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**THE PATRICK ALLAN-FRASER OF HOSPITALFIELD TRUST**

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**UNAUDITED**

**GOVERNORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

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THE PATRICK ALLAN-FRASER OF HOSPITALFIELD TRUST

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**THE PATRICK ALLAN-FRASER OF HOSPITALFIELD TRUST**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**Governors**

Stephen Webster (appointed 29 January 2014)  
Tracy Mackenna  
Simon Dessain, Chairman  
Camilla Gray-Muir  
Hilary Nichol  
Chris Breward (appointed 1 December 2014)  
Remco de Blaaij (appointed 24 September 2014)  
Kyla McDonald (appointed 12 February 2015)

**Charity registered number**

SC009987

**Principal office**

Hospitalfield House, West Way, Arbroath, Angus, DD11 2NH

**Chief executive officer**

Lucy Byatt, Executive Director

**Accountants**

French Duncan LLP, 133 Finnieston Street, Glasgow, G3 8HB

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## THE PATRICK ALLAN-FRASER OF HOSPITALFIELD TRUST

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### GOVERNORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

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The Governors present their annual report together with the financial statements of The Patrick Allan-Fraser of Hospitalfield Trust (the charity) for the year ended 31 December 2014. The Governors confirm that the Annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

#### **Structure, governance and management**

##### **● GOVERNING DOCUMENT**

The Trust in its present form was set up by a Statutory Instrument 1980 No. 2037 (S. 183) [Education, Scotland] and is governed by its constitution. The organisation is unincorporated and a new constitution was approved on 27 April 2010 following the constitution of 23 December 1980.

Following the new 2010 constitution, the governing body shall consist of a maximum of 11 governors.

The appointed Governors shall hold office for a period of three years.

Governors shall be eligible for appointment for a maximum of two terms, thereafter vacating office for one year before becoming eligible to serve for a maximum of two further terms.

The Governors are responsible for the overall strategy of the charity. Lucy Byatt was appointed in September 2012 to manage the day to day operations of the charity.

##### **● RECRUITMENT AND APPOINTMENT OF NEW GOVERNORS**

The appointment of governors to fill vacancies shall be made by the governing body at meetings convened and conducted in accordance with the provision of the constitution.

To ensure the governing body has the range of skills required for the good governance of the Trust, the Governors should, wherever possible, include people with extensive experience in business, finance, the law, communication and/or marketing, charities and the arts either as practitioner or administrator.

Board members serve a 3 year term and are eligible to be elected for one further 3 year term after which they must stand down.

Governors who served during the year including changes to the Governors were:

Ian Townsend (Chairman) – retired on 26 June 2014  
Simon Dessain (Vice-Chairman) – appointed chair on 26 June 2014  
Camilla Gray Muir  
Tracy Mackenna  
Hilary Nicoll  
Stephen Webster – appointed 29 January 2014  
Remco De Blaaij – appointed 24 September 2014  
Chris Breward – appointed 1 December 2014  
Lady Fiona Fraser – retired 24 April 2014

Since the year end Kyla McDonald was appointed a Governor on 12 February 2015.

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## THE PATRICK ALLAN-FRASER OF HOSPITALFIELD TRUST

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### GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2014

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#### ● POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

The Governors ensure that a skills audit is maintained and where there are clear gaps in the skills and knowledge required by Hospitalfield at board level, the Director and Chair of the Trust work together to gain applications from individuals who can bring these skills to the organisation. The Chair will invite interested individuals to follow his preferred application process. A potential Governor will often be invited to observe a Governor's Meeting and will be formally invited to become a Trustee if all parties are in agreement.

When each Governor joins the board they are presented with a pack which includes a range of papers relating to the Trust. Within these papers there is a guide to the roles and responsibilities of a trustee published by OSCR. The Governors attend an away day annually with the staff. Part of the programme for these days will include training and an update on the roles and responsibility of a Governor of a charitable trust.

#### ● ORGANISATIONAL STRUCTURE

A scheme of delegation is in place and during the year the day to day responsibility for the provision of service rested with the executive director, Lucy Byatt.

The executive director is responsible for the day to day management of the charity and also the supervision of the staff team.

#### ● RISK MANAGEMENT

The governors have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The governors are satisfied that they have systems in place that offer them a good level of day to day knowledge of the running of the organization. The reporting between staff and Governors is sufficient for the running of the Trust and financial and organizational risk is considered to be low. Over the last year the Governors have reviewed all the companies that are working in an advisory capacity to Hospitalfield and made some changes where this was felt to be a priority, an example of which is the change of accountant.

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## THE PATRICK ALLAN-FRASER OF HOSPITALFIELD TRUST

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### GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2014

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#### Objectives and Activities

##### ● AIMS OF THE TRUST

To provide, furnish, maintain and administer at Hospitalfield House, Arbroath, an Institute for the study and practice of arts, which would function for such part of the year as the Governors regard practical within the limits of the finances available and of the facilities at Hospitalfield House.

Hospitalfield Arts is a place of research and development for artists and at the core of the programme is a series of nationally and internationally significant residency programmes for artists, curators and writers which are accommodated within the house and purpose built studios. A current priority is to develop a greater audience focused programme through opening the house frequently to the public, to platform new work, developing productive international links that will help us to support artists working locally and evolving strong strategic partnerships with schools and other local and regional agencies.

The context within which this programme is evolving is a valuable historic one - in 1890 Partick Allan-Fraser left his house and estate of Hospitalfield in trust. The principle of the bequest has been interpreted loyally over the years and, since the early part of the 20th century Hospitalfield has hosted and facilitated, through residency programmes; artists; students; educators; writers; curators and others working within the broad themes of contemporary art, design and cultural ideas. As a result Hospitalfield has had a central role in the arts ecology of Scotland for a long time and will continue to facilitate the development of artists and designers at all stages of their careers.

The House itself is one of Scotland's treasures and one of national importance, a place with significant history that goes back beyond the Allan Frasers. As a hospital established in the 12th century the site was linked to the early years of Arbroath Abbey then as a monastery and much later was the inspiration behind Walter Scott's novel *The Antiquary*. It is however the mid-19th century architecture, and the early arts and crafts style that influenced the vision of Partick Allan-Fraser, that we experience today. Alongside the vivid Victorian collections and exceptional early arts and crafts interiors experienced in combination with the surrounding landscape, this is an impressive place to visit and outstanding resource for the arts in Scotland and beyond.

The aims as set out in the current business plan include:

- To conserve and care for the outstanding heritage of Hospitalfield.
- To provide a dynamic research and production environment that will be a valuable and creative catalyst in the working lives of artists and arts professionals.
- To work towards become a public facing, porous cultural resource for a broad range of audiences across Scotland.
- To ensure that learning is central to, and effective within, all programming strands.
- To engage our participants through a variety of access points; from contemporary art programming to the range of historical narratives.
- To prioritise local concerns and opportunities equally to the development of international partnerships and networks which will contribute much to the quality and impact of our programmes.
- To ensure that Hospitalfield has an economically sustainable future achieved through strong partnerships, collaborations and a clear strategy for earned income.

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## THE PATRICK ALLAN-FRASER OF HOSPITALFIELD TRUST

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### GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2014

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#### Achievements and performance

- **GOING CONCERN**

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements

- **REVIEW OF ACTIVITIES**

#### Programme 2014

##### **Scotland + Venice Exhibition**

In February this year Hospitalfield's proposal to commission Graham Fagen for Scotland + Venice was selected. The exhibition opens in May 2015 making 2014 a planning and development year for the commission. This opportunity is a great accolade for Hospitalfield and whilst it will require a good deal of work from the team it is felt that the benefits outweigh the challenges.

##### **The four open weekends**

The principle of opening four times a year for a long weekend and to theme each occasion around specific new commissions or a programme of events has continued to build audiences at Hospitalfield.

1) Spring - Illusion (Laura Aldridge, Caroline Achaintre, Maria Fusco)

Featuring pit firing workshops with Laura Aldridge and development work with local schools with Laura Aldridge and Caroline Achaintre, this was a well-attended weekend. With a focus other than on the house with people booking on the workshops broadened the appeal considerably. The opportunity to meet and work alongside well known artists has its appeal. Laura's commission of flags for the garden was beautifully executed. Maria Fusco cut things fine with her arrival on the day of the reading (Sunday) but her experience was such that she immediately recognized how to fit in to the existing structure and she worked around the tour guide, delivering her reading around his disruptions of the history and the house. This perhaps is the first weekend that we were understanding exactly how much content we needed to keep the momentum up throughout the entire weekend.

2) Summer - Looking Again – contribution to the national programme of Generation (Claire Barclay, Janice Parker, Fiona Jardine)

These were two new commissions We were disappointed not to get funding through the Generation funding programme but extremely delighted when Creative Scotland agreed that we could divert some of our residency funds to support these two new commissions. The invitation to Claire Barclay started with a discussion relating to the way in which she had introduced dancers to her installation in her exhibition for the Whitechapel Art Gallery. We worked with her to invite choreographer Janice Parker to develop a new work and thank Jean Cameron for her advice on this. They developed the new work through a series of short residencies throughout the early part of the year culminating in a performative cycle that took place throughout the two days. Fiona Jardine also worked through a residency process to develop a new piece of writing. She performed this with artist Sue Thompkins.

The work was sited in Moira Jeffrey's highlights of Generation as one of her most memorable experiences of the year.

3) Autumn - The two Williams

The open weekend in September is programmed each year to coincide with Angus Heritage week and Angus Open Doors. In this way we find that we can support our marketing through the additional marketing that this focus brings.

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## THE PATRICK ALLAN-FRASER OF HOSPITALFIELD TRUST

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### GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2014

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Two specific artists represented within the 19th century collection were focused upon with transcriptions of several of the letters from the archive that give some background to the relationships between Allan-Fraser and these two artists; William Calder Marshall being a close friend and Willaim Kidd being an artist always in need of help and support.

There is a reference to Kidd, a Scottish artist living and working in London in the mid-19th century, as organizing children's drawing classes and bringing a donkey in to his studio for the children to draw – we brought donkeys in to the garden as a reenactment of this part of the story which brought much enjoyment.

A fundraising campaign was tested to support the conservation of the Kidd painting. A small sum but not enough to cover the conservation. An application was submitted to the Woodmanstern Trust to make up the funds.

#### 4) Winter - Bob and Roberta Smith

Creative Scotland awarded Hospitalfield the funds to support a single commission to take place over two of our open weekends, the first in winter 2015 and the second in the spring of 2016.

We drew together a group of artist around the project to support Patrick (aka Bob and Roberta Smith), who devised a project called The Arbroath template. The artist team took the project in to schools and worked to establish the all-important Tumbler site which hosted all the drawings that emerged from the project. Bob was, in parallel, standing for election against Michael Gough in the general election with his long standing campaign to save art and design within the national curriculum in England. This passion for supporting art in schools, under a banner, 'All Schools Should be Art Schools' seeped in to his project at Hospitalfield, a very appropriate message was given of the Arts & Crafts history of Hospitalfield.

#### **Hospitalfield's Residency Programmes**

All residency artists are recorded on our web site in detail as are the lists of selectors. The invited selection panels bring an important perspective to the selection of each programme.

The artists are represented more permanently through a series of on-line digital pamphlets. Each crystallizes in some way their experience of working at Hospitalfield, what they were thinking or working on. In accumulation over a number of years this library or archive will build to become a significance record of the programme.

The various strands are:-

#### Interdisciplinary

Only the second year that this programme is being offered and we have filled spaces for two, two week residencies where participants pay their own costs. This has the potential, if we are able to build the profile and popularity, to make a good income and also to build a network amongst a far wider range of creative practitioners. We have hosted curators, musicians, performers, dancers and writers and more. The appeal across such a wide range of practitioners is testing our understanding of the potential of this programme. In 2015 we will offer 3, 2 week slots.

#### Summer Residency programme

Hosting nine artists doing mainly research type projects. A very strong programme.

#### Autumn Residency programme

Hosting 9 artists; 2 funded through ROSL, one in partnership with Camden Art Centre the other with Edinburgh Arts Festival. One production residency awarded to Aaron Ange for his exhibition at Studio Voltaire. The rest are all research projects.

#### Graduate Programme

This was for 12 younger artists and designers. A very successful programme running for two weeks instead of the 3 weeks of the previous year. We think this is a better length of time for a programme at this stage in an artist's development.

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## THE PATRICK ALLAN-FRASER OF HOSPITALFIELD TRUST

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### GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2014

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#### **Summer Opening and Wednesday Tours**

In 2014 we had tours on the first Wednesday of every month from December to March and from October to December. From April to the end of September the tours were on each Wednesday. Thanks very much to our volunteer tour guides. We also opened a pop up style café on Wednesday afternoons to accommodate anyone who wished to visit Hospitalfield in a more casual way and not necessarily attend a tour. The attendance at the tours was steady throughout the summer but it will take time to build business for a café of this sort.

#### **The Friends' Programme**

We ran 5 events throughout the year specifically for the Friend's of Hospitalfield. Friend's newsletters were a bit far and few between but we are getting this in to a more regular state for 2015.

By the end of 2014 there was a plan to host a Friends fundraising dinner in early 2015.

#### **Volunteers**

We remain very grateful for the huge amount of work that the volunteers do at Hospitalfield. The Garden Club in particular has been a very dynamic and productive group and we are aiming to open the gardens to the public in summer 2015 thanks to their commitment particularly Moira Coleman.

Hospitalfield could not open to the public as it does 4 times each year without the volunteers and a more focused programme is required. Work is to be done on this strategy in 2015. The focus will be on what we can offer in terms of experience and training for volunteers in exchange for the contribution of time that they give to the Trust.

#### **Fundraising**

In summer 2014 an application was submitted to Creative Scotland with the aim of becoming a regularly funded organisation. In December of this year Hospitalfield was notified that the organisation was one of only a few new to Creative Scotland's portfolio to be granted regular funding and we were awarded £100,000 a year for 3 years to start from April 2015.

In the year:-

The Fleming Bank contributed £5,000 towards the graduate Residency programme.

The Northwood Trust awarded the generous sum of £30,000

Grant income from Creative Scotland was around £100,000

With advice from Stephen Webster, one of Hospitalfield Governors, the Trust has changed accountants during the year. The Trust is also seeking advice in relation to VAT registration.

#### **● INVESTMENT POLICY AND PERFORMANCE**

Under its Constitution, the charity has power to make any investment that the Governors deem appropriate. The Governors' objectives are to invest the funds with a view to the generation of income and capital growth from the portfolio of the company's investments. The Board has appointed professional investment advisors and receives regular and detailed reports from them.

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## THE PATRICK ALLAN-FRASER OF HOSPITALFIELD TRUST

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### GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2014

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#### Financial review

##### ● REVIEW OF RESULTS AND RESERVES POLICY

Total incoming resources increased to £335,119 (2014 - £245,527) and total resources expended increased to £300,139 (2014 - £269,059). After investment losses of £2,185 (2014 - gains £6,728) and transfers between funds, the Trust made a surplus of £32,795 (2014 - deficit £16,804).

The Governors exercise a prudent policy of maximising reserves bearing in mind the financial requirements for the day to day operation of the Trust and future commitments of a capital and revenue nature. The Governors undertook a review of their reserves during the year resulting in transfers among restricted, endowment and unrestricted reserves. Further details are given in note 14 of the accounts.

##### ● FUTURE DEVELOPMENTS

#### **Strategic Development** - Hospitalfield's capital development plan

The decision was taken to split the capital plans into a two phase building programme. The first phase will focus on elements that relate to income generation, providing better studios and facilities, providing excellent new accommodation and the development of the gardens and fernery to become a more open and accessible aspect of Hospitalfield. The second phase will focus on the heritage. This development programme has been informed by discussions with the Director of the Heritage Lottery Fund and others. Historic Scotland has pledged £500,000 and Creative Scotland £1m. In addition Creative Scotland has released £100,000 to support the cost of the detailed design stage.

Throughout 2014 the development plans were advanced by the design team led by Caruso St John. The Stage 2 application to Creative Scotland will be submitted at the end of October 2015. Meanwhile other work relating to fundraising has been underway.

#### **GOVERNORS' RESPONSIBILITIES STATEMENT**

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

The law applicable to charities in Scotland requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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THE PATRICK ALLAN-FRASER OF HOSPITALFIELD TRUST

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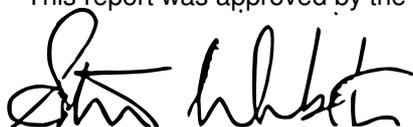
GOVERNORS' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2014

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The Governors are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Governors on

and signed on their behalf by:



Stephen Webster  
Governor

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## THE PATRICK ALLAN-FRASER OF HOSPITALFIELD TRUST

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### INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

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#### INDEPENDENT EXAMINER'S REPORT TO THE GOVERNORS OF THE PATRICK ALLAN-FRASER OF HOSPITALFIELD TRUST

I report on the financial statements of the charity for the year ended 31 December 2014 which are set out on pages 12 to 22.

This report is made solely to the charity's Governors, as a body, in accordance with regulation 11 of the Charities Accounts (Scotland) Regulations 2006. My work has been undertaken so that I might state to the charity's Governors those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Governors as a body, for my work or for this report.

#### RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND EXAMINER

The charity's Governors 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 (the Accounts Regulations). The Governors consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts 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 REPORT

My examination was carried out in accordance with regulation 11 of the Accounts 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 seeking explanations from you as Governors 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 accounts.

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THE PATRICK ALLAN-FRASER OF HOSPITALFIELD TRUST

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INDEPENDENT EXAMINER'S REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2014

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**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 2005 Act and regulation 4 of the Accounts Regulations; and
  - to prepare financial statements which accord with the accounting records and comply with regulation 8 of the Accounts Regulations
- have 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.

Signed:



Dated: 17/09/2015

Antony J Sinclair CA

French Duncan LLP  
133 Finnieston Street  
Glasgow  
G3 8HB

THE PATRICK ALLAN-FRASER OF HOSPITALFIELD TRUST

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Endowment funds 2014 £	Total funds 2014 £	Total funds 2013 £
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Voluntary income	2	62,842	179,779	-	242,621	133,898
Activities for generating funds	3	87,657	-	-	87,657	107,150
Investment income	4	4,841	-	-	4,841	4,479
<b>TOTAL INCOMING RESOURCES</b>		<b>155,340</b>	<b>179,779</b>	<b>-</b>	<b>335,119</b>	<b>245,527</b>
<b>RESOURCES EXPENDED</b>						
Costs of generating funds:						
Investment management expenses	5	410	-	-	410	389
Charitable activities	6	104,860	181,179	-	286,039	255,200
Governance costs	7	13,690	-	-	13,690	13,470
<b>TOTAL RESOURCES EXPENDED</b>		<b>118,960</b>	<b>181,179</b>	<b>-</b>	<b>300,139</b>	<b>269,059</b>
<b>NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS</b>						
		36,380	(1,400)	-	34,980	(23,532)
Transfers between Funds	14	299,522	4,582	(304,104)	-	-
<b>NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE REVALUATIONS</b>		<b>335,902</b>	<b>3,182</b>	<b>(304,104)</b>	<b>34,980</b>	<b>(23,532)</b>
Gains and losses on revaluations of investment assets		-	-	(2,185)	(2,185)	6,728
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>335,902</b>	<b>3,182</b>	<b>(306,289)</b>	<b>32,795</b>	<b>(16,804)</b>
<i>Total funds at 1 January 2014</i>		<i>(116,608)</i>	<i>92,315</i>	<i>377,247</i>	<i>352,954</i>	<i>369,758</i>
<b>TOTAL FUNDS AT 31 DECEMBER 2014</b>		<b>219,294</b>	<b>95,497</b>	<b>70,958</b>	<b>385,749</b>	<b>352,954</b>

The notes on pages 14 to 22 form part of these financial statements.

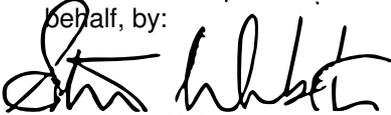
**THE PATRICK ALLAN-FRASER OF HOSPITALFIELD TRUST**

**BALANCE SHEET  
AS AT 31 DECEMBER 2014**

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Tangible assets	10		<b>294,023</b>		304,113
Investments	11		<b>70,958</b>		71,012
			<u>364,981</u>		<u>375,125</u>
<b>CURRENT ASSETS</b>					
Debtors	12	2,376		1,419	
Cash at bank and in hand		44,601		17,883	
			<u>46,977</u>	<u>19,302</u>	
<b>CREDITORS:</b> amounts falling due within one year	13		<u>(26,209)</u>	<u>(41,473)</u>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>20,768</u>		<u>(22,171)</u>
<b>NET ASSETS</b>			<u><b>385,749</b></u>		<u><b>352,954</b></u>
<b>CHARITY FUNDS</b>					
Endowment funds	14		70,958		377,247
Restricted funds	14		95,497		92,315
Unrestricted funds	14		219,294		(116,608)
<b>TOTAL FUNDS</b>			<u><b>385,749</b></u>		<u><b>352,954</b></u>

The financial statements were approved by the Governors on behalf, by:

and signed on their

  
Stephen Webster

The notes on pages 14 to 22 form part of these financial statements.

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## THE PATRICK ALLAN-FRASER OF HOSPITALFIELD TRUST

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005 and applicable accounting standards.

##### 1.2 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Included in these funds is a grant received in 2003 for the extension and refurbishment of the building. The grant has to be repaid if the charity disposes of the property, cease to trade or does not use the property for the purpose intended within a period of 80 years. These grant funds are shown in the accounts as restricted funds.

The endowment fund is a restricted fund which is held in perpetuity.

Investment income, gains and losses are allocated to the appropriate fund.

##### 1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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**THE PATRICK ALLAN-FRASER OF HOSPITALFIELD TRUST**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Resources expended**

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

**1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Heritable property	-	Not depreciated
Fittings & Equipment	-	5 - 25% on cost
Arts Collection	-	Not depreciated
Property Improvements	-	10% on cost
1980 Scheme Expenditure	-	3% on cost

The historical cost of Land, Buildings and the Art collection owned by the Trust have not been reflected in the accounts up to 21 April 1994, and the Governors consider it would be impracticable to now include these items. For this reason, reference to Heritable Property and the Art Collection in these accounts relates to expenditure incurred since 22 April 1994.

The Governors consider that these assets will appreciate in value over the years and no provision is therefore made for depreciation.

**1.6 Investments**

Investments are stated at market value at the balance sheet date. The Statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

**2. VOLUNTARY INCOME**

	<b>Unrestricted funds 2014 £</b>	<b>Restricted funds 2014 £</b>	<b>Endowment funds 2014 £</b>	<b>Total funds 2014 £</b>	<i>Total funds 2013 £</i>
Donations	4,030	-	-	4,030	2,755
Gift Aid tax reclaim	-	-	-	-	397
Grants	58,705	179,779	-	238,484	127,940
Membership fees	-	-	-	-	2,604
Other income	107	-	-	107	202
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	<b>62,842</b>	<b>179,779</b>	<b>-</b>	<b>242,621</b>	<b>133,898</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**THE PATRICK ALLAN-FRASER OF HOSPITALFIELD TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**Grant Income**

	Unrestricted funds £	Restricted funds £	Endowment funds £	2014 £	2013 £
Arts Programme	-	92,815	-	92,815	-
VENICE	-	75,600	-	75,600	-
Heritage	-	11,364	-	11,364	-
General	58,705	-	-	58,705	127,940
<b>Total</b>	<b>58,705</b>	<b>179,779</b>	<b>-</b>	<b>238,484</b>	<b>127,940</b>

**3. FUNDRAISING INCOME**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Endowment funds 2014 £	Total funds 2014 £	Total funds 2013 £
Wedding Income	1,558	-	-	1,558	19,103
Courses and Conferences	60,996	-	-	60,996	71,643
Artists Residencies	18,523	-	-	18,523	7,778
Jazz @ Hospitalfield	2,000	-	-	2,000	4,368
Other Income	4,580	-	-	4,580	4,258
<b>Total</b>	<b>87,657</b>	<b>-</b>	<b>-</b>	<b>87,657</b>	<b>107,150</b>

**4. INVESTMENT INCOME**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Endowment funds 2014 £	Total funds 2014 £	Total funds 2013 £
Rental Income	2,300	-	-	2,300	1,810
Investment income	2,541	-	-	2,541	2,669
<b>Total</b>	<b>4,841</b>	<b>-</b>	<b>-</b>	<b>4,841</b>	<b>4,479</b>

**5. INVESTMENT MANAGEMENT COSTS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Endowment funds 2014 £	Total funds 2014 £	Total funds 2013 £
Investment management fees	410	-	-	410	389

**THE PATRICK ALLAN-FRASER OF HOSPITALFIELD TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**6. DIRECT COSTS**

	<b>Charitable Activities £</b>	<b>Total 2014 £</b>	<i>Total 2013 £</i>
Telephone	1,858	1,858	1,655
Education & Training Expenses	8,061	8,061	30,416
Corporate Food Expenses	2,594	2,594	-
Residencies Food & Wine Expenses	4,960	4,960	-
Open Weekends	1,420	1,420	-
Sundry	1,770	1,770	1,087
Arts Program Expenses	50,757	50,757	28,274
Rates	1,630	1,630	3,866
Hire of Equipment	526	526	-
Catering Consumables	450	450	-
Marketing	1,838	1,838	3,575
Printing & Postage	1,062	1,062	2,151
Training, Travel & Subsistence	929	929	3,826
Repairs	12,454	12,454	18,448
Compliance Expenses	2,892	2,892	-
Heat & Light	15,689	15,689	17,572
Garden Repairs	5,871	5,871	-
Vehicle Expenses	15,600	15,600	-
Cleaning	5,512	5,512	4,784
Bank Charges	706	706	628
Bad Debt recovered	(289)	(289)	-
Consultancy Fees	1,400	1,400	2,951
Professional Fees	11,726	11,726	761
Insurance	8,433	8,433	9,081
Wages and salaries	116,187	116,187	115,362
National insurance	7,003	7,003	8,763
Pension cost	5,000	5,000	2,000
	<b>286,039</b>	<b>286,039</b>	<i>255,200</i>

**7. GOVERNANCE COSTS**

	<b>Unrestricted funds 2014 £</b>	<b>Restricted funds 2014 £</b>	<b>Endowment funds 2014 £</b>	<b>Total funds 2014 £</b>	<i>Total funds 2013 £</i>
Accountancy fees	3,600	-	-	3,600	3,900
Loss/(profit) on disposal of tangible fixed assets	-	-	-	-	177
Depreciation of tangible fixed assets	10,090	-	-	10,090	9,393
	<b>13,690</b>	<b>-</b>	<b>-</b>	<b>13,690</b>	<i>13,470</i>

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THE PATRICK ALLAN-FRASER OF HOSPITALFIELD TRUST

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

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8. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets: - owned by the charity	10,090	9,393
Pension costs	5,000	2,000
	<u>15,090</u>	<u>11,393</u>

During the year, no Governors received any remuneration (2013 - £NIL).

During the year, no Governors received any benefits in kind (2013 - £NIL).

During the year, no Governors received any reimbursement of expenses (2013 - £NIL).

9. STAFF COSTS

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	116,187	115,362
Social security costs	7,003	8,763
Other pension costs	5,000	2,000
	<u>128,190</u>	<u>126,125</u>

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

	2014 No.	2013 No.
Support staff	5	6
	<u>5</u>	<u>6</u>

No employee received remuneration amounting to more than £60,000 in either year.

THE PATRICK ALLAN-FRASER OF HOSPITALFIELD TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

10. TANGIBLE FIXED ASSETS

	Heritable property £	Fittings and Equipment £	Art Collection £	Improve- ments to Property £	1980 Scheme Expend- iture £	Total £
<b>Cost</b>						
At 1 January 2014						
and 31 December	240,257	84,348	2,000	25,103	15,290	366,998
2014						
<b>Depreciation</b>						
At 1 January 2014	-	42,183	-	5,412	15,290	62,885
Charge for the year	-	7,580	-	2,510	-	10,090
At 31 December 2014	-	49,763	-	7,922	15,290	72,975
<b>Net book value</b>						
At 31 December 2014	240,257	34,585	2,000	17,181	-	294,023
At 31 December 2013	240,257	42,165	2,000	19,691	-	304,113

11. FIXED ASSET INVESTMENTS

	Listed securities £	Cash Deposits £	Total £
<b>Market value</b>			
At 1 January 2014	67,783	3,229	71,012
Additions	6,484	6,049	12,533
Disposals	(6,737)	(6,894)	(13,631)
Revaluations	1,044	-	1,044
At 31 December 2014	68,574	2,384	70,958
<b>Historical cost</b>	63,938	2,384	66,322

**Investments at market value comprise:**

	2014 £	2013 £
Listed investments	68,574	67,783
Cash Deposits	2,384	3,229
Total market value	70,958	71,012

All the fixed asset investments are held in the UK

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THE PATRICK ALLAN-FRASER OF HOSPITALFIELD TRUST

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

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12. DEBTORS

	2014 £	2013 £
Trade debtors	2,225	1,419
Prepayments and accrued income	151	-
	<u>2,376</u>	<u>1,419</u>

13. CREDITORS:  
Amounts falling due within one year

	2014 £	2013 £
Bank loans and overdrafts	1,390	-
Deposits in advance	8,794	280
Trade creditors	2,114	30,861
Other taxation and social security	5,031	5,875
Accruals and deferred income	8,880	4,457
	<u>26,209</u>	<u>41,473</u>

THE PATRICK ALLAN-FRASER OF HOSPITALFIELD TRUST

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**14. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Designated funds</b>						
Big Lottery Fund - Improvements	-	-	-	1,668	-	1,668
<b>General funds</b>						
General Funds - all funds	(116,608)	155,340	(118,960)	297,854	-	217,626
Total Unrestricted funds	(116,608)	155,340	(118,960)	299,522	-	219,294
<b>Endowment funds</b>						
Endowment Fund	377,247	-	-	(304,104)	(2,185)	70,958
<b>Restricted funds</b>						
Big Lottery Fund - Heritable Property	43,750	-	-	6,250	-	50,000
Big Lottery Fund - Improvements	2,002	-	(334)	(1,668)	-	-
Creative Scotland	46,151	-	(46,151)	-	-	-
Katherine Garret Cox Trust PF	412	-	(412)	-	-	-
Arts Programme	-	92,815	(92,815)	-	-	-
Venice Programme	-	75,600	(30,103)	-	-	45,497
Heritage Scotland	-	11,364	(11,364)	-	-	-
	92,315	179,779	(181,179)	4,582	-	95,497
Total of funds	352,954	335,119	(300,139)	-	(2,185)	385,749

The funds were reviewed during the year resulting in a number of reallocations. The grant received from the Big Lottery Fund in 2003 is now shown at the amount granted within restricted funds as explained in Note 16 to the accounts below. Endowment funds are solely represented by the investment portfolio held by the charity. This has led to a transfer to unrestricted funds of the balance previously held within endowment funds. The small property improvement grant received from the Big Lottery Fund has been transferred to unrestricted funds, as the restricted purpose for which the funds were granted has been complied with and therefore is no longer subject to any restriction.

**THE PATRICK ALLAN-FRASER OF HOSPITALFIELD TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**SUMMARY OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds	-	-	-	1,668	-	1,668
General funds	(116,608)	155,340	(118,960)	297,854	-	217,626
	<u>(116,608)</u>	<u>155,340</u>	<u>(118,960)</u>	<u>299,522</u>	<u>-</u>	<u>219,294</u>
Endowment funds	377,247	-	-	(304,104)	(2,185)	70,958
Restricted funds	92,315	179,779	(181,179)	4,582	-	95,497
	<u>352,954</u>	<u>335,119</u>	<u>(300,139)</u>	<u>-</u>	<u>(2,185)</u>	<u>385,749</u>

**15. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Endowment funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Tangible fixed assets	244,023	50,000	-	294,023	304,113
Fixed asset investments	-	-	70,958	70,958	71,012
Current assets	1,480	45,497	-	46,977	19,302
Creditors due within one year	(26,209)	-	-	(26,209)	(41,473)
	<u>219,294</u>	<u>95,497</u>	<u>70,958</u>	<u>385,749</u>	<u>352,954</u>

**16. CONTINGENT LIABILITIES**

The charity will have to repay the grant received from the Big Lottery Fund of £50,000 if the charity disposes of the property, ceases to trade or does not use the property for the purpose intended, without prior permission from the Big Lottery Fund. The restriction is in place for 80 years from 2003.

**17. PENSION COMMITMENTS**

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £5,000 (2013 - £2,000). Contributions totalling £5,000 (2013 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

**18. RELATED PARTY TRANSACTIONS**

The charity is controlled by its Governors. There were no transactions with the Governors during the year.