

**BARNS-GRAHAM CHARITABLE TRUST**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 5 APRIL 2024**

**CHARITY NUMBER: SC016854**

**Henderson Black & Co**

CHARTERED ACCOUNTANTS, ST ANDREWS

# **BARNS-GRAHAM CHARITABLE TRUST**

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## BARNS-GRAHAM CHARITABLE TRUST

### TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 5 APRIL 2024

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The trustees present their annual report and audited financial statements of the charity for the year ended 5 April 2024. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, 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 effective 1 January 2019.

#### **Objectives and activities for the public benefit**

The objects of the charity are inter alia to support artwork exhibitions in museum or commercial third party premises; to establish a dedicated research space and to support charitable bodies with the primary purpose of advancing the education and training of persons who require assistance to further their education and training in the Arts.

The trustees consider how best to meet public benefit when reviewing the charity's aims and objectives, in planning future activities for the year ahead and beyond.

#### **Monitoring achievement**

The trustees monitor the progress of their activities in various ways. An annual forecast is prepared and reviewed at the quarterly meetings of trustees.

#### **Financial review**

The charity's work relies upon the income from its investments and from sales of art works. Quarterly reports are received from the charity investment advisers setting out key factors to be considered and projecting levels of income and investment management charges. The strategy of the trustees is to budget to apply all forecast income in pursuit of the charitable purposes whilst protecting the capital invested so as to preserve future income levels and so sustain the activity level of the charity.

The results of the year are as set out in the Statement of Financial Activities. Income amounted to £100,796 (2023 - £97,810) with expenditure on charitable activities of £362,599 (2023 - £364,430), £nil (2023 - £3,537) on the development to a Patrons Scheme and £15,280 (2023 - £14,303) on investment management fees.

#### **Investment policy and performance**

The trustees are empowered to invest any surplus funds as they deem appropriate subject to law under the terms of the Trust charitable deed.

The investment policy of the trustees is regularly reviewed. At present it is to follow a conservative approach whilst strategic plans are developed. The trustees are satisfied with the amount of income from investments received in the year.

The trustees are satisfied with the total return from their investments measured against agreed performance indicators with their investment advisers.

#### **Risk management**

The trustees regularly discuss the major risks to which the charity is exposed. The risk discussions consider the procedures in place to address and minimise the risks and changes are applied as appropriate.

The principal risks faced by the charity lie in the performance of its investments and operational risks from ineffective grant making policy as well as the capacity of the charity to provide other appropriate activities in pursuit of the charitable objectives and public benefit. A further risk is the ability to recruit able trustees with relevant skills and experience.

## **BARNs-GRAHAM CHARITABLE TRUST**

### **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 5 APRIL 2024**

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The trustees consider the variability of investment returns from the portfolio to be the charity's major financial risk. This risk is mitigated by the appointment of expert professional advisers with considerable experience in the charity sector. Taking professional advice into consideration the trustees seek to maintain a diversified portfolio providing a predictable level of income to sustain the programme of charitable activities and services.

The risk of ineffective grant making is addressed by maintaining close contact with current beneficiaries and potential applicants and seeking appropriate references or letters of support from known referees.

The risks of loss or damage to the art collection are addressed by ensuring that it is stored in specialised premises with temperature and humidity controls, appropriate security and adequate insurance cover.

#### **Reserves policy**

The trustees aim to maintain free or liquid reserves at a level which equates to approximately six months of unrestricted normal charitable expenditure with a further amount retained as a contingency to meet any unforeseen costs.

Total reserves at the year end amounted to £18,331,603 (2023 £18,039,892). Net current assets at the year end amounted to £103,062 (2023 £224,450). This current level of free or liquid reserves is approximately equal to three months of normal charitable expenditure and is adjusted during the year as appropriate.

#### **Plans for the future**

The charity is a lasting testimony to the generosity and charitable concerns of the donor, Wilhelmina Barns-Graham. The trustees are committed to ensuring that they move forward with their core activities of the bursary and scholarship programme, supporting students at art colleges and universities and operating an artist in residence programme in future years.

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

The Trust is a registered charity and is constituted under a trust deed. The charity is administered under the supervision of the trustees who meet regularly and correspond in between meetings as needed. There were four Trustees meetings in the year: 21 June, 4 October and 4 December 2023 and 20 March 2024. The day to day administration is carried out by the chair, director, bookkeeper and other trustees as required. At their meetings the trustees agree the strategy and areas of activity for the charity, including consideration of the core programme, policy for investment management, required levels of reserves and risk management policies. The performance of the charity is reviewed at each meeting.

The charity does not operate any sub committees but instead trustees discuss all ongoing and strategic matters at their meetings. Expert advice is obtained regarding various matters from time to time. The trustees have personal knowledge of the art world and several have current or past experience with other charities. In seeking to appoint new trustees the relevant skills required are carefully considered.

## BARNS-GRAHAM CHARITABLE TRUST

### TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 5 APRIL 2024

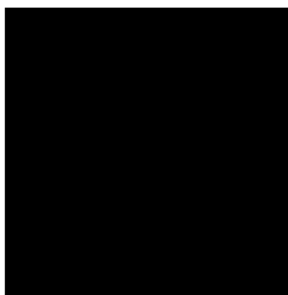
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#### Reference and administrative information

**Known as name:** Wilhelmina Barns-Graham Trust

#### Trustees

The following persons have served as trustees during the year and since the year end:



(Chair of Trustees)

(appointed 4 December 2023)

#### Contact Address

77 Brunswick Street, Edinburgh, EH7 5HS

**Scottish Charity Number** SC016854

#### Auditors

Henderson Black & Co, Chartered Accountants, Chestney House, 149 Market Street, St. Andrews, Fife, KY16 9PF

#### Bankers

Virgin Money, 30 St Vincent Place, Glasgow, G1 2HL

#### Investment Advisers

Rathbones, George House, 50 George Square, Glasgow, G2 1EH

## **BARNS-GRAHAM CHARITABLE TRUST**

### **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 5 APRIL 2024**

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#### **Trustees' Responsibilities in relation to the financial statements**

The charity trustees are responsible for preparing a trustees' annual report and 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity for that period. In preparing the financial statements, the trustees are required to:

1. select suitable accounting policies and then comply them consistently;
2. observe the methods and principles in the applicable Charities SORP;
3. make judgements and estimates that are reasonable and prudent;
4. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
5. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

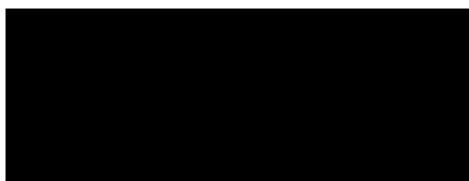
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts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

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

#### **Statement of Disclosure to Auditors**

So far as the trustees are aware, there is no relevant audit information of which the charity's auditors are unaware. Additionally, the trustees have taken all the necessary steps that they ought to have taken as trustees in order to make themselves aware of all relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by the trustees on 2 December 2024 and signed on their behalf by;



**BARNS-GRAHAM CHARITABLE TRUST**  
**INDEPENDENT AUDITORS' REPORT**  
**TO THE TRUSTEES OF THE BARNS-GRAHAM CHARITABLE TRUST**  
**FOR THE YEAR ENDED 5 APRIL 2024**

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**Opinion**

We have audited the financial statements of the Barns-Graham Charitable Trust for the year ended 5 April 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes on pages 11 to 17. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2024 and the income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**Basis for opinion**

We conducted our audit in accordance with International Standards of Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 13 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties in relation to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**BARNES-GRAHAM CHARITABLE TRUST**  
**INDEPENDENT AUDITORS' REPORT**  
**TO THE TRUSTEES OF THE BARNES-GRAHAM CHARITABLE TRUST**  
**FOR THE YEAR ENDED 5 APRIL 2024**

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**Matters on which we are required to report by exception**

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

- the charity 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 charity's financial statements 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.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- Inquires with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading board meeting minutes for evidence of non-compliance with laws and regulations and fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the valuation of the art collection, investment fair value estimates including listed investment and investment property, fixed asset depreciation, bad debt provisions, and accruals; and
- Auditing the risk of management override of controls, including through the testing of journal entries and other adjustments for appropriateness.



**BARNS-GRAHAM CHARITABLE TRUST**  
**INDEPENDENT AUDITORS' REPORT**  
**TO THE TRUSTEES OF THE BARNS-GRAHAM CHARITABLE TRUST**  
**FOR THE YEAR ENDED 5 APRIL 2024**

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As a result of the nature of the operations of the Barns Graham Charitable Trust, we identified the following areas as those most likely to have a material impact on the financial statements: outcomes from art sales, GDPR in relation to data; health and safety; and employment law.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance

A further description of our responsibilities for the audit of the financial statements is on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

This description forms part of our audit report.

**Use of our report**

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



**Henderson Black & Co**  
**Chartered Accountants and**  
**Statutory Auditors**

**Chestney House**  
**149 Market Street**  
**St. Andrews**  
**Fife**  
**KY16 9PF**

Henderson Black & Co is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006

**2 December 2024**

# BARNS-GRAHAM CHARITABLE TRUST

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 5 APRIL 2024

|   | Note | Total<br>funds<br>2024<br>£ | Prior year<br>Total<br>funds<br>2023<br>£ |
|---|------|-----------------------------|---|
| <b>Income from:</b>                                     |      |                             |   |
| Grants and donations                                    |      | 15,668                      | 163                                       |
| Charitable activities                                   | 3    | 9,961                       | 10,120                                    |
| Investments   | 4    | 58,100                      | 63,525                                    |
| Other   | 5    | 17,067                      | 24,002                                    |
| <b>Total</b>  |      | <u>100,796</u>              | <u>97,810</u>                             |
| <b>Expenditure on:</b>                                  |      |                             |   |
| Raising funds - investment management costs             |      | 15,280                      | 14,303                                    |
| Raising funds - patrons scheme                          |      | -                           | 3,537                                     |
| Charitable activities                                   | 6    | 362,599                     | 364,430                                   |
| <b>Total</b>  |      | <u>377,879</u>              | <u>382,270</u>                            |
| Gains/(losses) on revaluation of artwork collection     |      | 493,180                     | (3,538)                                   |
| Net gains/(losses) on investment portfolio and property |      | 75,614                      | (88,330)                                  |
| <b>Net income/(expenditure)</b>                         |      | <u>291,711</u>              | <u>(376,328)</u>                          |
| <b>Net movement in funds</b>                            |      | <u>291,711</u>              | <u>(376,328)</u>                          |
| <b>Reconciliation of funds:</b>                         |      |                             |   |
| Total funds brought forward                             |      | <u>18,039,892</u>           | <u>18,416,220</u>                         |
| <b>Total funds carried forward</b>                      |      | <u><u>18,331,603</u></u>    | <u><u>18,039,892</u></u>                  |

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derives from continuing activities.  
All funds are unrestricted.

The notes on pages 11 to 17 form an integral part of these accounts.

# BARNS-GRAHAM CHARITABLE TRUST

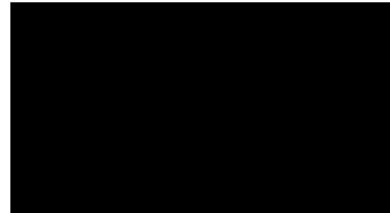
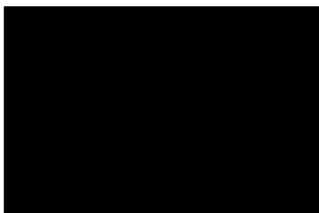
## BALANCE SHEET AS AT 5 APRIL 2024

|  | Note | Total<br>funds<br>2024<br>£ | Prior year<br>funds<br>2023<br>£ |
|--|------|-----------------------------|----------------------------------|
| <b>Fixed assets:</b>   |      |                             |                                  |
| Tangible assets  | 7    | 13,114                      | 18,079                           |
| Investments - Art collection and property                    | 8    | 16,181,442                  | 15,754,560                       |
| Investments - Portfolio of marketable securities             | 9    | 2,033,445                   | 2,042,803                        |
| <b>Total fixed assets</b>                                    |      | <u>18,228,001</u>           | <u>17,815,442</u>                |
| <b>Current assets:</b>                                       |      |                             |                                  |
| Stocks   |      | 23,898                      | 24,262                           |
| Debtors  | 10   | 36,422                      | 28,653                           |
| Cash balances with investment advisers                       |      | 20,039                      | 180,478                          |
| Cash at bank and in hand                                     |      | 36,598                      | 10,097                           |
| <b>Total current assets</b>                                  |      | <u>116,957</u>              | <u>243,490</u>                   |
| <b>Liabilities:</b>  |      |                             |                                  |
| Creditors: Amounts falling due within one year               | 11   | (13,355)                    | (19,040)                         |
| <b>Net current assets</b>                                    |      | <u>103,602</u>              | <u>224,450</u>                   |
| <b>Total assets less current liabilities/<br/>Net assets</b> |      | <u>18,331,603</u>           | <u>18,039,892</u>                |
| <b>The funds of the charity:</b>                             |      |                             |                                  |
| Unrestricted general fund                                    |      | 18,331,603                  | 18,039,892                       |
| <b>Total charity funds</b>                                   |      | <u>18,331,603</u>           | <u>18,039,892</u>                |

All funds are unrestricted.

The notes on pages 11 to 17 form an integral part of these accounts.

Approved by the trustees on 2 December 2024 and signed on their behalf by:



# BARNS-GRAHAM CHARITABLE TRUST

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 5 APRIL 2024

|  | Total<br>funds<br>2024<br>£ | Prior<br>Year<br>2023<br>£ |
|--|-----------------------------|----------------------------|
| <b>Cash flows from operating activities:</b>           |                             |                            |
| Net cash (used in) operating activities (see below)    | (328,016)                   | (269,069)                  |
| <b>Cash flows from investing activities:</b>           |                             |                            |
| Investment income                                      | 58,100                      | 63,525                     |
| Purchases of tangible fixed assets                     | (342)                       | (8,021)                    |
| Purchases of artwork                                   | (13,566)                    | -                          |
| Proceeds from disposal of artwork collection           | 67,414                      | 61,572                     |
| Purchases of investments                               | (419,820)                   | (443,565)                  |
| Proceeds from disposal of investments                  | 502,292                     | 201,499                    |
| Net cash provided by/(used in) investing activities    | 194,078                     | (124,990)                  |
| <b>Change in cash and cash equivalents in the year</b> | (133,938)                   | (394,059)                  |
| Cash and cash equivalents at the beginning of the year | 190,575                     | 584,634                    |
| Cash and cash equivalents at the end of the year       | 56,637                      | 190,575                    |

Cash and cash equivalents comprise the bank balances and balances held with the investment advisers.

### Reconciliation of net income/(expenditure) to net cash flow from operating activities

|   | 2024<br>£ | 2023<br>£ |
|---|-----------|-----------|
| <b>Net income/(expenditure) for the year (as per the statement of financial activities)</b> | 291,711   | (376,328) |
| <b>Adjustments for:</b>   |           |           |
| Depreciation charges  | 5,307     | 5,073     |
| Investment income shown in investing activities   | (58,100)  | (63,525)  |
| (Gains)/losses on revaluation of fixed assets   | (493,180) | 3,538     |
| (Gains)/losses on revaluation of investments  | (75,614)  | 88,330    |
| Donations in specie   | 14,950    | 53,000    |
| Decrease in stocks  | 364       | 12,260    |
| (Increase) in debtors   | (7,769)   | (395)     |
| (Decrease)/increase in creditors  | (5,685)   | 8,978     |
| Net cash (used in) operating activities   | (328,016) | (269,069) |

### Analysis of changes in net debt

|                  | 2024<br>£ | 2023<br>£ |
|------------------|-----------|-----------|
| At start of year | 190,575   | 584,634   |
| Cash flows       | (133,938) | (394,059) |
| At end of year   | 56,637    | 190,575   |

# BARNES-GRAHAM CHARITABLE TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDING 5 APRIL 2024

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### 1. Accounting Policies

#### a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the entity and the amounts reported are rounded to the nearest £.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. With respect to the next reporting period, 2024-25, the most significant areas of uncertainty that affect the carrying value of assets held by the charity are the level of investment return and the performance of investment markets (see the investment policy and performance and risk management sections of the trustees' annual report for more information).

#### b) Funds structure

All of the charity funds are unrestricted. Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects.

#### c) Income recognition

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

Dividends and other investment income is recognised once it has been declared and notification has been received. This is normally upon notification by the charity investment adviser of the dividend yield of the investment portfolio. 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 or investment adviser.

#### d) Expenditure recognition

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

All expenditure is accounted for on an accruals basis.

#### e) Irrecoverable VAT

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

#### f) Costs of raising funds

The costs of generating funds consist of investment management costs.

#### g) Charitable activities

Costs of charitable activities, include grants made and governance costs, are shown in note 6.

# BARNES-GRAHAM CHARITABLE TRUST

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDING 5 APRIL 2024 (continued)

### 1. Accounting Policies

#### h) Grant making

Grants payable are made to third parties in furtherance of the charitable objects. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled conditions attaching to that grant is outside the control of the charity.

#### i) Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and valued at historical cost. Depreciation is charged on a straight-line basis over the estimated useful lives of the assets from the year of acquisition when first brought into use at the following rates.

- Website - 10%
- Furniture and equipment - 10%
- Computer equipment - 25%
- No depreciation is provided on land.

#### j) Investment properties

Investment properties are included at market value and are not depreciated. Gains and losses on revaluation and disposal will be taken to the Statement of Financial Activities.

#### k) Fixed asset investments

The art collection is included at fair value. The collection is not depreciated as the assets are deemed to have indeterminable lives.

Other investments are a form of basic financial instrument. Investments in securities are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses on revaluation and disposals throughout the year.

The charity does not acquire put options, derivatives or other complex financial instruments.

#### l) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between the sales proceeds and the opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

#### m) Stocks

Stocks consist of limited edition books, catalogues and regular editions and are carried at the lower of cost, as reflected in the original legacy or subsequent purchase price, and net realisable value determined by the trustees.

#### n) Judgements in applying accounting policies and key sources of estimation

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 may differ from these estimates.

In preparing these financial statements, the Trustees have made the following judgements:

- Tangible fixed assets are depreciated over a period to reflect their estimated useful lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.
- Tangible fixed assets are also assessed as to whether there are indicators of impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.
- Investments in the art collection and property are measured at fair value taking into account advice from experts in the field and current market conditions. They are also assessed for any impairment due to physical condition or obsolescence.
- Other investments consist of listed investments which are measured at fair value at the year end based on the valuation report provided by the investment advisors.
- Accruals are applied at the year end based upon known costs received post year end and the experience of management.

# BARNS-GRAHAM CHARITABLE TRUST

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDING 5 APRIL 2024 (continued)

### 2. Staff costs, related party transactions and trustees' expenses and remuneration

|                                  | 2024<br>£      | 2023<br>£      |
|----------------------------------|----------------|----------------|
| Salaries and wages               | 121,357        | 114,656        |
| Social security costs            | 6,831          | 6,024          |
| Employer's pension contributions | 2,840          | 2,683          |
|                                  | <u>131,028</u> | <u>123,363</u> |

No employee had employee benefits in excess of £60,000 (2023 none).

Total employee benefits for key management personnel were £56,701 (2023 £53,945).

The average number of employees during the year was four (2023 four) all primarily working on charitable activities with some time on administrative tasks for the trustees.

All trustees give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2023 £nil). Expenses reimbursed to trustees on submission of receipts for outlays were made to seven trustees (2023 three) and amounted in total to £1,417 (2023 £1,409). Sales of art work and goods to trustees amounted in total to £nil (2023 £nil). Donations from trustees amounted in total to £12,500 (2023 £nil).

The value of the work done by all trustees in giving of their time for meetings and other matters on behalf of the charity is not reflected in the accounts as it cannot be quantified.

### 3. Income from charitable activities

|  | 2024<br>£    | 2023<br>£     |
|--|--------------|---------------|
| Exhibitions and sales of books and merchandise | 9,961        | 10,120        |
|  | <u>9,961</u> | <u>10,120</u> |

### 4. Investment income

|                   | 2024<br>£     | 2023<br>£     |
|-------------------|---------------|---------------|
| Investment income | 58,100        | 63,525        |
|                   | <u>58,100</u> | <u>63,525</u> |

### 5. Other income

|  | 2024<br>£     | 2023<br>£     |
|--|---------------|---------------|
| Royalties  | 16,461        | 22,831        |
| Electricity recharge and contribution towards building costs | 606           | 1,171         |
|  | <u>17,067</u> | <u>24,002</u> |

# BARNES-GRAHAM CHARITABLE TRUST

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDING 5 APRIL 2024 (continued)

| 6. Analysis of charitable expenditure                                      |         | 2024    | 2023    |
|--|---------|---------|---------|
|  | £       | £       | £       |
| <b>Costs relating to exhibitions, pictures and promotional merchandise</b> |         |         |         |
| Database, website and IT expenses  | 19,297  |         | 17,061  |
| Cost of books, royalties, merchandise and catalogues                       | 7,878   |         | 13,066  |
| Marketing and promotional expenses and photography                         | 7,517   |         | 6,838   |
| Frame costs and art materials  | 1,688   |         | 5,390   |
| Conservation, archive and research costs                                   | 6,087   |         | 7,782   |
| Residencies, lectures and other charity projects                           | 13,500  |         | 10,500  |
| Film contribution  | 25,000  |         | -       |
| Insurance  | 12,230  |         | 11,899  |
| Exhibition costs   | 760     |         | 950     |
| Transport costs  | 1,777   |         | 4,997   |
|  |         | 95,734  | 78,483  |
| <b>Grants and donations</b>  |         |         |         |
| University College Falmouth  | 5,000   |         | -       |
| University of Dundee   | 1,000   |         | 1,000   |
| University of St. Andrews  | 5,000   |         | 5,000   |
| University of Highlands & Islands  | 2,500   |         | 2,500   |
| The Royal Scottish Academy   | -       |         | 2,250   |
| The Glasgow School of Art  | 1,000   |         | 1,000   |
| The Leith School of Art  | 1,500   |         | 1,500   |
| Fife Contemporary  | 5,400   |         | 3,500   |
| Courtauld Institute of Art   | 1,500   |         | -       |
| Society of Scottish Artists  | 2,000   |         | 2,000   |
| St Ives School of Painting   | -       |         | 4,500   |
| Arts University Plymouth   | 2,500   |         | 2,500   |
| Grays School of Art  | 1,000   |         | 1,000   |
| Individuals (in specie)  | 950     |         | -       |
| The British Museum (in specie)   | 14,000  |         | 53,000  |
|  |         | 43,350  | 79,750  |
| <b>Property costs</b>  |         |         |         |
| Rent and rates   | 38,241  |         | 38,241  |
| Insurance  | 1,623   |         | 1,564   |
| Light, heat and water  | 10,069  |         | 6,221   |
| Repairs, maintenance and security  | 11,955  |         | 5,009   |
| Depreciation   | 5,307   |         | 5,073   |
|  |         | 67,195  | 56,108  |
| <b>Other costs</b>   |         |         |         |
| Salaries   | 121,357 |         | 114,656 |
| Employer's national insurance  | 6,831   |         | 6,024   |
| Employer's pension contributions   | 2,840   |         | 2,683   |
| Telephone and internet   | 8,793   |         | 6,677   |
| Postages, printing, stationery and courier expenses                        | 1,142   |         | 989     |
| Professional fees  | -       |         | 60      |
| Travelling expenses  | 8,319   |         | 12,643  |
| Accountancy  | 1,480   |         | 1,140   |
| Audit fees   | 3,500   |         | 3,200   |
| Expenses of meetings and sundry costs                                      | 2,058   |         | 2,017   |
|  |         | 156,320 | 150,089 |
|  |         | 362,599 | 364,430 |

Both the audit and accountancy fees are paid to the auditors.



# BARNS-GRAHAM CHARITABLE TRUST

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDING 5 APRIL 2024 (continued)

### 7. Tangible fixed assets

|                       | Website<br>2024<br>£ | Furniture &<br>equipment<br>2024<br>£ | Total<br>2024<br>£ | Website<br>2023<br>£ | Furniture &<br>equipment<br>2023<br>£ | Total<br>2023<br>£ |
|-----------------------|----------------------|---------------------------------------|--------------------|----------------------|---------------------------------------|--------------------|
| <b>Cost</b>           |                      |                                       |                    |                      |                                       |                    |
| At 6 April 2023       | 16,623               | 35,869                                | 52,492             | 10,950               | 33,521                                | 44,471             |
| Additions             | -                    | 342                                   | 342                | 5,673                | 2,348                                 | 8,021              |
| Disposals             | -                    | -                                     | -                  | -                    | -                                     | -                  |
| At 5 April 2024       | <u>16,623</u>        | <u>36,211</u>                         | <u>52,834</u>      | <u>16,623</u>        | <u>35,869</u>                         | <u>52,492</u>      |
| <b>Depreciation</b>   |                      |                                       |                    |                      |                                       |                    |
| At 6 April 2023       | 9,311                | 25,102                                | 34,413             | 7,651                | 21,689                                | 29,340             |
| Charge for the year   | 1,660                | 3,647                                 | 5,307              | 1,660                | 3,413                                 | 5,073              |
| On disposals          | -                    | -                                     | -                  | -                    | -                                     | -                  |
| At 5 April 2024       | <u>10,971</u>        | <u>28,749</u>                         | <u>39,720</u>      | <u>9,311</u>         | <u>25,102</u>                         | <u>34,413</u>      |
| <b>Net book value</b> |                      |                                       |                    |                      |                                       |                    |
| At 5 April 2024       | <u>5,652</u>         | <u>7,462</u>                          | <u>13,114</u>      | <u>7,312</u>         | <u>10,767</u>                         | <u>18,079</u>      |
| At 5 April 2023       | <u>7,312</u>         | <u>10,767</u>                         | <u>18,079</u>      | <u>3,299</u>         | <u>11,832</u>                         | <u>15,131</u>      |

### 8. Investments - Art Collection and Property

|                             | Art<br>Collection<br>2024<br>£ | Investment<br>Property<br>2024<br>£ | Total<br>2024<br>£ | Art<br>Collection<br>2023<br>£ | Investment<br>Property<br>2023<br>£ | Total<br>2023<br>£ |
|-----------------------------|--------------------------------|-------------------------------------|--------------------|--------------------------------|-------------------------------------|--------------------|
| <b>Valuation:</b>           |                                |                                     |                    |                                |                                     |                    |
| At beginning of the year    | 15,742,560                     | 12,000                              | 15,754,560         | 15,860,670                     | 12,000                              | 15,872,670         |
| Additions at cost           | 13,566                         | -                                   | 13,566             | -                              | -                                   | -                  |
| Disposals at carrying value | (86,200)                       | -                                   | (86,200)           | (129,425)                      | -                                   | (129,425)          |
| Net gain on revaluation     | 497,016                        | 2,500                               | 499,516            | 11,315                         | -                                   | 11,315             |
| <b>At end of the year</b>   | <u>16,166,942</u>              | <u>14,500</u>                       | <u>16,181,442</u>  | <u>15,742,560</u>              | <u>12,000</u>                       | <u>15,754,560</u>  |

The investment property is an area comprising a former tennis court and walled garden and was valued by D M Hall, Chartered Surveyors in June 2024 on the basis that this area is un-developable.

### 9. Investments - Portfolio of investments

|  | 2024             | 2023             |
|--|------------------|------------------|
| <b>Movement in fixed asset listed investments</b>                                    | <b>£</b>         | <b>£</b>         |
| Market value brought forward at 6 April 2023   | 2,042,803        | 1,889,067        |
| Add: additions to investments at cost  | 419,820          | 443,565          |
| Disposals at carrying value  | (502,774)        | (194,520)        |
| Add net gain on revaluation  | 73,596           | (95,309)         |
| Market value as at 5 April 2024  | <u>2,033,445</u> | <u>2,042,803</u> |
| The historical cost of investments at 5 April 2024 was £1,684,941 (2023 £1,764,966). |                  |                  |
| <b>Investments at fair value comprised:</b>  | <b>£</b>         | <b>£</b>         |
| Inflation linked securities  | 257,184          | 127,326          |
| Fixed interest securities  | 91,918           | 225,260          |
| Equities   | 1,684,343        | 1,690,217        |
| <b>Total</b>   | <u>2,033,445</u> | <u>2,042,803</u> |

**BARNs-GRAHAM CHARITABLE TRUST****NOTES TO THE ACCOUNTS****FOR THE YEAR ENDING 5 APRIL 2024 (continued)****9. Investments - Portfolio of investments**

All investments are carried at their fair value. Investments are traded either at bid prices for investment funds and unit trusts or stock exchange market prices. The basis of fair value is equivalent to market value using bid price or traded market prices. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the charity is considered in the financial review and investment policy sections of the trustees' annual report.

The main risk to the charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Numerous factors including quantitative easing, exchange risk and world wide factors change over time and contribute to fluctuations in markets.

Liquidity risk is anticipated to be low as all assets are traded in markets with good liquidity and high trading volumes. The charity has no material investments in markets subject to exchange controls or trading restrictions.

The charity manages these investment risks by retaining expert advisers and operating an investment policy that provides for a high degree of diversification of holdings within asset classes. The charity does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield return and historic studies have indicated that volatility in any particular five year period will normally be corrected.

| <b>10. Debtors</b>  | <b>2024</b>   | <b>2023</b>   |
|---|---------------|---------------|
|   | <b>£</b>      | <b>£</b>      |
| Trade debtors   | 4,878         | 781           |
| Prepayments   | 31,544        | 25,689        |
| Other debtors   | -             | 2,183         |
|   | <u>36,422</u> | <u>28,653</u> |
| <b>11. Creditors: Amounts falling due within one year</b> | <b>2024</b>   | <b>2023</b>   |
|   | <b>£</b>      | <b>£</b>      |
| Trade creditors   | 4,047         | 11,481        |
| Accruals  | 4,200         | 4,200         |
| Taxation and social security                              | 5,108         | 3,359         |
|   | <u>13,355</u> | <u>19,040</u> |

## BARNS-GRAHAM CHARITABLE TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDING 5 APRIL 2024 (continued)

#### 12. Commitments under operating leases

At 5 April 2024, the charity had annual commitments under non-cancellable operating leases as follows:

|                            | 2024<br>£      | 2023<br>£      |
|----------------------------|----------------|----------------|
| Within one year            | 35,741         | 35,741         |
| Between two and five years | 153,644        | 153,644        |
| In greater than five years | 142,849        | 178,600        |
|                            | <u>332,234</u> | <u>367,985</u> |

The charge during the year was £35,741 (2023 - £35,741) for Land and Buildings.

#### 13. Auditors' Ethical Standards

The relevant circumstances requiring disclosure in accordance with the requirements of APB Ethical Standard - Provisions Available for Small Entities are:

In common with many organisations of our size and nature we use our auditors to assist with the preparation of the financial statements.