

Charity No. SC014118  
Company No. SC313664

COMPANIES HOUSE  
23 DEC 2020  
EDINBURGH MAILBOX

**PENICUIK HOUSE PRESERVATION TRUST**  
**(A Company Limited by Guarantee)**

**REPORT and FINANCIAL STATEMENTS**

**For the year ended 31 March 2020**



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**PENICUIK HOUSE PRESERVATION TRUST**  
**(A Company Limited by Guarantee)**

**For the year ended 31 March 2020**

**Legal and administrative information**

<b>Trustees</b>	Dr Iain Gordon Brown Sir Robert Maxwell Clerk Charles James Payan Dawnay James Cunison Drysdale William Jason Hugh Elles James Gordon Dickson Ferguson Charles Drysdale Graham Guest Toby Prideaux Metcalfe (Chairman) William John Gray Muir
<b>Company Secretary</b>	Lindsays
<b>Registered Office</b>	Caledonian Exchange 19A Canning Street Edinburgh EH3 8HE
<b>Principal Office</b>	Ravenscraig Seafielddoor Road Roslin Midlothian EH25 9RD
<b>Independent Examiner</b>	Chiene + Tait LLP Chartered Accountants and Independent Examiner 61 Dublin Street Edinburgh EH3 6NL
<b>Bankers</b>	Clydesdale Bank 140 High Street Musselburgh EH21 7DZ
<b>Investment Managers</b>	Rathbones George House 50 George Square Glasgow G2 1EH
<b>Solicitors</b>	Lindsays Caledonian Exchange 19A Canning Street Edinburgh EH3 8HE
<b>Charity number</b>	SC014118
<b>Company number</b>	SC313664

**PENICUIK HOUSE PRESERVATION TRUST**  
(A Company Limited by Guarantee)

**TRUSTEES' REPORT**

**For the year ended 31 March 2020**

The Trustees, as directors of the company, present their annual report and financial statements of the charity for the year ended 31 March 2020.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition – October 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

**Objectives, Activities and Achievements**

The objects of the Charity as stated in the Memorandum of Association are the advancement of heritage and the advancement of education for the public benefit by:

- The maintenance, repair, conservation and preservation of the buildings known as Old Penicuik House, Penicuik, Midlothian ("Old Penicuik House") and such other property as shall be conveyed to or leased by the Charity;
- The protection and improvement of the amenities of Old Penicuik House and said other property; and;
- Facilitating and encouraging access to and the study (including the promotion of training opportunities) and appreciation of Old Penicuik House and the 19 'Eyecatchers' within the 360 acre Designed Landscape, alone or in co-operation with others.

Penicuik House is one of the finest examples of Palladian architecture in Scotland. It sits at the centre of the most important 18th Century designed landscape in the Scottish Lowlands, which together form an exceptional physical record of the Scottish Enlightenment and the artistic patronage of the Clerk family. The house and policies are located 10 miles south of Edinburgh, on the south west side of the town of Penicuik.

The stabilization of the ruin of Penicuik House completed during the summer of 2016 with the bulk of the works completed by 31 March 2016. The later work to insert window glazing bars and screens has succeeded in enhancing the external appearance of the building but suffered some damage in high winds which issue has in part been resolved with all window screens being replaced on the first floor. The replacement of the screens on the second and third floors is planned for the second half of the current financial year. Work has also commenced on a comprehensive renovation of the handrails of the Chinese Bridge which work will be completed this year. The ruin continues to be accessible to visitors on an arranged basis, with guided tours offered on a regular basis. Visitor numbers continue to grow

The stabilization of the ruin satisfied the Trustees' first major aim and objective, to create a 'Hub' and anchor for the remaining elements of the work within the Designed Landscape, a project extending over 25 years, and improving the visitor's opportunity to enjoy the walks and eye-catching features within the Policies. Over the 8 years of the conservation works extensive masonry training took place, with the numbers being recorded in previous accounting periods. This year witnessed the implementation and completion of our first annual maintenance programme for the structure.

The first project in the restoration and conservation of the built structures within the Designed Landscape was the extensive repair of the 'Roman Bridge'. The first detailed maintenance review of this structure is planned for 2021.

Knightslaw Tower has been the focus of attention over the last period. Situated adjacent to the main public entrance to the Penicuik Designed Landscape and commanding a 360-degree panorama the tower presents the opportunity to unlock the Penicuik House Designed Landscape story. Further work to remove trees from around the Tower has been successfully completed. Trustees balancing the desire to progress works to the Tower with the need to rebuild the Endowment fund decided to adopt a phased approach to this restoration project. To this end initial survey work commenced in the last quarter of the financial year. It is hoped that the Knightslaw Tower project may present some masonry training opportunities.

**PENICUIK HOUSE PRESERVATION TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**

**For the year ended 31 March 2020**

**Financial Review**

During the year, there was net expenditure, before realised and unrealised losses on investments, of £32,266 (2019: surplus £19,918) based on incoming resources of £77,744 (2019: £72,483) and resources expended of £110,010 (2019: £52,565) as detailed in the Statement of Financial Activities. Unrestricted reserves carried forward are £99,207 (2019: £131,473), endowment reserves carried forward £1,170,337 (2019: £1,357,192) and restricted reserves carried forward £Nil (2019: £Nil)

**Reserves Policy**

The Trustees aims are to expend monies made available to them by means of grants or donations towards the stabilisation and preservation of the ruin of Penicuik House and those 'Eyecatchers' within the Designed Landscape as opportunity permits. The Clerk family transferred an expendable Endowment of £2.5 million to the Charity in the period ended 31 March 2009 to ensure reserves and future maintenance after the project is complete.

**Investment Policy**

The Trustees have delegated authority to the Investment Committee to manage the investments of the Trust. The goal of the Investment Committee is to achieve the highest possible income whilst maintaining the real value of the underlying assets. To achieve this goal the Investment Committee will pursue a medium risk strategy. The Trustees are satisfied that the investments have performed adequately during the year and in line with the goal of maximising income. In a difficult climate the investments have performed above the benchmark.

**Principal Funding Sources**

The principal funding sources of the Charity during the year were grants from Scottish Natural Heritage and investment income from the endowment fund. The opening of a café within part of the Old House did not prove to be viable and alternative income generating uses are currently being considered.

The Charity has also benefited from personal donations from private individuals and charitable trusts.

**Principal Risk and Uncertainties**

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

The Trustees have identified the following as key risks to the Charity:

- Lack of external funding
- Failure of contracted workers to deliver
- Financial market volatility

Several measures are taken to manage these risks. These include professional support from architects, quantity surveyors and accountants; the use of a Finance and Funding group within the Board of Trustees, who consider all investments and funding; taking on further projects only when the funding is in place; and maintaining an endowment, which is protected so as to provide maintenance funding for those repaired and restored elements of the Designed Landscape.

**Plans for Future Periods**

The full Penicuik House project has a menu of restorative and repair projects, running over approximately 25 years. The next project is the restoration of the Knightslaw Tower. The project is expected to cost in the region of £500,000 and subject to funding the first phase is earmarked to start in 2021.

**Covid-19 impact**

In March 2020, the United Kingdom entered a public health crisis in the form of COVID-19. At the time of signing the full impact of this is unknown however the Trustees believe at this point in time, the financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding will be adequate to meet the charity's needs for the period of at least 12 months from the date of approval of these financial statements.

**PENICUIK HOUSE PRESERVATION TRUST**  
(A Company Limited by Guarantee)

**TRUSTEES' REPORT (CONTINUED)**

**For the year ended 31 March 2020**

**Structure, Governance and Management**

Penicuik House Preservation Trust was established in order to take over the previously unincorporated Penicuik House Preservation Trust.

**Governing Document**

Penicuik House Preservation Trust is a company limited by guarantee governed by its Memorandum and Articles of Association dated 19 December 2006. It is registered as a Scottish charity with OSCR. The Board is the governing body of Penicuik House Preservation Trust.

**Appointment of Trustees**

As set out in the Articles of Association, at an Annual General Meeting the Charity may by ordinary resolution appoint or reappoint as an elected Trustee any member in respect of whom a written notice of willingness has been received.

**Trustee induction and training**

All Trustees bring relevant skills to the project. Trustees are asked to provide a brief paper outlining their skills and experience prior to appointment. Training needs and the skills profile of future Trustees are assessed and met by the serving Trustees.

**Organisation**

The Board of Trustees, which must have a minimum of 4 members, governs the charity. The Board is required to meet no fewer than 3 times per year. The members of the Board are both directors of the company and trustees of the charity.

When projects are live the Trustees use an Operations Group to oversee project delivery and meetings of the group would take place at least every 3 months and comprises of 3 Trustees, the Architect and Project Manager.

The Project Manager, Stuart Beattie, is the interface between the professionals and the Trust and attends all Design Team Meetings (comprising the Architect, the QS, engineer, CDM consultant and the contractor). He is responsible for the day to day management.

**Key management personnel and Remuneration Policy**

The Trustees consider the Board of Trustees as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All Trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 9 to the financial statements.

Trustees are required to disclose all relevant interests at Trustee Meetings.

**Administrative Details**

The reference and administrative details, including the names of the Trustees who held office during the period, are set out on page 1.

**Statement of Trustees' Responsibilities**

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

**PENICUIK HOUSE PRESERVATION TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**

**For the year ended 31 March 2020**

**Statement of Trustees' Responsibilities (continued)**

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure of the charitable company for the year. In preparing the financial statements the Trustees are required to:

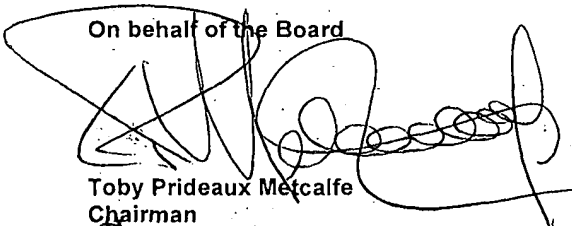
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any departures disclosed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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements, comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

On behalf of the Board

  
Toby Prideaux Metcalfe  
Chairman

12 October 2020

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF  
PENICUIK HOUSE PRESERVATION TRUST



I report on the financial statements of Penicuik House Preservation Trust for the year ended 31 March 2020 which are set out on pages 7 to 17.

This report is made to the Trustees of Penicuik House Preservation Trust, as a body, in accordance with the terms of my engagement. My work has been undertaken to enable me to prepare the financial statements on behalf of the Trustees and to report my opinion as set out below and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Trustees and members of Penicuik House Preservation Trust, as a body, for my work or for this report.

**Respective responsibilities of Trustees and independent examiner**

The charity's Trustees (who are also the Directors of the charity for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 (the Act) and the Charities Accounts (Scotland) Regulations 2006 (as amended) (the Regulations). The charity Trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Regulations does not apply. It is my responsibility to examine the financial statements as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

**Basis of independent examiner's statement**

My examination is carried out in accordance with Regulation 11 of the Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the financial statements.

**Independent examiner's statement**

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with Section 44(1)(a) of the Act and Regulation 4 of the Regulations, and
  - to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the Regulationshave not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Malcolm Beveridge CA  
CHIENE + TAIT LLP  
Chartered Accountants and Independent Examiners  
61 Dublin Street  
Edinburgh  
EH3 6NL

1 December 2020

**PENICUIK HOUSE PRESERVATION TRUST**  
(A Company Limited by Guarantee)

**STATEMENT of FINANCIAL ACTIVITIES**  
(including Income and Expenditure Account)

For the year ended 31 March 2020

	Note	Un- restricted Funds £	Restricted Funds £	En- dowment Funds £	Total 2020 £	Un- restricted Fund £	Restricted Funds £	En- dowment Funds £	Total 2019 £
<b>Income and endowments from:</b>									
Donations and legacies	3	550	—	—	550	850	—	—	850
Charitable activities	4	—	15,000	—	15,000	—	18,000	—	18,000
Investments	5	50,174	—	—	50,174	52,883	—	—	52,883
Rental income		3,000	—	—	3,000	750	—	—	750
Other income		9,020	—	—	9,020	—	—	—	—
<b>Total income</b>		<b>62,744</b>	<b>15,000</b>	<b>—</b>	<b>77,744</b>	<b>54,483</b>	<b>18,000</b>	<b>—</b>	<b>72,483</b>
<b>Expenditure on:</b>									
Raising funds	6	3,600	—	—	3,600	3,600	—	—	3,600
Charitable activities	7	91,410	15,000	—	106,410	30,965	18,000	—	48,965
<b>Total expenditure</b>		<b>95,010</b>	<b>15,000</b>	<b>—</b>	<b>110,010</b>	<b>34,565</b>	<b>18,000</b>	<b>—</b>	<b>52,565</b>
<b>Net (losses)/gains on investments</b>	11	<b>—</b>	<b>—</b>	<b>(186,855)</b>	<b>(186,855)</b>	<b>—</b>	<b>—</b>	<b>67,340</b>	<b>67,340</b>
<b>Net (expenditure)/income before transfers</b>		<b>(32,266)</b>	<b>—</b>	<b>(186,855)</b>	<b>(219,121)</b>	<b>19,918</b>	<b>—</b>	<b>67,340</b>	<b>87,258</b>
Gross transfer between funds		—	—	—	—	—	—	—	—
<b>Net movement in funds for the year</b>						<b>19,918</b>	<b>—</b>	<b>67,340</b>	<b>87,258</b>
<b>Total funds brought forward</b>	14	<b>131,473</b>	<b>—</b>	<b>1,357,192</b>	<b>1,488,665</b>	<b>111,555</b>	<b>—</b>	<b>1,289,852</b>	<b>1,401,407</b>
<b>Total funds carried forward</b>	14	<b>99,207</b>	<b>—</b>	<b>1,170,337</b>	<b>1,269,544</b>	<b>131,473</b>	<b>—</b>	<b>1,357,192</b>	<b>1,488,665</b>

The statement of financial activities above included all gains and losses in the year.  
All incoming resources and expended resources derive from continuing activities.

The notes on pages 9 to 17 form part of these financial statements.



**PENICUIK HOUSE PRESERVATION TRUST**  
(A Company Limited by Guarantee)

**BALANCE SHEET**

**As at 31 March 2020**

	Notes	£	2020 £	£	2019 £
<b>Fixed assets</b>					
Investments	11		1,179,618		1,359,728
<b>Current assets</b>					
Debtors	12	16,140		7,722	
Cash at bank and in hand		85,517		134,156	
		101,657		141,878	
<b>Creditors: amounts due within one year</b>	13	(11,731)		(12,941)	
<b>Net current assets</b>			89,926		128,937
<b>Net assets</b>			1,269,544		1,488,665
<b>Reserves</b>					
General fund	14		99,207		131,473
Endowment funds	14		1,170,337		1,357,192
Restricted funds	14		—		—
<b>Total funds</b>			1,269,544		1,488,665

**Audit Exemption Statement**

The Trustees are satisfied that the company is entitled to exemption from the requirement to have an audit of the financial statements for the year ended 31 March 2019, under the provisions of section 477 of the Companies Act 2006 (the Act), and that no notice has been deposited with the company under section 476 of the Companies Act 2006 requiring an audit to be carried out.

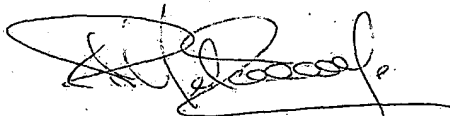
The Trustees acknowledge their responsibility for:

- ensuring the company keeps accounting records in accordance with section 386 of the Companies Act 2006; and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its surplus or deficit for that financial year in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements insofar as they are applicable to the company.

These financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved by the Trustees on 11 August 2020 and are signed on their behalf by:

**Toby Prideaux Metcalfe**  
Chairman




Charity No. SC014118, Company No. SC313664

The notes on pages 9 to 17 form part of these financial statements.

**PENICUIK HOUSE PRESERVATION TRUST**  
**(A Company Limited by Guarantee)**

**NOTES to the FINANCIAL STATEMENTS**

**For the year ended 31 March 2020**

**1. Company Information**

Penicuik House Preservation Trust is a company limited by guarantee incorporated and domiciled in Scotland with registered company number SC313664. The registered office is Caledonian Exchange, 19A Canning Street, Edinburgh, EH3 8HE. The financial statements have been presented in Pounds Sterling as this is the functional and presentational currency of the company.

**2. Accounting policies**

**Accounting convention**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (second edition – October 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Penicuik House Preservation 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 note(s).

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these financial statements.

**Going concern**

These financial statements have been prepared on a going concern basis. The Trustees have assessed the Company's ability to continue as a going concern and have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these financial statements.

**Taxation**

The company is a registered charity and no charge for taxation arises on its charitable activities.

The company is not registered for VAT and expenditure includes VAT where relevant.

**Significant judgements and estimation uncertainty**

In the application of the company'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.

**Funds structure**

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects.

The expendable endowment fund was created by a gift from the Clerk family in 2009. The income from this fund is available to meet the unrestricted aims of the charity. The terms of the endowment allow the capital of the fund to be spent if the Trustees so determine.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors. During the year there were two restricted funds which received funds to be used towards the provision of a Ranger Service. All funds were fully expended during the year.

Further details of each fund are disclosed in note 14.

**PENICUIK HOUSE PRESERVATION TRUST**  
**(A Company Limited by Guarantee)**

**NOTES to the FINANCIAL STATEMENTS (Continued)**

**For the year ended 31 March 2020**

**2. Accounting policies (Continued)**

**Income recognition**

All income is recognised once the charity has entitlement to the income, there is sufficient certainty or receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

**Donations and legacies**

Donations and legacies are recognised when confirmation has been received together with notification of both the amount and expected settlement date.

**Investment income**

Interest on funds held on deposit is included upon notification of the interest paid or payable by the Bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor.

**Grants receivable**

Grants received, including capital grants, are reflected in the Statement of Financial Activities when they are receivable. Where donors specify that grants are for particular purposes, this income is included in income within restricted funds when receivable and any unexpended portion is carried forward as a restricted fund. Where grants are specifically made for the performance of charitable activities in a period subsequent to the period end they are deferred and excluded from the Statement of Financial Activities.

**Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the Statement of Financial Activities.

**Irrecoverable VAT**

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

**Allocation of support and governance costs**

Support costs have been differentiated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to the Independent Examination.

**Costs of raising funds**

The costs of raising funds consist of investment management fees, costs of a professional fundraiser that was employed by the charity and costs associated with fundraising events.

**Charitable activities**

The expenditure on charitable activities includes governance costs and support costs as shown in note 7.

**Heritage assets**

The Charity owns the ruin of Old Penicuik House and the immediately surrounding land which are heritage assets for the purposes of the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the provisions of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'. These assets have not been capitalised in the balance sheet because the Trustees are of the opinion that no reliable estimate of the value is available.

**PENICUIK HOUSE PRESERVATION TRUST**  
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**NOTES to the FINANCIAL STATEMENTS (Continued)**

**For the year ended 31 March 2020**

**2. Accounting policies (Continued)**

**Investments**

Investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market values at the year end and the opening market value (or purchase date if later). Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

**Financial instruments**

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

**Debtors**

Debtors are recognised at the settlement amount due. Accrued income is valued at the amount due net of any discounts due.

**Cash at bank and in hand**

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

**Creditors**

Creditors are recognised where the company 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 discounts due.

**PENICUIK HOUSE PRESERVATION TRUST**  
**(A Company Limited by Guarantee)**

**NOTES to the FINANCIAL STATEMENTS (Continued)**

**For the year ended 31 March 2020**

	Un- restricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
<b>3. Donations and legacies</b>				
Other grants and donations (including Gift Aid)	550	—	550	850
	=====	=====	=====	=====
	Consolidation and Repair £	Training and Education £	Total 2020 £	Total 2019 £
<b>4. Income from Charitable Activities:</b>				
Scottish Natural Heritage	—	15,000	15,000	18,000
	=====	=====	=====	=====
<b>5. Investment income</b>			<b>2020</b>	<b>2019</b>
			£	£
Interest on cash deposits			583	514
Investment income			49,591	52,369
			=====	=====
			50,174	52,883
			=====	=====
<b>6. Costs of raising funds</b>			<b>2020</b>	<b>2019</b>
			£	£
Investment management fees			3,600	3,600
			=====	=====
	Direct Costs £	Support Costs £	Total 2020 £	Total 2019 £
<b>7. Charitable activities</b>				
Consolidation and repair costs	48,965	13,863	62,828	109
Training and education	33,967	9,616	43,582	48,856
	=====	=====	=====	=====
	82,932	23,479	106,410	48,965
	=====	=====	=====	=====
<b>8. Support and governance costs</b>			<b>Total 2020</b>	<b>Total 2019</b>
			£	£
Accountancy fees			6,180	6,000
Legal and professional fees			10,052	584
Subscriptions			142	80
Rates and insurance			3,563	4,093
Project manager			1,982	3,477
Governance costs				
Independent examination			1,560	1,560
			=====	=====
			23,479	15,794
			=====	=====

**PENICUIK HOUSE PRESERVATION TRUST**  
(A Company Limited by Guarantee)

**NOTES to the FINANCIAL STATEMENTS (Continued)**

**For the year ended 31 March 2020**

**9. Related party transactions and Trustees' remuneration**

No Trustee received any payment for expenses during the year (2020: £nil) and no Trustees were paid any remuneration during the year (2019: £nil). The Trustees are the key management personnel of the Trust.

**Related party transactions**

During the year, the Trust operated a Ranger service in conjunction with Penicuik Estate, which is owned by Sir Robert Clerk. The Trust's share of these costs, which were reimbursed to Penicuik Estate, amounted to £31,250 (2019: £27,611) in the year to 31 March 2020.

**10. Taxation**

Penicuik House Preservation Trust is a registered charity whose income is within the exemptions granted by Part II of the Corporation Tax Act 2010 and as a consequence no liability to corporation tax arises.

<b>11. Fixed asset investments</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Market value at 1 April 2019	1,350,903	1,289,852
Additions	—	221,355
Disposal proceeds	—	(227,644)
Gain/(loss) on disposal	—	9,845
Unrealised (loss)/gain on revaluation	(186,855)	57,495
	<hr/>	<hr/>
Market value at 31 March 2020	1,164,048	1,350,903
Cash & cash equivalents held by investment managers	15,570	8,825
	<hr/>	<hr/>
Total UK investments	1,179,618	1,359,728
	<hr/>	<hr/>
Historic cost at 31 March 2020	887,219	887,219
	<hr/>	<hr/>

Investments consist of UK listed securities; UK and International based collective investment companies and gilts.

Investments which comprise more than 5% of the total portfolio at the year end were as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Aberdeen Asian Income Fund	86,335	116,970
Newton Global Higher Income W Inc	202,704	220,115
City of London Investment Trust	137,198	174,501
Finsbury Growth & Income Trust	107,160	116,889
Henderson Far East Income Limited	78,678	98,982
Murray Income Trust	223,168	249,162
Sarasin Global Higher Dividend P Inc	133,665	152,570
Alliance Trust	77,040	89,640
	<hr/>	<hr/>

**PENICUIK HOUSE PRESERVATION TRUST**  
(A Company Limited by Guarantee)

**NOTES to the FINANCIAL STATEMENTS (Continued)**

**For the year ended 31 March 2020**

**11. Fixed asset investments (continued)**

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. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The main risk to the Trust from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Due to 'quantitative easing' and market sentiment favouring lower risk investments, the yield on bonds has been abnormally low giving rise to a significant downside risk of a fall in capital values when interest rates return to normal levels. Although rising interest rates resulting from a stronger economy and improved economic activity should be indicative of improving dividend yields and equity values, there is a concern that the abnormal availability of 'cheap money' to the banking sector has led to wider over-valuation of traded assets (an 'asset bubble') that may depress equity values once economic conditions ease. The default rate on fixed interest securities due to corporate failures is expected to improve with a strengthening economy. The high current demand for high quality corporate bond and government stock continues to depress the yield.

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so the ability to buy and sell quoted equities and stock is anticipated to continue. The Trust's investments are traded in markets with good liquidity and high trading volumes. The Trust has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Trust manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges.

<b>12. Debtors</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Accrued income	7,969	6,369
Other debtors	7,344	-
Prepayments	827	1,353
	<u>16,140</u>	<u>7,722</u>
	<u>=====</u>	<u>=====</u>

<b>13. Creditors: amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade creditors	-	720
Accruals	11,731	12,221
	<u>11,731</u>	<u>12,941</u>
	<u>=====</u>	<u>=====</u>

PENICUIK HOUSE PRESERVATION TRUST  
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2020

14. Movement of Funds	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers £	Realised gain on investments £	Unrealised loss on investments £	Balance at 31 March 2020 £
Unrestricted income fund							
General fund	131,473	62,744	(95,010)	—	—	—	99,207
Endowment fund							
Endowment fund	1,357,192	—	—	—	—	(186,855)	1,170,337
Restricted income funds							
Scottish Natural Heritage	—	15,000	(15,000)	—	—	—	—
<b>Total</b>	<b>1,488,665</b>	<b>77,744</b>	<b>(110,010)</b>	<b>—</b>	<b>—</b>	<b>(186,855)</b>	<b>1,269,544</b>
	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers £	Realised gain on investments £	Unrealised gain on investments £	Balance at 31 March 2019 £
Unrestricted income fund							
General fund	111,555	54,483	(34,565)	—	—	—	131,473
Endowment fund							
Endowment fund	1,289,852	—	—	—	9,845	57,495	1,357,192
Restricted income funds							
Scottish Natural Heritage	—	18,000	(18,000)	—	—	—	—
<b>Total</b>	<b>1,401,407</b>	<b>72,483</b>	<b>(52,565)</b>	<b>—</b>	<b>9,845</b>	<b>57,495</b>	<b>1,488,665</b>



**PENICUIK HOUSE PRESERVATION TRUST**  
(A Company Limited by Guarantee)

**NOTES to the FINANCIAL STATEMENTS (Continued)**

**For the year ended 31 March 2020**

**14. Movement of Funds (continued)**

**Unrestricted Fund**

The General Fund continues to be kept in surplus by transfers from the endowment fund when required.

**Endowment Fund**

The Clerk family have established an endowment for the Trust, the income and capital from which is being used to help fund the activities of the Trust.

**Restricted Funds**

The use of restricted funds is limited to the purposes for which the projects were established and for which funding was made available. Details of the nature of each restricted fund are noted below:

**Scottish Natural Heritage Fund**

Funding towards the provision of a Ranger Service.

	Fixed Assets £	Net Current Assets £	Total £
<b>15. Analysis of net assets between funds</b>			
<b><u>Unrestricted Fund:</u></b>			
General fund	9,281	89,926	99,207
<b><u>Endowment Fund:</u></b>			
Endowment fund	1,170,337	—	1,170,337
<b><u>Restricted Fund:</u></b>			
Restricted income funds	—	—	—
<b>Net assets at 31 March 2020</b>	<b>1,179,618</b>	<b>89,926</b>	<b>1,269,544</b>
	=====	=====	=====
	Fixed Assets £	Net Current Assets £	Total £
<b><u>Unrestricted Fund:</u></b>			
General fund	2,536	128,937	131,473
<b><u>Endowment Fund:</u></b>			
Endowment fund	1,357,192	—	1,357,192
<b><u>Restricted Fund:</u></b>			
Restricted income funds	—	—	—
<b>Net assets at 31 March 2019</b>	<b>1,359,728</b>	<b>128,937</b>	<b>1,488,665</b>
	=====	=====	=====

**16. Events after the end of the reporting period**

In March 2020, the United Kingdom entered a public health crisis in the form of COVID-19. At the time of signing the full impact of this is unknown however the Trustees believe at this point in time, the financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding will be adequate to meet the charity's needs for the period of at least 12 months from the date of approval of these financial statements.