

Charity Registration No. SC003139

Company Registration No. SC111258 (Scotland)

**PERTH AND KINROSS HERITAGE
TRUST**

**(A COMPANY LIMITED BY
GUARANTEE)**

**TRUSTEES' REPORT AND
ACCOUNTS**

FOR THE YEAR ENDED 31 MARCH 2016

Perth and Kinross Heritage Trust

Financial Statements

Year Ended 31 March 2016

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Perth and Kinross Heritage Trust

Charity Reference and Administrative Details

Year Ended 31 March 2016

Charity registration number	SC003139
Company registration number	SC111258
Trustees	Mrs S Hendry Mr M Webster Mr M Simpson Mr D Cuthbert Mr D Rice Mr G Walker
Trust manager	Mr D Strachan
Secretary	Mrs G Taylor
Registered office	Library Lodge 4 York Place Perth PH2 8EP
Auditor	Johnston Carmichael LLP 66 Tay Street Perth PH2 8RA
Bankers	The Royal Bank of Scotiand plc 12 Dunkeld Road Perth PH1 5RB

Perth and Kinross Heritage Trust

Trustees' Annual Report

Year Ended 31 March 2016

The trustees present their report and accounts for the year ended 31 March 2016.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and 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).

Trustees of the charity

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end were as follows:

Mrs S Hendry
Mr M Webster
Mr M Simpson
Mr D Cuthbert
Mr D Rice
Mr G Walker

Objectives and activities

The charity's objectives are:

- to promote, preserve, maintain and enhance for the benefit of the residents of the area of Perth and Kinross and the public at large, whatever of the historical architectural and constructional heritage may exist in that area in the form of land or buildings of particular beauty or historical, architectural or constructional interest or significance.
- to promote the practical preservation of the amenity and character of the rural and urban areas of Perth and Kinross.
- to help maintain ancient monuments or other items or areas of archaeological or industrial archaeological importance.
- to further awareness of the natural and built environment through education about and active voluntary involvement in their conservation.

Since becoming established, a central role of the Trust has been the provision of grant aid to historic buildings and projects relating to the conservation and promotion of the historic environment more widely.

Highlights of the work for the year:

The Trust made a successful application to Historic Scotland (now Historic Environment Scotland) for Scottish Government for funding to address dilapidation of historic buildings and to thereby foster economic regeneration in Perth. This Perth City Heritage Fund has funding for three years of £750,000 per annum running over financial years 2015/16 to 2017/18. The scheme is overseen by a steering group comprising a Trustee, Trust staff, and Council officers, who meet regularly. Applications for grants in excess of £25,000 are passed to the full Board of Trustees for a decision.

The Trust's Historic Building Grants scheme stopped taking applications and the funds were placed in a restricted fund for a building preservation project. This change was agreed to by Perth and Kinross Council.

Last year the Trust received a donation of £1,226 from the Friends of Perth and Kinross Heritage Trust of which £700 was successfully applied during the year as small grants to local community organisations. Our thanks go to the Friends.

Perth and Kinross Heritage Trust

Trustees' Annual Report

Year Ended 31 March 2016

The 'General Grants Policy' relates to the wider support of projects relating to the understanding, conservation and promotion of the archaeological and architectural heritage of Perth and Kinross. All our policies are available for inspection.

Achievements and performance

In addition to the provision of grant-aid, the Trust achieves its objectives through the delivery of projects and a number of these were carried out over the year. Most significant was the successful delivery of the second year of the Tay Landscape Partnership (TLP), a major 5-year programme of work supported by the Heritage Lottery Fund, the Gannochy Trust, Perth and Kinross Council, Perth and Kinross Countryside Trust, Historic Environment Scotland, The Robertson Trust, Scottish Natural Heritage and The Cross Trust, with a total value of £2.5 million. The Scheme, carried out in partnership with Perth and Kinross Countryside Trust, will deliver 28 projects around the estuary by a team of five members of staff, with the aim of bringing together local, regional and national organisations to celebrate the unique character of natural and historic environments of the upper Tay estuary.

The year also saw the completion of a further year of the Glenshee Archaeology Project, engaging with members of the community to investigate early medieval turf longhouses through archaeological excavation and survey. Other achievements include the provision of the Trust's two key annual outreach events: Perth and Kinross Archaeology Month, in June and the Doors Open Days weekend in September.

In addition to a number of minor architectural projects, the Trust has also continued to provide a planning archaeology service to Perth and Kinross Council's Environment Service.

Financial review

Results for the year ended 31 March 2016 are given in the Statement of Financial Activities on page 8. The assets and liabilities are detailed on the Balance Sheet on page 9.

The Statement of Financial Activities shows net income for the year of £300,694 (2015 - £63,652). This added to the funds brought forward of £634,224 gives a surplus to carry forward of £934,918 which includes a revaluation reserve of £17,815. The closing reserves are made up of restricted reserves of £559,399, designated reserves of £89,041 and unrestricted reserves of £286,478, including the revaluation reserve. Full details of income and expenditure are set out in notes 2 to 11 of the accounts.

The charity's expenditure in the financial year 2015/16 supports the identification, recording, protection, management and interpretation of the historic environment within the Perth and Kinross area for the benefit of the community and visitors to the area. This is undertaken through the provision of heritage advisory and consultancy services to partner organisations and the public; through the award of grants, the delivery and funding of projects, and through outreach and education activities aimed at increasing community awareness of the local historical environment. The charity's income reflects the continuing support of its founding partners; the attraction of grant funding from Historic Environment Scotland, the Heritage Lottery Fund and other funding bodies; revenue generated through consultancy work and the sale of the charity's publications and charitable donations from the public.

Reserves policy

The charity maintains the unrestricted reserve to achieve its general charitable objectives. In preparing these accounts the trustees have designated funds of £89,041. Note 19 to these accounts, provides a detailed explanation of the funds. In summary, the fund comprises £4,041 for the Historic Environment Record, £80,000 for The Tay Landscape Partnership (TLP) and £5,000 for the Glenshee Excavation Fund.

The charity has unrestricted reserves of £286,478 which includes tangible fixed assets of £72,000 and the revaluation reserve of £17,815. The free unrestricted reserves available to the charity therefore amount to £196,663 to allow the charity to continue to meet its general objectives. This figure represents the equivalent of almost 2 months of total expenditure based on the 2015/16 accounts and is deemed an appropriate level of funds to be retained to allow the charity to continue to operate in the event that grant funding was to be reduced.

Perth and Kinross Heritage Trust

Trustees' Annual Report

Year Ended 31 March 2016

The balance on the charity's restricted reserve was £559,399 at 31 March 2016. The restricted reserve is held in respect of the operation of the Historic Building Grant scheme; the Tay Landscape Partnership; Perth City Heritage Fund; Glenshee Excavation Fund; Lower City Mills Option Appraisal Fund; the Kilmadawood Excavation and the Friends of Perth and Kinross Heritage Trust.

Risk management

Trustees consider organisational risk on a quarterly basis through a risk register, which has highlighted risks regarding slippage in the delivery of Tay Landscape Partnership scheme, and the continued funding of both the Perth City Heritage Fund and the Planning Archaeology Service to Perth and Kinross Council.

The risk register outlines strategies and plans to mitigate these risks. In addition wider concerns regarding future income for the Trust will be the subject of an ongoing strategic review of the Trust by Jura Consultants.

Plans for future periods

The Tay Landscape Partnership scheme and the Perth City Heritage Fund are set to feature as major areas of work for the Trust over the next few years, with the continued delivery of smaller projects such as the Glenshee Archaeology Project, and our annual outreach events, Perth and Kinross Archaeology Month, and Perth and Kinross Doors Open Days, along with consultancy work and the provision of the planning archaeology service to Perth and Kinross Council.

Structure, governance and management

The charitable company is a company limited by guarantee and is governed by its Memorandum and Articles of Association.

The charity's Memorandum and Articles of Association require that members of the board of trustees be either admitted through the passing of a resolution by the board of trustees or be the nominees of the subscribers to the Memorandum of Association, who are the Gannochy Trust, Perth Civic Trust and Perth & Kinross Council.

On appointment, new trustees receive a welcome letter and are supplied with information about the charity, including copies of the Memorandum and Articles of Association, an organisation chart, a copy of the latest annual report and the previous year's audited accounts.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The trustees administer the charity. The trustees meet quarterly and have delegated the running of the day to day activities of the charity to the charity's manager, Mr David Strachan.

The remuneration of key management personnel is agreed by the board of trustees following the Single Status Pay Evaluation carried out by Perth & Kinross Council in 2006.

Trustees' responsibilities

The trustees, who are also the directors of Perth and Kinross Heritage Trust for the purposes of company law, are responsible for preparing the Trustees' Annual Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;

Perth and Kinross Heritage Trust

Trustees' Annual Report

Year Ended 31 March 2016

- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company 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 accounts comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to the auditor

We, the trustees of the company who held office at the date of approval of these accounts as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditor is unaware; and
- we have taken all the steps that we ought to have taken as trustees in order to make ourselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

A resolution proposing that Johnston Carmichael LLP be reappointed as auditor of the company will be put to the members.

On behalf of the board of trustees



Mrs S Hendry
Trustee

Date 27th November 2016

Perth and Kinross Heritage Trust

Independent Auditor's Report to the Trustees and Members of Perth and Kinross Heritage Trust

Year Ended 31 March 2016

We have audited the accounts of Perth and Kinross Heritage Trust for the year ended 31 March 2016 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with 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 charitable company's members and its 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 charitable company, the charitable company's members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities, set out on page 4, the trustees, who are also the directors of Perth and Kinross Heritage Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Perth and Kinross Heritage Trust

Independent Auditor's Report to the Trustees and Members of Perth and Kinross Heritage Trust

Year Ended 31 March 2016

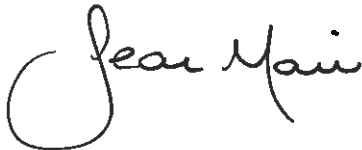
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the accounts are prepared is consistent with the accounts.

Matters on which we are required to report by exception

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

- the charitable company has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Jean Main (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP

Chartered Accountants

Statutory Auditor

66 Tay Street

PERTH

PH2 8RA

Dated: 24.11.16.....

Johnston Carmichael LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Perth and Kinross Heritage Trust

**Statement of Financial Activities
Including Income and Expenditure Account**

Year Ended 31 March 2016

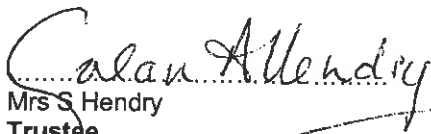
	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2016 £	As restated Total 2015 £
Income from:						
Donations and legacies	2	100,335	-	1,418,472	1,518,807	897,655
Charitable activities	3	86,970	2,203	-	89,173	87,236
Other trading activities	4	-	-	372	372	-
Investments	5	766	-	-	766	1,066
Total income		188,071	2,203	1,418,844	1,609,118	985,957
Expenditure on:						
Charitable activities	6	131,589	43,703	1,133,132	1,308,424	922,305
Total expenditure		131,589	43,703	1,133,132	1,308,424	922,305
Net income for the year/ Net movement in funds	22	56,482	(41,500)	285,712	300,694	63,652
Reconciliation of funds:						
Total funds brought forward						
As originally reported		229,996	130,541	459,153	819,690	570,572
Prior year adjustment		-	-	(185,466)	(185,466)	-
As restated		229,996	130,541	273,687	634,224	570,572
Total funds carried forward		286,478	89,041	559,399	934,918	634,224

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

Perth and Kinross Heritage Trust
Notes to the Financial Statements
Year Ended 31 March 2016

	Note	2016 £	As restated 2015 £
Fixed assets			
Tangible assets	12	72,000	73,500
		72,000	73,500
Current assets			
Debtors	13	631,197	114,385
Cash at bank and in hand		931,245	815,213
		1,562,442	929,598
Creditors: amounts falling due within one year	14	(699,524)	(305,374)
Net current assets		862,918	624,224
Total assets less current liabilities		934,918	697,724
Deferred income	16	-	(63,500)
Net assets		934,918	634,224
The funds of the charity			
Restricted funds	18	559,399	273,687
Unrestricted funds:			
Designated funds	19	89,041	130,541
General unrestricted funds		268,663	212,181
Revaluation reserve		17,815	17,815
Total charity funds	20	934,918	634,224

The financial statements were approved and authorised for issue by the Board on 24th November 2016


 Mrs S. Hendry
 Trustee

Company registration number: SC111258

Perth and Kinross Heritage Trust

Statement of Cash Flows

Year Ended 31 March 2016

	Note	2016 £	2015 £
Net cash flow from operating activities	22	218,657	139,072
Cash flow from investing activities			
Interest received		766	1,066
Net cash flow from investing activities		<u>766</u>	<u>1,066</u>
Net cash flow from financing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		219,423	140,138
Cash and cash equivalents at 1 April 2015		710,045	569,907
Cash and cash equivalents at 31 March 2016		<u>929,468</u>	<u>710,045</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		931,245	815,213
Bank overdrafts	14	(1,777)	(105,168)
Cash and cash equivalents at 31 March 2016		<u>929,468</u>	<u>710,045</u>

Perth and Kinross Heritage Trust

Notes to the Financial Statements

Year Ended 31 March 2016

1 Accounting policies

Company information

Perth and Kinross Heritage Trust is a charitable company limited by guarantee incorporated in Scotland. The registered office is Library Lodge, 4 York Place, Perth, PH2 8EP.

1.1 Accounting convention

The accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", "Accounting and Reporting by Charities the 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)), the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charity has availed itself of S396 of the Companies Act 2006, as permitted in paragraph 4(a) of Schedule 1 of SI 2008 No 409, and adapted the Companies Act formats to reflect the special nature of the charity's activities.

Perth and Kinross Heritage Trust meets the definition of a public benefit entity under FRS 102.

These accounts for the year ended 31 March 2016 are the first accounts of Perth and Kinross Heritage Trust prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The accounts are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

At the time of approving the accounts, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees' continue to adopt the going concern basis of accounting in preparing the accounts.

The accounts have been prepared on the historical cost convention, modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

1.2 Funds

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Unrestricted funds are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

1.3 Income recognition

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income represents invoices issued, grants and other monies received in the course of the charity's ordinary activities during the year.

Perth and Kinross Heritage Trust

Notes to the Financial Statements

Year Ended 31 March 2016

1 Accounting policies continued

1.3 Income recognition continued

For donations and grants to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity and is recognised when the charity is entitled to the income.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Deferred income represents grants received in the current financial year for future periods that have conditions against recognising the income in the year of receipt. This is released to income in the period when the conditions are met.

1.4 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Charitable expenditure is incurred in direct pursuance of the charity's principal objects and as set out in the trustees' report. Direct charitable costs comprise costs incurred in inducing organisations to contribute financially to the charity's work and income received in pursuance of these areas is shown within income.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity.

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

The charity has elected to measure the freehold property at fair value at the date of transition and have taken the revalued amount as deemed cost.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land is not depreciated

Freehold buildings 50 years

Perth and Kinross Heritage Trust

Notes to the Financial Statements

Year Ended 31 March 2016

1 Accounting policies continued

1.6 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Basic financial liabilities

Basic financial liabilities, including trade and other payables and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with bank, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within bank borrowings in current liabilities.

1.8 Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

1.9 Tax

The company is recognised as a charity by HM Revenue and Customs under section 505 Taxes Act 1988 therefore no provision is made for taxation.

Perth and Kinross Heritage Trust

Notes to the Financial Statements

Year Ended 31 March 2016

1 Accounting policies continued

1.11 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future.

The trustees consider that there are no estimates and underlying assumptions which has significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

2 Income from donations and legacies

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Donations and grants	100,335	-	1,418,472	1,518,807	897,655
For the year ended 31 March 2015	100,100	1,449	796,106	897,655	
				Total 2016 £	Total 2015 £
Donations and grants					
Unrestricted funds:					
The Gannochy Trust				100,000	100,000
Donations and grants				335	100
				100,335	100,100
Designated funds:					
Historic Scotland				-	1,449
				-	1,449
Restricted funds:					
Historic Scotland				970,500	455,521
Tay Landscape Partnership				425,112	330,504
The Gannochy Trust				13,500	5,000
Society of Antiquaries				3,000	-
Bowmont Capital Limited				3,000	-
The Architectural Heritage Fund				3,000	-
Forest Enterprise Scotland				-	1,500
Donations and grants				360	3,581
				1,418,472	796,106

Perth and Kinross Heritage Trust

Notes to the Financial Statements

Year Ended 31 March 2016

3 Income from charitable activities

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Perth & Kinross Council	83,000	-	-	83,000	83,000
Consultancy income	2,072	2,203	-	4,275	2,256
Sale of publications	1,898	-	-	1,898	1,480
Sundry income	-	-	-	-	500
	86,970	2,203	-	89,173	87,236
For the year ended 31 March 2015	85,805	1,431	-	87,236	

4 Income from other trading activities

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Fundraising income	-	-	372	372	-
For the year ended 31 March 2015	-	-	-	-	

5 Income from investments

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Interest receivable	766	-	-	766	1,066
For the year ended 31 March 2015	1,066	-	-	1,066	

6 Analysis of expenditure on charitable activities

	Grant Funding of Activities £	Support Costs £	Total 2016 £	As restated Total 2015 £
Grant and projects	736,350	169,299	905,649	674,929
Tay Landscape Partnership	235,010	167,765	402,775	247,376
	971,360	337,064	1,308,424	922,305
For the year ended 31 March 2015	615,953	306,352	922,305	

Perth and Kinross Heritage Trust

Notes to the Financial Statements

Year Ended 31 March 2016

6 Analysis of expenditure on charitable activities continued

£1,133,132 (2015 - £787,112) of the above costs were attributable to restricted funds. £43,703 (2015 - £7,390) of the above costs were attributable to designated funds. £131,589 (2015 - £127,803) of the above costs were attributable to unrestricted funds.

7 Grants payable

	Grants £	Projects £	Total 2016 £	As restated Total 2015 £
Grants and projects	712,047	24,303	736,350	526,208
Tay Landscape Partnership	235,010	-	235,010	89,745
	947,057	24,303	971,360	615,953
For the year ended 31 March 2015	566,251	49,702	615,953	

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2016 £	As restated Total 2015 £
Grants					
City Heritage Fund	-	-	629,127	629,127	450,508
Historic Building Grants	-	-	82,920	82,920	25,998
Tay Landscape Partnership	-	40,000	195,010	235,010	89,745
	-	40,000	907,057	947,057	566,251
For the year ended 31 March 2015	-	-	566,251	566,251	

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2016 £	As restated Total 2015 £
Projects					
Education and conservation	11,523	3,703	8,377	23,603	28,552
City Heritage Fund	-	-	-	-	14,102
Historic Churchyards	-	-	-	-	3,500
Coupar Angus Arch	-	-	-	-	3,548
Friends of Perth and Kinross Heritage Trust	-	-	700	700	-
	11,523	3,703	9,077	24,303	49,702
For the year ended 31 March 2015	5,269	5,390	39,043	49,702	

Perth and Kinross Heritage Trust

Notes to the Financial Statements

Year Ended 31 March 2016

8 Support costs

	Grants and Projects £	Tay Landscape Partnership £	Total 2016 £	Total 2015 £
Staff costs (note 11)	73,241	156,371	229,612	195,725
Contract labour	64,532	-	64,532	52,840
Office expenses	19,242	11,394	30,636	34,207
Consultancy expenses	-	-	-	11,710
Insurance	3,288	-	3,288	3,530
Payroll fees	837	-	837	287
Legal and professional fees	-	-	-	947
Audit fees (note 9)	6,659	-	6,659	5,606
Depreciation	1,500	-	1,500	1,500
	169,299	167,765	337,064	306,352

For the year ended 31 March 2015	148,721	157,631	306,352
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£216,998 (2015 - £183,818) of the above costs were attributable to restricted funds. £nil (2015 - £nil) of the above costs were attributable to designated funds. £120,066 (2015 - £122,534) of the above costs were attributable to unrestricted funds.

Support costs are allocated directly against the activity that they relate to.

9 Auditor's remuneration

	Total 2016 £	Total 2015 £
Fees payable to charity's auditor for:		
The audit of the charity's annual accounts	4,977	5,606
Other financial services	1,682	-
	6,659	5,606

10 Trustees' remuneration and expenses

None of the trustees (or any person connected with them) received any remuneration or reimbursement of expenditure during the year (2015 – nil).

11 Staff costs and employee benefits

The average monthly number of employees during the year was as follows:

	2016 Number	2015 Number
Administrative	10	9

Perth and Kinross Heritage Trust

Notes to the Financial Statements

Year Ended 31 March 2016

11 Staff costs and employee benefits continued

The total staff costs and employees benefits was as follows:

	Total 2016 £	Total 2015 £
Wages and salaries	197,643	173,311
Social security	19,714	15,646
Defined contribution pension costs	12,255	6,768
	<u>229,612</u>	<u>195,725</u>

No employees received remuneration of more than £60,000.

12 Tangible fixed assets

	Freehold Property £
Cost or valuation:	
At 1 April 2015 and 31 March 2016	<u>75,000</u>
Depreciation:	
At 1 April 2015	1,500
Charge for the year	<u>1,500</u>
At 31 March 2016	<u>3,000</u>
Net book value:	
At 31 March 2016	<u>72,000</u>
At 31 March 2015	<u>73,500</u>

The Heritable Property (Library Lodge, 4 York Place Perth PH2 8EP) was revalued by Graham and Sibbald, Chartered Surveyors at £75,000 on 14 March 2014. The valuation was carried out on the basis that this is a specialised building. The property had previously been revalued on a depreciated replacement cost on 22 March 2001 by Malcolm Hill, a qualified surveyor at £75,245.

The historic cost of the property is £105,692.

13 Debtors

	Total 2016 £	Total 2015 £
Other debtors	<u>631,197</u>	<u>114,385</u>

Perth and Kinross Heritage Trust

Notes to the Financial Statements

Year Ended 31 March 2016

14 Creditors: amounts falling due within one year

	Total 2016 £	As restated Total 2015 £
Bank overdrafts	1,777	105,168
Taxes and social security costs	243	-
Grants payable	555,911	185,466
Accruals	141,593	14,740
	699,524	305,374

The bank overdraft is a book figure representing funds in the bank at the year end amounting to £1,033 net of cheques written prior to the year end totalling £2,810 which were not presented until April 2016. These cheques were fully covered by other bank deposits and at no stage did the actual bank account become overdrawn.

15 Financial instruments

	2016 £	As restated 2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,560,665	821,571
Carrying amount of financial liabilities		
Measured at amortised cost	699,281	305,374

16 Deferred income

	Total 2016 £	Total 2015 £
Total deferred income at 1 April 2015	63,500	-
Amounts received in year	-	63,500
Amounts credited to statement of financial activities	(63,500)	-
Total deferred income at 31 March 2016	-	63,500

Deferred income represents grants received in the current and previous years which are in respect of expenditure that must take place in future accounting periods.

17 Pensions and other post-retirement benefits

Defined contribution pension plans

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	Total 2016 £	Total 2015 £
Contributions payable by the company for the year	12,255	6,768

Perth and Kinross Heritage Trust

Notes to the Financial Statements

Year Ended 31 March 2016

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of grants and donations held on trust for specific purposes:

	As restated Balance at 1 April 2015	Movement in funds		Balance at 31 March 2016
	£	Income	Expenditure	£
Historic Building Grants Reserve	88,049	-	(82,920)	5,129
The Tay Landscape Partnership	182,493	425,484	(362,775)	245,202
Perth City Heritage Fund	172	967,500	(678,359)	289,313
Glenshee Excavation Fund	705	19,860	(7,796)	12,769
Stanley Mills Option Appraisal	460	3,000	-	3,460
History and Heritage Market	582	-	(582)	-
Kilmadawood Excavation	-	3,000	-	3,000
Friends of Perth and Kinross Heritage Trust	1,226	-	(700)	526
	273,687	1,418,844	(1,133,132)	559,399

The Historic Building Grants Reserve is a restricted fund in so far as the charitable company received grants from Perth & Kinross Council for the defined purpose of awarding grants for works to historic buildings.

The Tay Landscape Partnership is a restricted fund in that the charity receives grants from the Heritage Lottery Fund, and a number of other government bodies and trusts and foundations, as a lead partner in the delivery of a four year heritage project, carried forward in partnership with Perth and Kinross Countryside Trust, The Gannochy Trust and Perth and Kinross Council.

Perth City Heritage Fund is a restricted fund in that the charity receives grants from Historic Scotland for the defined purpose of awarding grants in Perth Central and Kinnoull Conservation Areas.

The Glenshee Excavation Fund is a restricted reserve in that the charity has received charitable donations and grants from a number of sources towards the Glenshee Archaeology project.

Stanley Mills Option Appraisal is a restricted reserve in that the charity has received a grant from the Architectural Heritage Fund towards an appraisal of options for the Lower City Mills.

History & Heritage Market is a restricted fund, with grants from external bodies, to raise awareness and interest in archaeology and heritage with the public.

The Kilmadawood Excavation Fund is a restricted reserve to facilitate study of a bronze age burial assemblage to improve understanding of the finds for the local community and the wider public.

The Friends of Perth and Kinross Heritage Trust fund is to be used to provide small grants to local community organisations.

Perth and Kinross Heritage Trust

Notes to the Financial Statements

Year Ended 31 March 2016

19 Designated funds

The income funds of the charity include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2015 £	Movement in funds		Balance at 31 March 2016 £
		Income £	Expenditure £	
Perth and Kinross Historic Environment Record	5,541	2,203	(3,703)	4,041
The Tay Landscape Partnership	120,000	-	(40,000)	80,000
Glenshee Excavation Fund	5,000	-	-	5,000
	<u>130,541</u>	<u>2,203</u>	<u>(43,703)</u>	<u>89,041</u>

Underpinning much of the work of the Trust is the Perth and Kinross Historic Environment Record (HER), a digital map with associated records of over 19,000 archaeological sites and historic buildings in the area. The Board of Trustees has, as in previous years, agreed to 'ring-fence' income generated through grant aid to, and commercial use of, the HER; with the resulting funds used for maintenance and ongoing development of the record. The balance of this ring-fenced budget, as at 31 March 2016 was £4,041.

The trustees have designated £80,000 as part of the Trust's contribution to The Tay Landscape Partnership.

The trustees have designated £5,000 as part of the Trust's contribution to The Glenshee Excavation Fund.

20 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Tangible fixed assets	72,000	-	-	72,000
Current assets	288,490	89,041	1,184,911	1,562,442
Creditors: amounts falling due within one year	(74,012)	-	(625,512)	(699,524)
Total	<u>286,478</u>	<u>89,041</u>	<u>559,399</u>	<u>934,918</u>

21 Related party transactions

During the year the total amount of employee benefits received by key management personnel amounted to £64,532 (2015 - £52,840) and is included within contract labour costs.

Perth and Kinross Heritage Trust

Notes to the Financial Statements

Year Ended 31 March 2016

22 Reconciliation of net income to net cash flow from operating activities

	Total 2016 £	As restated Total 2015 £
Net income for year ended 31 March 2016	300,694	63,652
Interest receivable	(766)	(1,066)
Depreciation and impairment of tangible fixed assets	1,500	1,500
Increase in debtors	(516,812)	(101,353)
Increase in creditors	497,541	112,839
(Decrease)/increase in deferred income	(63,500)	63,500
Net cash flow from operating activities	<u>218,657</u>	<u>139,072</u>

The increase in debtors in 2016 relates to the recognition of the total grant receivable from the Perth City Heritage Fund for the financial years 2015/16 to 2017/18. The total grant has been recognised in the year of the award due to the changes to the revenue recognition policy following the transition to FRS 102. The Trust is entitled to the award, it can be measured reliably and it is probable that the Trust will receive the award.

The increase in creditors in 2016 relates to the increase in grant commitments at the year end to £555,911 from £185,466 in 2015. The grant commitments have increased due to the additional funding received from the Perth City Heritage Fund.

23 Prior period adjustment

Following the transition to FRS 102, the grant commitments were reviewed and it was identified that they had been treated incorrectly in 2015. The grants that had been committed at the year end should have been included as closing creditors in the accounts at 31 March 2015 and as a result a prior year adjustment has been posted. This has resulted in a decrease in the restricted funds brought forward of £185,466.