project, using the successful Forest Schools approach to outdoor learning, is delivered by RSPB. The project establishes Quarrymill woodland as a recognised facility for delivering inspiring and stimulating cross-curricular learning where a growing number of young people achieve the RSPB Wild Time certificates and John Muir Awards.
- Gannochy Young Placechangers was launched in June 2018, in partnership with greenspace Scotland, to deliver a programme of youth engagement and leadership to develop ideas for The Curly, a children's play area on the Gannochy estate. 24 young people have been actively involved in the discussions and a core group of seven 12 to 15 year olds are leading the project.
- The partnership between Macmillan Coffee Shop Association enables the Association to use the Trust's facilities to run a well-supported café at Quarrymill Woodland Park and to donate £40,336 (at 31 December 2017) to Cornhill Macmillan Cancer Support.

#### **Our Community – improving the quality of community life through use of the Trust's assets**

The Trust aims to increase the use of the Trust's assets of land and buildings; to actively engage communities; and develop opportunities, activities and services to improve the quality of life for the people of Perth.

#### **Our achievements during the period have included:**

- Consultations and meetings have taken place with tenants to consult on issues relating to the new housing extension and to gather feedback on estate issues.
- The growth of a range of community activities has been supported within the housing estate. These currently range from coffee mornings and exercise classes for pensioners to the now well-established monthly lunch club for sheltered housing tenants. The lunch club is delivered in partnership with Giraffe which provides work-focused opportunities for those experiencing long-term and enduring disabilities. The gardening awards, developed with Beautiful Perth, continue to celebrate the hard work and civic pride that tenants take in their environment.
- The very active cricket club - Perth Doo'cot Cricket Club - has a successful and growing youth development section and continues to receive enhanced support under Cricket Scotland's Thriving Clubs Programme.
- Perth Doo'cot and the Archery Club on the Gannochy Estate saw an estimated footfall of 5,825 for the first half of the playing season - from April to June 2018.

#### **Our Grant-giving – to be a responsive and engaged funder**

The Trust aims to be a responsive and engaged funder for smaller, community led groups that are supporting children, young people and people who are disadvantaged or vulnerable.

The current three year grant-making strategy with the key themes of Inspiring Young People across Scotland and Improving the Quality of Life within Perth and Kinross has been reviewed and the amended strategy will be phased in during early 2019.

# The Gannochy Trust

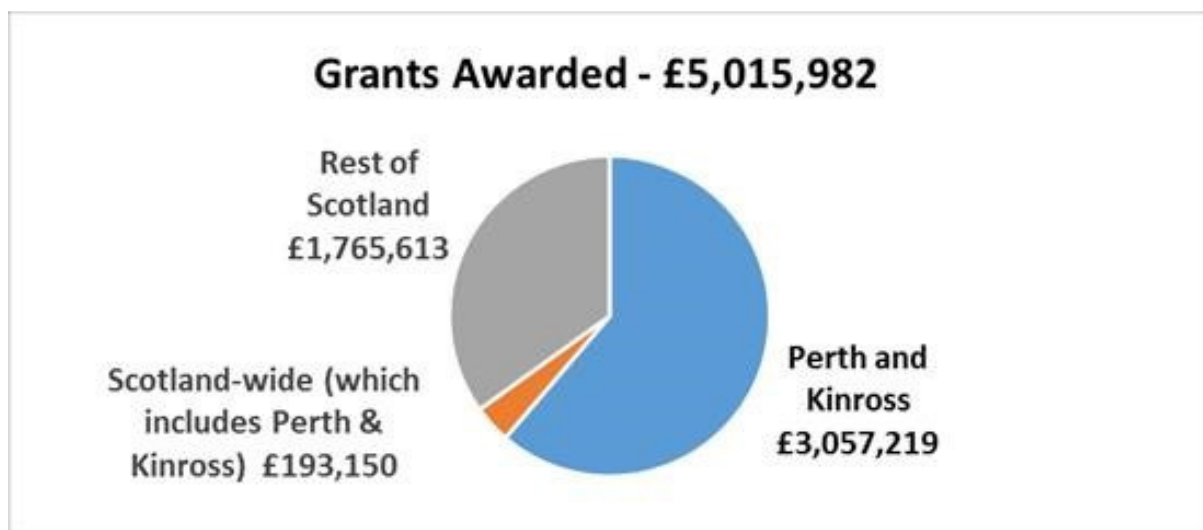
## Trustees' Report for the year ended 30 June 2018

### Our achievements during the period have included:

- The Trust commissioned an external evaluation of its grant-making in order to inform the new Funding Strategy for 2019 to 2022, which included a wide consultation with organisations in receipt of funding from the Trust. The aims of the review were to:
  - o Demonstrate impact
  - o Assess the funding programme's processes and effectiveness
  - o Identify learning and legacy
- The external evaluator concluded that the Trust's approach compared favourably with the best practices in funding and highlighted areas where the Trust could potentially be more effective.
- A youth work mapping exercise was undertaken within Perth and Kinross which has led to a joint project with Perth and Kinross Council to develop a ground breaking funding framework for universal youth work provision for a three year period.
- Releasing the final payment of £1.485m of the Trust's total grant of £3m towards the three year transformation of Perth Theatre which opened in December 2017.
- Planning and preparation for the Learning Distillery, a one day learning event in November 2018 offering training workshops, networking opportunities, keynote address by Mr John Swinney, DFM, and stakeholder engagement.

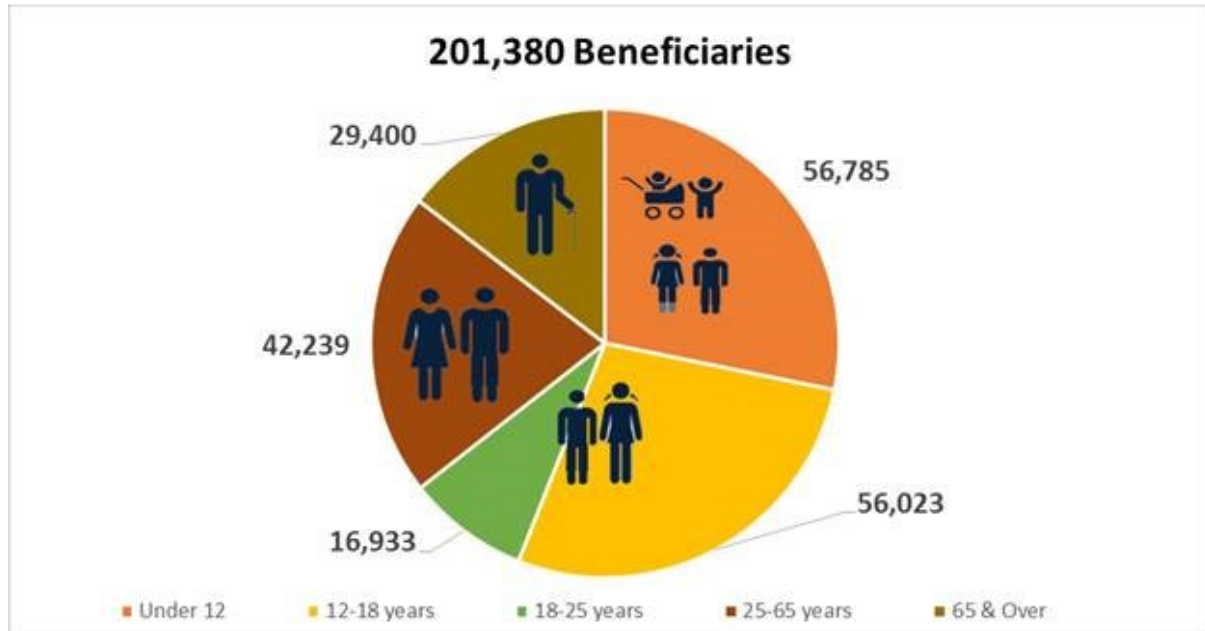
During the year the Trustees considered 184 funding applications of which 142 (77%) were successful and approved grants totalling £5,015,982. Successful applications included 34 charities applying to the Gannochy Trust for the first time and 16 which have a long standing relationship with the Trust

- £2,668,170 was awarded to 95 charities supporting a wide range of projects across Scotland which Inspire Young People.
- £1,791,286 was awarded to 37 charities Improving the Quality of Life for People in Perth and Kinross.
- £536,526 was awarded to support 9 capital projects.
- £20,000 was awarded at the discretion of the Trustees for a project within Dundee supporting vulnerable people through the provision of a Parish Nurse drop-in service.

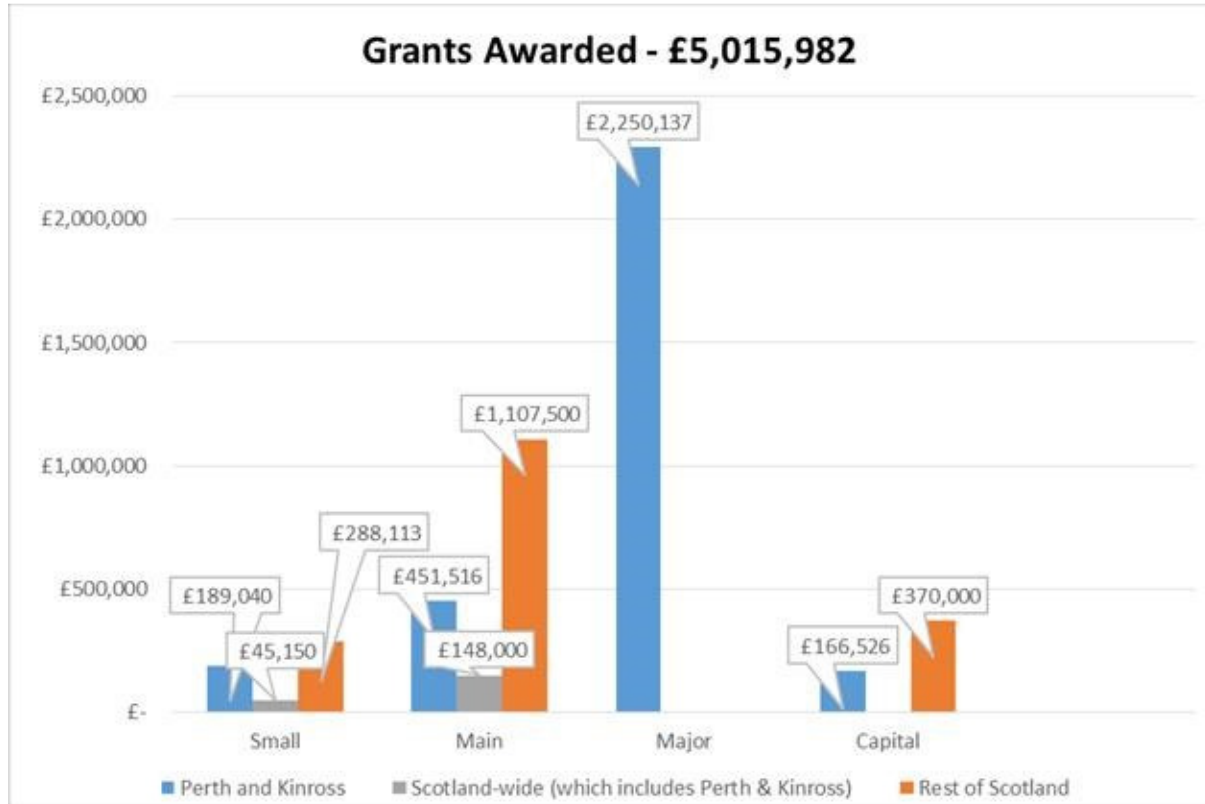


## The Gannochy Trust

### Trustees' Report for the year ended 30 June 2018



The beneficiary numbers above do not include the 450,000 anticipated visitors per annum to Culture & Sport Glasgow's Burrell Collection following their renovation programme.





# The Gannochy Trust

## Trustees' Report for the year ended 30 June 2018

Over the three year period covered by the Grant-making Strategy 2015-2018 the Trust received 554 funding applications of which 431 (78%) were successful and approved grants totalling £11,725,191.

### Our People, Resources and Organisational Development

*We strive for fairness, efficiency and effectiveness in the running of the Trust and to inspire and empower our staff and trustees, giving them the support and tools that they need to deliver the best possible outcomes for the Trust.*

### Our achievements during the period have included:

- A full complement of seven trustees has enabled the Trust to put in place a clear succession strategy for the future.
- The following sub groups were set up: Strategic Risk Management to embed risk management in the strategic planning process and to ensure that Trustees are able to maintain oversight of key risks; Grant-making Strategy Group to make recommendations to the Board regarding changes to the Funding Strategy; and, Governance Sub Group to review the Deed of Gift and Settlement (1937) and the Scheme of Alterations (1967) and make recommendations to the Board.
- The recruitment of Bidwell's as the Trust's Land Agent to provide expert advice to the Trust in an increasingly complex agricultural landscape.
- Plans were put in place to recruit a Tenancy Officer to deal with the complexities of integrating the new housing extension into the Trust's housing portfolio and to appoint a Development Manager during the next financial year to take forward the work that has been started through our secondment of a Community Development Manager from Youth Scotland.

### Plans for the year ahead

The Trust will:

- Complete 75% of the new housing expansion and put in place an implementation plan which meets a number of the Trust's objectives including minimising void time.
- Consider a planning and design exercise for the development or repurpose of one aspect of the Trust's housing stock.
- Continue to work with the Young PlaceChangers Project to develop the Curly and support them to deliver the outcomes.
- Facilitate apprenticeship/training/learning opportunities where possible with Campion Homes on the Housing Expansion and elsewhere on our estate.
- Carry out essential path maintenance as per Perth and Kinross Countryside Trust's Report and consider further strategic works if the opportunity arises.
- Launch the new Funding Strategy and develop Grants-plus and Angel's Share following the Learning Distillery.
- Develop the current strategic partnerships including the development of the joint strategic youth work project with Perth and Kinross Council.
- Develop a Communications Strategy and Plan in order to inform the Trust's Communication Role.

# The Gannochy Trust

## Trustees' Report for the year ended 30 June 2018

### Financial Review

#### Financial Performance

It should be noted in interpreting the Trust's financial results and performance that the accounting period for 2016/17 covered 13 months.

Net income/(expenditure) before gains/(losses) on investments was -£3.8m (2017: £0.3m). Total gains on investments were £4.2m (2017: £16.4m) giving a net movement in funds of £0.5m (2017: £16.7m).

Our income from charitable activities (primarily rent from housing) was £1.3m (2017: £1.4m) and our investment income was £2.5m (2017: £4.7m). Investment income has fallen, mainly following the substantial transfer of Investments last year from the Discretionary Portfolio to Diversified Growth Funds and Cash Funds. Investment Income only reflects dividends declared, while the portfolio is now managed to maximise total return over time.

Our expenditure on charitable activities was £7.3m (2017: £5.5m). Included in this were £5.2m of grants awarded and related costs (2017: £3.5m) and £1.3m of housing and related costs (2017: £1.4m). Also included in our expenditure on charitable activities was £585,186 of costs relating to the expansion of the Trust's housing estate where construction started during the year. A full valuation of the housing estate will be carried out next year, but it is envisaged that the valuation, based on future potential rents, will be significantly below cost. The Trustees view this shortfall as a charitable activity cost based on the exemplar nature of the development. A proportion (40%) of the costs incurred £234,075 has been capitalised this year and included in tangible assets with the remainder (£351,111 and £24,576 related costs) included in revenue expenditure.

Total funds at the year-end stood at £186.5m (2017: £186.0m). Details of these funds are set out in Note 18 to the accounts. 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.

Of the total funds of the Trust at 30 June 2018, £166,397,884 are expendable endowment funds, of which £5,250,526 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 £1,123,607 at 30 June 2018. The Trust's unrestricted funds were £18,948,738 at 30 June 2018. These are represented by £12,402,686 of tangible fixed assets, £8,108,233 of investments, £2,983,924 of cash and debtors, offset by liabilities of £4,546,105. Of the total unrestricted funds, £7,594,552 was designated for expenditure on the Estate extension in line with the development of 48 new affordable homes as set out in more detail earlier in this report.

Unrestricted general funds available for the general use of the Trust in line with its objectives are primarily represented by the Trust's fixed assets, but are supplemented by income from the Trust's expendable endowment funds as and when required.

#### Policy on reserves

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 Gannochy Trust**

## **Trustees' Report for the year ended 30 June 2018**

The Trust manages the investment portfolio with significant cash of approximately £20 million held by Royal London Asset Management to ensure it can continue its charitable activities and meet foreseeable medium-term commitments over the next 4 or 5 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 that it could be better invested.

### **Financial Management**

Work to control expenditure throughout the Trust has continued, through the prudent phasing of work, tight budgetary controls, and efficiencies being achieved through tendering and the management of contractors. In particular, day to day and planned maintenance expenditure have been closely analysed and monitored to ensure the efficient use of resources, while maintaining the required levels of service to our tenants. This work is ongoing with the aim being that expenditure on the Trust's housing for maintenance, refurbishment and renovation is contained within the income derived from rents, ensuring that the Trust can maximise the amount that can be allocated to grant-making activity.

### **Major risks and management of those risks**

The principal risks faced by the Trust lie in the construction of the new housing estate expansion and the operational risks arising from the diverse activities of the Trust, including the estate.

A Programme Board for the Housing Estate Expansion Project, with a membership of Trustees, Senior Staff and external advisers, was put in place to oversee the implementation of the entire project, monitor costs, progress and quality, monitor key strategic risks and sign-off key design stages.

A programme of upgrading fire detection systems has been implemented and regular reviews of legislative compliance policies and procedures have been carried out. The Trust engages external support where appropriate to supplement in-house staff and where necessary to carry out independent audits of procedures and contractors, including external gas and electrical safety inspections and an audit of internal financial controls.

The Trust continues to engage Law at Work to provide Health and Safety and Human Resources advice and support to ensure that risks within these areas are appropriately managed. A detailed review of Health and Safety processes and procedures has recently been undertaken, and an action plan produced which is being progressed on a prioritised basis. The Trust's external Health and Safety Adviser indicated that the Trust had scored 80% against the Action Plan in 2016 and 95% in 2017 which was significant progress and indicated a strong health and safety culture within the staff team. The Policy Organisations and Arrangements for Health and Safety were also put in place. An audit will be held annually and reported to the Board by the Trust's external Health and Safety Adviser.

No investment is without risk. The way investment risk is managed is set out in the Investment Review below.

During the year, the Trust reviewed its Risk Management Policy and Framework to assess the trade-off between risk and opportunity. A revised risk register with mitigating actions was reviewed and approved by the Board and will be reviewed at least twice a year.

# The Gannochy Trust

## Trustees' Report for the year ended 30 June 2018

### Investment Review

#### 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 maintain in real terms the underlying value of the portfolio. The portfolio is managed with a total return objective.

#### 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 - Jagger and Associates - 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 Manager by providing independent valuations of portfolio assets
- receives quarterly performance reports which are reviewed at Board meetings and holds a minimum of twice yearly face to face meetings with the Investment Manager with independent reports from the Investment Adviser

#### Asset Allocation

The Trust's Strategic Asset Allocation is shown in table 1. The portfolio is divided into 4 distinct segments, with differing risk and return profiles, excluding restricted funds which are invested for income and capital growth.

**Table 1 Portfolio Value**

<b>Asset</b>	<b>Value (£m) 30 June 2018</b>	<b>Value (£m) 30 June 2017</b>	<b>Change (%)</b>
<b>Cash</b>	20.2	24.1	-16.18%
<b>Capital Reserve</b>	3.6	3.6	0.00%
<b>Execution Only</b>	57.4	56.9	0.88%
<b>Growth Portfolio</b>	88.0	84.2	4.52%
<b>Sub Total</b>	169.2	168.8	0.24%
<b>Farquharson Restricted Fund</b>	1.2	1.1	9.09%
<b>Total</b>	170.4	169.9	0.29%

Note 1 during the year £4million was withdrawn from the cash portfolio

Note 2 during the year £2million was withdrawn from the growth portfolio

# The Gannochy Trust

## Trustees' Report for the year ended 30 June 2018

### **Cash:**

The Trustees currently intend to maintain a cash balance of approximately £20 million in order to cover anticipated expenditure over the subsequent 4 or 5 years regardless of asset market conditions. This is currently held with Royal London Asset Management in three funds. During the year £4m was withdrawn from the cash portfolio.

### **Capital Reserve Fund:**

This fund will be spent by the end of the 2018-19 financial year and was raised in order to underwrite part of the housing estate expansion. The fund is held in three low risk funds.

### **Execution Only Portfolio:**

This portfolio is invested in pooled funds managed by three different investment managers. All the funds are diversified growth funds, characterised by low volatility targets.

**Table 2: Execution Only Fund Performance**

<b>Asset</b>	<b>Target Return</b>	<b>Actual return</b>	<b>Difference</b>
Baillie Gifford Multi-asset Growth Fund	4.00%	2.40%	-1.60%
Ruffer Absolute Return Fund	0.50%	1.20%	0.70%
Newton Real Return	4.40%	-0.20%	-4.60%

### **Growth Portfolio:**

Brewin Dolphin manages this part of the portfolio with a target of returning inflation as measured by CPI (consumer price index) plus 3.5%. During the year £2m was withdrawn from the growth portfolio. Before withdrawals the portfolio returned 6.8%.

### **Investment Performance**

The Trust's investment portfolio, excluding the restricted Farquharson Fund, is positioned cautiously with 48% of assets in cash or low risk funds. The value of the portfolio at the end of June 2018 is shown in table 1 with the prior year value and percentage change. After withdrawals the Trust's portfolio, excluding restricted funds, stood at £169.2m a gain of 0.22% on the prior year. However, the Trust withdrew £6m during the year and by adding that sum back the portfolio returned 3.77%, slightly above inflation.

The Baillie Gifford Multi Asset Growth Fund within the execution only portfolio has a rolling five year target but over the last year has underperformed that target. The Ruffer Absolute Return Fund used to have a target return of twice the Bank of England Base Rate, however Ruffer now describe their performance objective as two general aims (with no specific target return) through which they seek low-volatility, cash-plus returns: (1) not to lose money in any twelve month rolling period, and (2) to achieve a consistent return (after fees) significantly greater than the BoE Base Rate. The Newton Real Return Fund has produced the most disappointing performance. It aims to outperform 1 month LIBOR by 4% over rolling 3-5 year periods.

# **The Gannochy Trust**

## **Trustees' Report for the year ended 30 June 2018**

While the overall performance of the execution only portfolio is below expectation its role in the Trust's overall asset allocation is to function as a more defensive complement to the growth portfolio, which has a significant allocation to equities, thereby reducing overall volatility. This is the first full year that the execution only portfolio has been structured in this way and one year is too short a period to properly evaluate its performance.

As the entire portfolio is managed on a total return basis the Trustees need to raise funds on a quarterly basis. The Trustees therefore review the performance of the portfolio to decide from which sub-portfolio to make withdrawals.

### **Responsible Investment**

The Trust regularly discusses socially responsible investment (SRI) issues with its Investment Adviser, Jagger and Associates, and its Investment Manager, Brewin Dolphin. A significant proportion of the Trust's assets are invested in pooled funds, which do not have explicit SRI overlays. Brewin Dolphin also manage direct investments into UK companies and are a signatory to the UK Stewardship Code, which means that their analysis of companies includes an assessment of corporate environmental, social and governance performance. With regard to voting with 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.

### **Structure, Governance and Management**

#### **Governing Document**

The Trust is an unincorporated trust, constituted under a Trust Deed dated September 1937 and is a registered Scottish charity. A K Bell's lifetime work combined concern for others with far-reaching vision and purpose. This is reflected clearly in the Gannochy Trust Deed which guides the Trust's investment in the organisations, clubs, groups and communities that it supports. Following preliminary specialist legal advice, the Trust set up a Governance Sub Group during 2018. Over the next year, the Sub Group will continue to review the Trust's legal structure to provide clarity for the future and to reflect best practice. The Trust's legal structure was considered adequate for the present, however, the Trust will continue to review the position annually.

#### **Governance and Management**

Seven Trustees, from a variety of backgrounds and experience, form the Trustee Board which is responsible for the overall governance and strategic direction of the Trust, developing the organisation's goals in accordance with the Trust Deed. The Trustees who served during the financial period which ended on 30 June 2018 are listed on Page 1 of the Annual Accounts.

Specialist legal and financial support and advice is made available to trustees when required. A Schedule of Delegated Authority to the Chief Executive is clearly defined.

The Trustee Board met 10 times during the period for the purpose of the strategic management of the Trust, its assets and funding requests from charities. A number of short and long-term sub groups were set up including: Strategic Risk Management; Governance; Audit and Accounts, Funding Strategy and Strategic Partnerships.

There were two related party transactions during the year, and further details can be found in Note 22 of the financial statements.

# **The Gannochy Trust**

## **Trustees' Report for the year ended 30 June 2018**

### **Recruitment and appointment of Trustees**

For Trustees appointed since 2016, the normal length of service is a 4 year term with an option to serve a further 4 year term, which can be extended by mutual agreement.

In December 2017 Dr John Markland retired as a Trustee after eight years of service, latterly as the Vice Chair of the Trust. John made a very considerable contribution to the work of the Trust including supporting the development of the Trust's financial management, implementing a clear investment strategy and ensuring that the Trust had independent external investment advice. He also oversaw a robust process which resulted in the appointment of a new Investment Manager.

We were very pleased to welcome Mr Roland Bean onto the Board who brings a breadth of expertise and interests. His appointment maintains the maximum complement of 7 trustees and supports the succession strategy of the Trust.

### **Key Management Personnel**

The day to day management of the Trust, including the estate, grant administration, personnel management and staff development, is the responsibility of Ms Carol Downie, Chief Executive, who is assisted by Mr Andy Duncan, Estates Manager, Mrs Fiona Russell, Grants Manager and Mr Steven Greig, Community Development Manager, and the rest of the Trust's small staff team.

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.

### **Induction and training of Trustees**

Following initial induction training and receipt of a detailed Trustee Pack, new Trustees undertake a programme of induction. The Trust continues to keep abreast of current issues and priorities by inviting charities to make presentations to the Board as part of our listening and learning programme. Trustees also meet with the Trust's advisers on a regular basis. Opportunities are given to Trustees to attend external training events on charity governance and on other specific areas such as charity finance.

As part of the Trust's board development programme, Trustees held an Away Day with members of the Senior Staff Team. The purpose of the day was to review the long-term vision for grant-making, encourage fresh thinking, promote positive relationships and review the effectiveness and efficiency of the Trust.

Individual Trustee appraisals are conducted by the Chair on an annual basis. These appraisals give an opportunity for confidential discussion on the performance of the Board, the Chair and of each Trustee.

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

Trustees understand their individual and collective responsibilities. Trustees 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.

# **The Gannochy Trust**

## **Trustees' Report for the year ended 30 June 2018**

### **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) and applicable law and regulations.

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 business.

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 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.

### **In conclusion**

It finally falls to me to express, on behalf of the Trustees, our gratitude to the staff team for all their hard work over the past year which has enabled the Trust to continue its work and to develop a number of areas.

I also want to thank my fellow trustees for the many ways they have contributed selflessly to the work of the Trust and for their support of the Chair.

Approved by the trustees on 13 December 2018 and signed on their behalf by

**Dr James Kynaston (Chair on behalf of the Trustees)**



# **The Gannochy Trust**

## **Independent Auditor's Report to the Members of The Gannochy Trust**

### **Opinion on financial statements**

We have audited the financial statements of The Gannochy Trust for the year ended 30 June 2018, 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 Trust's affairs as at 30 June 2018 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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the 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 Members 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**

We have nothing to report in respect of the following matters where the Charities 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 14 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 Trust'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 Trust 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 auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you 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 Members of The Gannochy Trust**

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the Trust'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 Trust'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 Trust and the Trust's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

CHIENE + TAIT LLP  
Chartered Accountants and Statutory Auditor  
61 Dublin Street  
Edinburgh  
EH3 6NL

..... 2018

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 2018

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 12 months to 30 June 2018 £	Total 13 months to 30 June 2017 £
<b>Income and Endowments from:</b>						
Charitable activities	3	1,294,756	-	-	1,294,756	1,369,216
Investment income	4	2,427,649	35,988	-	2,463,637	4,700,364
Other income		461	-	-	461	835
<b>Total Income</b>		<u>3,722,866</u>	<u>35,988</u>	<u>-</u>	<u>3,758,854</u>	<u>6,070,415</u>
<b>Expenditure on:</b>						
Raising funds	5	(8,905)	(2,672)	(208,711)	(220,288)	(275,261)
Charitable activities	6, 7	<u>(7,135,675)</u>	<u>(35,988)</u>	<u>(99,838)</u>	<u>(7,271,501)</u>	<u>(5,472,856)</u>
<b>Total Expenditure</b>		<u>(7,144,580)</u>	<u>(38,660)</u>	<u>(308,549)</u>	<u>(7,491,789)</u>	<u>(5,748,117)</u>
Net (expenditure)/income before gains/(losses) on investments		<u>(3,421,714)</u>	<u>(2,672)</u>	<u>(308,549)</u>	<u>(3,732,935)</u>	<u>322,298</u>
Realised gains/(losses) on investment assets		9,113	(182)	120,330	129,261	4,170,672
Unrealised (losses)/gains on investment assets	14	<u>(58,184)</u>	<u>23,175</u>	<u>4,097,789</u>	<u>4,062,780</u>	<u>12,243,378</u>
<b>Total (losses)/gains on investment assets</b>		<u>(49,071)</u>	<u>22,993</u>	<u>4,218,119</u>	<u>4,192,041</u>	<u>16,414,050</u>
Net (expenditure)/income Gross transfers between funds	19	(3,470,785)	20,321	3,909,570	459,106	16,736,348
		<u>2,000,000</u>	<u>-</u>	<u>(2,000,000)</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		<u>(1,470,785)</u>	<u>20,321</u>	<u>1,909,570</u>	<u>459,106</u>	<u>16,736,348</u>
<b>Reconciliation of funds</b>						
Total funds brought forward	19	<u>20,419,523</u>	<u>1,103,286</u>	<u>164,488,314</u>	<u>186,011,123</u>	<u>169,274,775</u>
Total funds carried forward	19	<u>18,948,738</u>	<u>1,123,607</u>	<u>166,397,884</u>	<u>186,470,229</u>	<u>186,011,123</u>

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

The funds breakdown for 2017 and 2018 are shown in note 19.

The notes on pages 22 to 45 form part of these financial statements.

**The Gannochy Trust**  
**(Registration number: SC003133)**  
**Balance Sheet as at 30 June 2018**

	<b>Note</b>	<b>30 June 2018 £</b>	<b>30 June 2017 £</b>
<b>Fixed assets</b>			
Tangible assets	13	17,653,212	17,688,944
Investments	14	<u>170,379,198</u>	<u>169,990,083</u>
		<u>188,032,410</u>	<u>187,679,027</u>
<b>Current assets</b>			
Debtors	15	668,592	679,659
Cash at bank and in hand	21	<u>2,315,332</u>	<u>2,045,767</u>
		2,983,924	2,725,426
<b>Creditors: Amounts falling due within one year</b>	16	<u>(2,943,894)</u>	<u>(3,465,563)</u>
<b>Net current assets/(liabilities)</b>		<u>40,030</u>	<u>(740,137)</u>
<b>Total assets less current liabilities</b>		188,072,440	186,938,890
<b>Creditors: Amounts falling due after more than one year</b>	17	<u>(1,602,211)</u>	<u>(927,767)</u>
<b>Net assets</b>		<u>186,470,229</u>	<u>186,011,123</u>
<b>Funds of the Trust:</b>			
<b>Endowment funds</b>			
Capital fund		161,813,646	159,804,238
Revaluation reserve		<u>4,584,238</u>	<u>4,684,076</u>
<b>Total endowment funds</b>	19	<u>166,397,884</u>	<u>164,488,314</u>
<b>Restricted funds</b>	19	<u>1,123,607</u>	<u>1,103,286</u>
<b>Unrestricted income funds</b>			
General funds	19	11,354,186	11,281,995
Designated funds - other	19	<u>7,594,552</u>	<u>9,137,528</u>
<b>Total unrestricted funds</b>	19	<u>18,948,738</u>	<u>20,419,523</u>
<b>Total funds</b>		<u>186,470,229</u>	<u>186,011,123</u>

## **The Gannochy Trust**

**(Registration number: SC003133)**

**Balance Sheet as at 30 June 2018**

The financial statements on pages 18 to 45 were approved by the Trustees, and authorised for issue on 13 December 2018 and signed on their behalf by:

.....  
Mr. James H.F. Kynaston (Chairman)  
Trustee

.....  
Mr. David M. Gray (Vice Chairman)  
Trustee

The notes on pages 22 to 45 form part of these financial statements.

## The Gannochy Trust

### Statement of Cash Flows for the Year Ended 30 June 2018

	Note	12 months to 30 June 2018 £	13 months to 30 June 2017 £
<b>Cash flows from operating activities</b>			
Net income		459,106	16,736,348
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation	13	458,753	491,223
Gain on disposal of fixed assets held for the charity's own use		(3,470)	(2,880)
Income from listed investments	4	(2,450,211)	(4,654,586)
Unrealised gain on investments	14	(4,062,780)	(12,243,378)
Cash movement in investments	14	<u>1,816,382</u>	<u>(1,240,479)</u>
		(3,782,220)	(913,752)
<b>Working capital adjustments</b>			
Decrease in debtors	15	11,067	674,776
Increase/(decrease) in creditors	16, 17	<u>152,775</u>	<u>(1,221,660)</u>
<b>Net cash flows from operating activities</b>		<u>(3,618,378)</u>	<u>(1,460,636)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets	13	(423,021)	(130,984)
Sale of tangible fixed assets		3,470	2,880
Purchase of investments	14	(12,645,336)	(91,766,122)
Sale of investments	14	14,502,619	83,014,870
Income from listed investments	4	<u>2,450,211</u>	<u>4,654,586</u>
<b>Net cash flows from investing activities</b>		<u>3,887,943</u>	<u>(4,224,770)</u>
Net increase/(decrease) in cash and cash equivalents		269,565	(5,685,406)
Cash and cash equivalents at 1 July 2017		<u>2,045,767</u>	<u>7,731,173</u>
Cash and cash equivalents at 30 June 2018		<u>2,315,332</u>	<u>2,045,767</u>

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

These notes on pages 22 to 45 form part of these financial statements.

# The Gannochy Trust

## Notes to the Financial Statements for the Year Ended 30 June 2018

### 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 2015) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

#### 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.

#### Disclosure of long period

The Gannochy Trust changed its year end in the previous period to 30 June 2017. Therefore these financial statements present a 12 month period against a 13 month comparative period.

#### 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.



# The Gannochy Trust

## Notes to the Financial Statements for the Year Ended 30 June 2018

### 2 Accounting policies (continued)

#### *Assets under construction*

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

#### **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. 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, it is 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 asset's 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 2018

### 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 2018

### 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 were revalued previously). 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 properties were valued in April 2014 on an Open Market Value basis, subject to existing tenancies. The valuation of the agricultural land and buildings was carried out by DM Hall, Chartered Surveyors, while the residential properties were valued by Hardies, Chartered Surveyors. In the opinion of the Trustees, after taking into account the condition of the properties, rental yields and movement in market value, these valuations are appropriate to be used at 30 June 2018. 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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Business and charitable property	Straight line over fifty years
Assets under construction	No depreciation charged until development work is complete
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 2018**

### **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 19.

#### **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 2018

### 3 Income from charitable activities

	<b>Unrestricted funds</b>	<b>Total 12 months to 30 June 2018 £</b>	<b>Total 13 months to 30 June 2017 £</b>
Housing	1,222,774	1,222,774	1,292,195
Charitable Buildings Other	21,680	21,680	23,835
Farms & Fields	50,302	50,302	53,186
	<u>1,294,756</u>	<u>1,294,756</u>	<u>1,369,216</u>

Housing includes affordable rents, sheltered housing and other properties. All income from charitable activities was unrestricted in 2017.

## The Gannochy Trust

### Notes to the Financial Statements for the Year Ended 30 June 2018

#### 4 Investment income

	Unrestricted funds		Endowment funds	Total 12 months to 30 June 2018 £	Total 13 months to 30 June 2017 £
	General £	Restricted funds £	Expendable £		
Dividends receivable from listed investments	2,414,223	35,988	-	2,450,211	4,654,586
Interest received	<u>13,426</u>	<u>-</u>	<u>-</u>	<u>13,426</u>	<u>45,778</u>
	<u>2,427,649</u>	<u>35,988</u>	<u>-</u>	<u>2,463,637</u>	<u>4,700,364</u>

Of the total investment income for the period to 30 June 2017, £4,657,706 was Unrestricted, £42,658 Restricted and £nil related to Expendable Endowment funds.

#### 5 Expenditure on raising funds

##### Investment management costs

	Unrestricted funds		Endowment funds	Total 12 months to 30 June 2018 £	Total 13 months to 30 June 2017 £
	General £	Restricted funds £	Expendable £		
Administration of the investments	<u>8,905</u>	<u>2,672</u>	<u>208,711</u>	<u>220,288</u>	<u>275,261</u>

Of the total investment management costs for the period to 30 June 2017, £8,747 was Unrestricted, £2,588 Restricted and £263,926 related to Expendable Endowment funds.

## The Gannochy Trust

### Notes to the Financial Statements for the Year Ended 30 June 2018

#### 6 Expenditure on charitable activities

	<b>Activity undertaken directly £</b>	<b>Grant funding of activity £</b>	<b>Activity support costs £</b>	<b>Total 12 months to 30 June 2018 £</b>	<b>Total 13 months to 30 June 2017 £</b>
Grant-Making	-	4,985,668	242,019	5,227,687	3,453,616
Housing	677,238	-	672,970	1,350,208	1,439,956
Estate Extension	351,111	-	20,007	371,118	274,318
Charitable Buildings Other	28,954	-	71,372	100,326	106,988
Gardens, Grounds & Plantation	59,007	-	44,711	103,718	72,580
Estate Buildings	3,873	-	1,263	5,136	10,640
Farms & Fields	15,186	-	98,122	113,308	114,758
	<u>1,135,369</u>	<u>4,985,668</u>	<u>1,150,464</u>	<u>7,271,501</u>	<u>5,472,856</u>

Of the total expenditure for the period to 30 June 2017, £5,322,040 was Unrestricted, £42,658 Restricted and £108,158 related to Expendable Endowment funds.

## The Gannochy Trust

### Notes to the Financial Statements for the Year Ended 30 June 2018

#### 7 Analysis of governance and support costs

##### Support costs allocated to charitable activities

	<b>Governance costs</b>	<b>Employed staff costs</b>	<b>Administration costs</b>	<b>Premises costs including depreciation</b>	<b>Total 12 months to 30 June 2018</b>	<b>Total 13 months to 30 June 2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Grant-Making	51,064	132,386	45,204	13,365	242,019	198,083
Housing Estate	35,743	226,202	35,756	375,269	672,970	725,155
Extension	-	18,087	1,920	-	20,007	14,368
Charitable Buildings Other	5,105	55,026	8,770	2,471	71,372	80,475
Gardens, Grounds & Plantation	5,105	29,660	7,475	2,471	44,711	52,133
Estate Buildings	-	1,263	-	-	1,263	1,156
Farms & Fields	5,105	24,834	6,475	61,708	98,122	102,988
	<u>102,122</u>	<u>487,458</u>	<u>105,600</u>	<u>455,284</u>	<u>1,150,464</u>	<u>1,174,358</u>

The basis of allocation is staff time and usage.

##### Governance costs

	<b>Total 12 months to 30 June 2018</b>	<b>Total 13 months to 30 June 2017</b>
	<b>£</b>	<b>£</b>
Staff costs		
Wages and salaries	44,614	44,759
Other staff costs	709	675
Audit fees		
Audit of the financial statements	8,193	5,850
Accountancy fees	6,232	6,829
Legal fees & consultants	35,037	43,571
Allocated support costs	<u>7,337</u>	<u>10,573</u>
	<u>102,122</u>	<u>112,257</u>



# The Gannochy Trust

## Notes to the Financial Statements for the Year Ended 30 June 2018

### 8 Grant-making

#### Analysis of grants awarded

	<b>Grants to organisations £</b>
<b>Analysis</b>	
Inspiring Young People (Scotland-wide including Perth & Kinross)	2,601,868
Improving the Quality of Life for People (Perth & Kinross only)	1,791,286
Capital Projects	536,526
Trustees' Discretion	20,000
Other	35,988
	<u>4,985,668</u>

The support costs associated with grant-making are £242,019 (30 June 2017 - £198,083).

## The Gannochy Trust

### Notes to the Financial Statements for the Year Ended 30 June 2018

#### 8 Grant-making (continued)

##### Grants awarded in the year of £40,000 and over

<b>Name of organisation</b>	<b>2018 £</b>
Archie Foundation	120,000
Burrell Project - Culture and Sport Glasgow	250,000
Capability Scotland	45,000
Collaborative Youth Work Project with Perth and Kinross Council	460,206
Gannochy Trust distinct funding pot for Youth Work in Perth & Kinross	100,000
Horsecross Arts Limited	199,397
Live Active Leisure	381,000
Perth and Kinross Countryside Trust	300,000
Perth and Kinross Heritage Trust	300,000
Perth Autism Support	60,000
Perth Festival of the Arts	225,000
Strathmore Community Hub	52,000
YMCA Perth & District	125,000
Other (all less than £40,000)	2,434,365
Commitments withdrawn	(65,000)
Donations returned	(1,300)
	<u>4,985,668</u>

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

The £120,000 payable to the Archie Foundation is to support their Tayside Children's Hospital Capital Appeal.

The £250,000 payable to Culture and Sport Glasgow is to support their Burrell Collection Renovation Project.

The £45,000 paid to Capability Scotland is to support the production of a vision and options appraisal for the Upper Springland site.

The £460,206 payable Collaborative Youth Work project with Perth and Kinross Council will support universal youth work across Perth and Kinross 2019-2021.

The £100,000 payable Gannochy Trust distinct funding pot will support youth work across Perth and Kinross 2018/19.

The £72,265 paid and £127,132 payable to Horsecross Arts Limited is to support their Horsecross Creative Learning Programme 2018/19-2020/21.

# The Gannochy Trust

## Notes to the Financial Statements for the Year Ended 30 June 2018

### 8 Grant-making (continued)

The £127,000 paid and £254,000 payable to Live Active Leisure is to support Sport & Active Recreation Initiatives and Cricket Development in Perth and Kinross 2018/19-2020/21.

The £50,000 paid and £250,000 payable to Perth and Kinross Countryside Trust is to support their core running costs 2018/19-2020/21.

The £50,000 paid and £250,000 payable to Perth and Kinross Heritage Trust is to support their core running costs 2018/19-2020/21.

The £60,000 paid to Perth Autism Support is to support the charity to reach greater financial stability.

The £75,000 paid and £150,000 payable to Perth Festival of the Arts is to support their 2018-2020 Festivals.

The £52,000 payable to the Strathmore Community Hub is to support the purchase and renovation of a property in Coupar Angus to provide community facilities.

The £75,000 paid and £50,000 payable to the YMCA Perth & District is to support their core running costs.

### Grants of £40,000 and over paid out, provided for in previous years

	<b>Unrestricted funds</b>
	<b>£</b>
Ochil Tower School Limited	50,000
Perth and Kinross Council - Perth Theatre Redevelopment	1,485,000
Perth and Kinross Countryside Trust	50,000
Perth and Kinross Heritage Trust	50,000
Scottish Chamber Orchestra	57,500
Scouts Scotland	70,000
Sistema Scotland	100,000
Other (all under £40,000)	1,214,693
	<hr/> <b>3,077,193</b> <hr/>

# The Gannochy Trust

## Notes to the Financial Statements for the Year Ended 30 June 2018

### 9 Net incoming/outgoing resources

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

	<b>12 months to 30 June 2018 £</b>	<b>13 months to 30 June 2017 £</b>
Audit fees	8,193	5,850
Profit on disposal of tangible fixed assets	(3,470)	(2,880)
Depreciation of fixed assets	<u>458,753</u>	<u>491,223</u>

### 10 Trustees remuneration and expenses

No Trustees, nor any persons connected with them, have received any remuneration from the charity during the year (2017: no remuneration received).

No Trustees have received any reimbursed expenses from the charity during the year (2017: no reimbursement received).

Each of the Trustees received an honorarium of £50 less tax during the year as stated within the governing Trust Deed (2017: £50 each less tax) and £433 was paid for Directors and Officers insurance cover for the Trustees (2017: £350).

### 11 Staff costs

The aggregate payroll costs were as follows:

	<b>12 months to 30 June 2018 £</b>	<b>13 months to 30 June 2017 £</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	398,647	435,408
Social security costs	35,033	36,669
Pension costs	40,025	40,022
Cost of staff seconded from other organisations	52,758	13,021
Other staff costs	<u>6,318</u>	<u>5,047</u>
	<u>532,781</u>	<u>530,167</u>

# The Gannochy Trust

## Notes to the Financial Statements for the Year Ended 30 June 2018

### 11 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:

	<b>12 months to 30 June 2018 No</b>	<b>13 months to 30 June 2017 No</b>
Estate upkeep (5 full time/1 part-time)	6	7
Management and administration (4 full time/3 part-time)	7	7
	<u>13</u>	<u>14</u>

The total employee benefits of the key management personnel of the Trust were £203,800 (2017 - £178,149).

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

	<b>12 months to 30 June 2018 No</b>	<b>13 months to 30 June 2017 No</b>
£60,001 - £70,000	1	1
£70,001 - £80,000	1	-
	<u>1</u>	<u>-</u>

### Pensions

All employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £40,025 (2017 - £40,022).

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

### 12 Taxation

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

## The Gannochy Trust

### Notes to the Financial Statements for the Year Ended 30 June 2018

#### 13 Tangible fixed assets

	Land and buildings £	Assets under construction £	Furniture and equipment £	Total £
<b>Cost or valuation</b>				
At 1 July 2017	21,822,216	-	390,550	22,212,766
Additions	162,999	234,075	25,947	423,021
Disposals	-	-	(12,384)	(12,384)
At 30 June 2018	<u>21,985,215</u>	<u>234,075</u>	<u>404,113</u>	<u>22,623,403</u>
<b>Depreciation</b>				
At 1 July 2017	4,198,088	-	325,734	4,523,822
Charge for the year	439,704	-	19,049	458,753
Eliminated on disposals	-	-	(12,384)	(12,384)
At 30 June 2018	<u>4,637,792</u>	<u>-</u>	<u>332,399</u>	<u>4,970,191</u>
<b>Net book value</b>				
At 30 June 2018	<u>17,347,423</u>	<u>234,075</u>	<u>71,714</u>	<u>17,653,212</u>
At 30 June 2017	<u>17,624,128</u>	<u>-</u>	<u>64,816</u>	<u>17,688,944</u>

Assets under construction represent development works in connection to the Estate Expansion which commenced during the year but is not yet complete.

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 land and buildings was £15,343,695 which has been subject to accumulated depreciation of £3,838,778. Additions of £740,121 have been made to these properties attracting accumulated depreciation of £46,807. The net book value of these assets at 30 June 2018 was £12,198,231. Land and buildings not subject to revaluation have a net book value of £564,954 at 30 June 2018.

The land and buildings were revalued by £4,991,910. Accumulated depreciation of £407,672 has been applied resulting in a net book value of £4,584,238 at 30 June 2018.

The land and buildings were valued in April 2014 on an Open Market Value basis, subject to the existing tenancies. The valuation of the agricultural land and buildings was carried out by D M Hall, Chartered Surveyors, while the residential properties were valued by Hardies, 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 2018.

# The Gannochy Trust

## Notes to the Financial Statements for the Year Ended 30 June 2018

### 14 Fixed asset investments

#### Other investments

	<b>Listed investments £</b>	<b>Other investments £</b>	<b>Total £</b>
<b>Cost or Valuation</b>			
At 1 July 2017	145,889,896	24,100,187	169,990,083
Additions	12,645,336	-	12,645,336
Disposals	(10,502,619)	(4,000,000)	(14,502,619)
Unrealised gain	3,959,420	103,360	4,062,780
Cash movement	<u>(1,816,382)</u>	<u>-</u>	<u>(1,816,382)</u>
At 30 June 2018	<u>150,175,651</u>	<u>20,203,547</u>	<u>170,379,198</u>
<b>Net book value</b>			
At 30 June 2018	<u>150,175,651</u>	<u>20,203,547</u>	<u>170,379,198</u>
At 30 June 2017	<u>145,889,896</u>	<u>24,100,187</u>	<u>169,990,083</u>

The historical cost of the listed investments at 30 June 2018 was £144,116,088 (2017: £143,828,214).

Included in listed investments is cash held by Brewin Dolphin totalling £476,207 (2017: £2,292,589).

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 2018

#### 14 Fixed asset investments (continued)

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

	<b>Total £</b>
Baillie Gifford Multi Asset Growth	26,899,907
BNY Mellon Fund Manager Real Return	15,454,666
Capita Financial CF Ruffer Absolute Return	15,044,897
Vanguard Funds S&P 500 ETF	11,873,070
Royal London Enhanced Cash Plus	10,120,497
Royal London Cash Plus	10,077,045
JP Morgan US Equity Income Fund	8,825,028
	98,295,110
Other (investments less than 5%)	72,084,088
	170,379,198

#### 15 Debtors

	<b>30 June 2018 £</b>	<b>30 June 2017 £</b>
Kincarrathie Trust	2,954	1,300
Loan - Hope Park Trust	80,000	90,000
Loan - William Simpson's Home	116,250	131,250
Rent Debtors	30,947	15,530
Accrued income	438,441	441,579
	668,592	679,659

Debtors includes £171,250 (2017: £196,250) receivable after more than one year.

This can be analysed as follows:

	<b>30 June 2018 £</b>	<b>30 June 2017 £</b>
Loan - Hope Park Trust	70,000	80,000
Loan - William Simpson's Home	101,250	116,250
	171,250	196,250

The above loans are made in furtherance of the Trust's charitable objectives and accordingly no interest is charged on the capital. The loans are repayable at between £10,000 and £15,000 a year and are unsecured.



## The Gannochy Trust

### Notes to the Financial Statements for the Year Ended 30 June 2018

#### 16 Creditors: amounts falling due within one year

	<b>30 June 2018</b>	<b>30 June 2017</b>
	<b>£</b>	<b>£</b>
Charitable commitments - grants payable	2,900,875	3,415,348
Accruals	43,019	50,215
	<u>2,943,894</u>	<u>3,465,563</u>

#### 17 Creditors: amounts falling due after one year

	<b>30 June 2018</b>	<b>30 June 2017</b>
	<b>£</b>	<b>£</b>
Charitable commitments - grants payable	<u>1,602,211</u>	<u>927,767</u>

#### 18 Capital commitments

Expenditure in respect of the estate housing expansion contracted for, but not incurred or provided for in the financial statements at 30 June 2018, amounted to £8,532,858.

## The Gannochy Trust

### Notes to the Financial Statements for the Year Ended 30 June 2018

#### 19 Funds

	Balance at 1 July 2017 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 30 June 2018 £
<b>Unrestricted funds</b>						
<i><b>Unrestricted general funds</b></i>						
Unrestricted income fund	11,281,995	3,722,866	(5,650,675)	2,000,000	-	11,354,186
<i><b>Unrestricted designated funds</b></i>						
Horsecross Arts Limited	1,485,000	-	(1,485,000)	-	-	-
Estate extension	7,652,528	-	(8,905)	-	(49,071)	7,594,552
	<u>9,137,528</u>	<u>-</u>	<u>(1,493,905)</u>	<u>-</u>	<u>(49,071)</u>	<u>7,594,552</u>
<b>Total unrestricted funds</b>	<u>20,419,523</u>	<u>3,722,866</u>	<u>(7,144,580)</u>	<u>2,000,000</u>	<u>(49,071)</u>	<u>18,948,738</u>
<b>Restricted funds</b>						
W.G. Farquharson Bequest	1,103,286	35,988	(38,660)	-	22,993	1,123,607
<b>Endowment funds</b>						
<i><b>Expendable endowment funds</b></i>						
Capital fund	159,804,238	-	(208,711)	(2,000,000)	4,218,119	161,813,646
Revaluation reserve	4,684,076	-	(99,838)	-	-	4,584,238
	<u>164,488,314</u>	<u>-</u>	<u>(308,549)</u>	<u>(2,000,000)</u>	<u>4,218,119</u>	<u>166,397,884</u>
<b>Total funds</b>	<u>186,011,123</u>	<u>3,758,854</u>	<u>(7,491,789)</u>	<u>-</u>	<u>4,192,041</u>	<u>186,470,229</u>

## The Gannochy Trust

### Notes to the Financial Statements for the Year Ended 30 June 2018

#### 19 Funds (continued)

	Restated balance at 1 June 2016 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 30 June 2017 £
<b>Unrestricted funds</b>						
<i>Unrestricted general funds</i>						
Unrestricted income fund	9,142,232	6,027,757	(3,837,040)	(50,954)	-	11,281,995
<i>Unrestricted designated funds</i>						
Horsecross Arts Limited	2,970,000	-	(1,485,000)	-	-	1,485,000
Estate extension	7,568,613	-	(8,747)	50,954	41,708	7,652,528
	<u>10,538,613</u>	<u>-</u>	<u>(1,493,747)</u>	<u>50,954</u>	<u>41,708</u>	<u>9,137,528</u>
<b>Total unrestricted funds</b>	<u>19,680,845</u>	<u>6,027,757</u>	<u>(5,330,787)</u>	<u>-</u>	<u>41,708</u>	<u>20,419,523</u>
<b>Restricted funds</b>						
W.G. Farquharson Bequest	972,241	42,658	(45,246)	-	133,633	1,103,286
<b>Endowment funds</b>						
<i>Expendable endowment funds</i>						
Capital fund	143,829,455	-	(263,926)	-	16,238,709	159,804,238
Revaluation reserve	4,792,234	-	(108,158)	-	-	4,684,076
	<u>148,621,689</u>	<u>-</u>	<u>(372,084)</u>	<u>-</u>	<u>16,238,709</u>	<u>164,488,314</u>
<b>Total funds</b>	<u>169,274,775</u>	<u>6,070,415</u>	<u>(5,748,117)</u>	<u>-</u>	<u>16,414,050</u>	<u>186,011,123</u>

# **The Gannochy Trust**

## **Notes to the Financial Statements for the Year Ended 30 June 2018**

### **19 Funds (continued)**

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

Designated Funds - this represents funds set aside for an estate extension to be undertaken over the next two years together with a donation to Horsecross Arts Limited for Perth Theatre redevelopment, the final instalment of which was paid out in the year. Costs incurred in relation to the estate extension have been expended from unrestricted general funds up to 30 June 2018. Estate extension costs incurred thereafter will be allocated to designated funds which are expected to be fully utilised in the year to 30 June 2019.

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. £35,988 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 funds were transferred from the Trust's discretionary portfolio held within Endowment funds to Unrestricted Funds.

## The Gannochy Trust

### Notes to the Financial Statements for the Year Ended 30 June 2018

#### 20 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Endowment funds	
			Expendable £	Total funds £
Tangible fixed assets	12,402,686	-	5,250,526	17,653,212
Fixed asset investments	8,108,233	1,123,607	161,147,358	170,379,198
Current assets	2,983,924	-	-	2,983,924
Current liabilities	(2,943,894)	-	-	(2,943,894)
Creditors over 1 year	<u>(1,602,211)</u>	<u>-</u>	<u>-</u>	<u>(1,602,211)</u>
Total net assets	<u>18,948,738</u>	<u>1,123,607</u>	<u>166,397,884</u>	<u>186,470,229</u>

#### 21 Analysis of net funds

	At 1 July 2017 £	Cash flow £	At 30 June 2018 £
Cash at bank and in hand	2,045,767	269,565	2,315,332
	<u>2,045,767</u>	<u>269,565</u>	<u>2,315,332</u>

# **The Gannochy Trust**

## **Notes to the Financial Statements for the Year Ended 30 June 2018**

### **22 Related party transactions**

The following relations exist between the Trustees who have served at any time during the year and related parties, being 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:

#### **Dr. James H.F. Kynaston**

##### **Church of Scotland – North Church, Perth (Trustee)**

There were no applications for funding received during the year.

#### **Mr. Ian W. McMillan**

##### **St. Leonard's-in-the-Fields (Session Clerk)**

There was no application for funding received during the year.

#### **Dr. John A. Markland CBE**

##### **Kincarrathie Trust (Trustee)**

See Note 19 with regard to the W.G. Farquharson Bequest.

##### **Woodland Trust (Member, Scotland Advisory Group)**

##### **The Quilters' Guild of the British Isles (Trustee)**

There were no applications for funding received during the year.

#### **Mr. Stephen J. Hay**

##### **Archie Foundation (Chair of Project Board representing NHS Tayside)**

£120,000 was awarded during the year to support their Tayside Children's Hospital Capital Appeal.

##### **NHS Tayside Health Board (Non-Executive Member, Vice-Chair)**

##### **Perth & Kinross IJB (Non-Executive Member representing NHS Tayside)**

##### **Perth & Kinross Children and Young People's Strategy Board (Non-Executive Member representing NHS Tayside)**

There were no applications for funding received during the year.

## **The Gannochy Trust**

### **Notes to the Financial Statements for the Year Ended 30 June 2018**

#### **22 Related party transactions (continued)**

##### **Mr. Bruce N. Renfrew**

**Thorntons Law LLP (Member)**

**Thorntons Trustees Limited (Director)**

**Kinnoull Primary School Parent Council (Chairman)**

There were no applications for funding received during the year.

##### **Mr. Roland A. Bean**

**Friends of St John's Kirk (Board Member)**

There was no application for funding received during the year.

##### **Ms. Carol M. Downie (Chief Executive)**

**Young Scot (Board Member)**

There was no application for funding received during the year.