



**NATIONAL  
TRUST *for*  
SCOTLAND**

NATIONAL TRUST FOR SCOTLAND TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

# Trustees' Annual Report and Financial Statements

For the year ended 29 February 2024

Scottish Charity Number: SC007410

NATIONAL TRUST for SCOTLAND

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

# **Trustees' Annual Report and Financial Statements for the year ended 29 February 2024**

**The National Trust for Scotland**

**Scottish Charity Number: SC007410**



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# Chair's Statement

This past year has been one of growth for the National Trust for Scotland which, after the challenges of recent years, is welcome news for us all.

It is testament to the quality of advice and expertise to which our charity has access, through our Board of Trustees and the many volunteers who serve on our specialist committees, that so much has been achieved.

We welcomed three new Trustees this year – Peter Drummond, Lish Kennedy and Will Williams have brought their unique and valued perspectives to the table in buildings conservation, commercial operations and nature and conservation respectively, and we thanked James Fenton for his tremendous contribution to our charity. Thanks to Kevin Troup for his insights on the Investment Committee over the past five years, and to Kirsty Lucas for her service on the Audit and Risk Management Committee.

We offer our thanks to our Patron, His Majesty The King, for his continued support of the National Trust for Scotland and our work to care for and conserve Scotland's built heritage, landscapes and nature, so people can continue to enjoy it and experience all the benefits we know it brings.

Thank you too to our President Jackie Bird who continues to dedicate her enthusiasm as a passionate advocate for all we do, in person and through our popular podcast series.

As is detailed in the following pages, over the past year our charity has grown – we have welcomed new supporters, new properties and new colleagues and together we have achieved a great deal. All of the Trustees would like to thank everyone involved: employees, volunteers and supporters of all kinds who have made this, and indeed all our work, possible.

Thank you, as ever, for your generous support.



**Sir Mark Jones**  
**Chair**  
**27 June 2024**

# Chief Executive's Introduction

Looking back over the period from March 2023 to 2024, the National Trust for Scotland's year has been bookended by two important achievements which remind us of our fundamental purpose: responsibility for Scotland's precious nature and heritage, and protecting it for the future.

In the spring of 2023, thanks to the generosity of the Hebridean Trust, the Treshnish Isles in the Hebrides passed into our care. This archipelago of islands and skerries is rich in natural life and human heritage, while its acquisition helps bring renewed attention to the importance of our precious coastlines and marine environment threatened by rising sea temperature and levels.

Then, in January 2024, we announced the Trust had taken responsibility for Mackintosh at the Willow, the famous original tea room building in Glasgow designed by Charles Rennie Mackintosh with his wife Margaret Macdonald. Brilliantly restored by the Willow Tea Rooms Trust, the partnership with colleagues from across our organisation helped secure the future of this outstanding example of our design heritage, which is so rich in social history. With the Tenement House a near neighbour, Mackintosh at the Willow helps grow our presence in Glasgow at a time when Pollok House, which we had been custodians of since 1998, was closed for essential restoration by its owners Glasgow City Council.

Property acquisitions by the Trust are now rare, as we work to care for the existing estate built up by our predecessors over the last 90 years, but we will always be mindful of our duty to protect Scotland's heritage, whether through ownership or working in partnership. This is one of the objectives of our ten-year strategy, ***Nature, Beauty & Heritage for Everyone***, which has directed our efforts since 2022. As Year 2 of the strategy concluded, there is clear evidence of the recovery which we had planned, and which colleagues across the Trust have been working so hard to achieve.

We have seen visitor numbers at **4.5 million** for the year recover to be better than pre-pandemic levels. We can report on exceptional levels of philanthropy and grant support at **£16.8 million**, which makes clear that people and the partners we work with care deeply about Scotland's heritage and beauty and are prepared to invest in the Trust to protect it.

As an independent charity we depend on the generosity of such supporters, the loyalty of our growing membership of over 326,000, and the income we generate from our enterprise, which reached an unprecedented **£17.5 million** during the year. In all of this, I am enormously grateful for all the support we receive and the very hard work by all throughout the organisation – employees and volunteers – in making this possible.

This success has meant we have been able to continue investing in conservation across our estate, undertaking projects made possible by a budget of **£14.7 million**, which represents 21% of our overall turnover for the year of **£69.5 million**. This has included extensive repairs and restoration at Brodick, Craigievar, and Drum castles, at Canna House in the Hebrides, and our continuing long-term restoration of the Hill House. Smaller-scale work abounds, from the repair of garden walls at Hill of Tarvit, the drainage and rectification of the pond at Crathes, and the maintenance of tenanted properties in the historic burghs of Culross and Dunkeld, to the restoration of glasshouses at Inveresk and in the magnificent walled gardens at Culzean Castle.

We celebrated new openings as the House of the Binns welcomed visitors again after an extensive programme of refurbishment and redecoration, our Gateway to Nature at Corrieshalloch Gorge opened to the public, and the Crathes rose garden bloomed for the first time, made possible by a generous donation.

As we are all aware, the world has faced challenges throughout the year, with economic issues providing continuing headwinds and the impacts of climate change and other ecological threats such as avian flu making themselves further felt. Our expert teams have been hard at work countering these for the Trust.

In our financial and resource management, attention to sustainability, to business processes and the care of our staff has been a constant. At our year-end, as we continue to move away from the crippling effects of the pandemic, we report that our operational deficit was **£6.4 million, 37% better than budget**, and that our overall Statement of Financial Activities (SoFA) positions a surplus of £1.5 million. The Trust manages this through the strength of its reserves and their astute management, and in future projections we forecast further improvement.

In the field, our nature and property staff have been working with rigour to understand the changing patterns of the country's biodiversity, and what seems now the continuous exercise of addressing storm damage as extreme weather events increase in frequency. While this has brought destruction, there was good news too because of the Trust's conservation work. Hen harriers had a successful season at Mar Lodge Estate where our programme of peatland restoration continued, a vital means of sequestering carbon. St Abbs Head National Nature Reserve recorded more species than ever and at Ben Lawers in Perthshire, the beaver population is thriving. Across the country, our pioneering PLANTS project progresses, working to catalogue all species at Trust places. We are also cataloguing our Robert Burns literary collection, which launched in April 2024.

Notably in 2023, we were humbled to receive a single donation of £2.4 million from one member, for whom the Trust's places have been such an important part of family life. Such generosity, one of the largest donations ever received by our charity, as well as the support of anyone who buys a scone, a Christmas hamper, or books a holiday at one of our fabulous places, makes possible our work to care for Scotland's special places so that everyone may enjoy and be inspired by them. We are very grateful indeed for all that support.



**Philip Long OBE FRSE**  
**Chief Executive**

# Trustees' Annual Report for 2023/24

We are pleased to present the 2023/24 Annual Report in accordance with the Charities Statement of Recommended Practice and applicable law.

Since 1931, we have pioneered public access to and charitable ownership of some of the most magnificent buildings, collections and habitats in Scotland. We care for ancient houses, battlefields, castles, mills, gardens, coastlines, islands, mountain ranges and all the communities, plants and animals which depend upon them.

Together, the places and objects in our care tell the stories of Scotland and the Scots: how our people travelled and interacted with the wider world, taking with them their energy and values and returning with new ideas. Without our involvement, many of these places would have been lost forever to the damage caused by time, tide, climate, voracious pests and developers.

As the Trust is an independent charity and not part of government, we are free to use our voice when we need to challenge politicians, policymakers and commercial interests, as well as offer constructive advice based on the hard-won experience of more than 90 years of pioneering conservation work.

Under the unique powers of inalienability and conservation agreement rights given to us under the *National Trust for Scotland Order Confirmation Acts 1935 and 1938*, we have the ability to enter into legally binding conservation agreements that enable us to protect important places that are not directly in our care, as well as the power to declare our land to be inalienable. This reinforces our mission to speak up for all of Scotland's heritage, wherever and whenever it is under threat. As a membership organisation, most of us are directly elected by our members and we ourselves must be Trust members. We are accountable to the Trust's membership, and we have a duty to ensure the long-term protection of Scotland's heritage.

The commentary noted below refers in all cases to the consolidated results for the year to 29 February 2024 reported within these financial statements and includes the Trust's subsidiary undertaking, National Trust for Scotland Enterprises Limited (NTSE, the Company).



# Our vision and strategy

Our ten-year strategy and vision, *Nature, Beauty & Heritage for Everyone* was launched in March 2022 and runs up to the charity's centenary in 2031. It is based on three pillars – conservation, engagement and sustainability – and is split into three phases. 2023/24 is Year 2 of the *Recovery & Planning* phase. The strategic objectives are:



## Nature, Beauty & Heritage for Everyone

### A ten-year strategy

#### CONSERVATION

##### Caring for Scotland's special places

- We will have stabilised and improved the condition of our estate
- We will have enriched Scotland's protected heritage to make it relevant to more people
- We will have enabled nature to flourish across our countryside, gardens, farmed and designed landscapes
- We'll be speaking up for our heritage which doesn't have a voice

For more information email [strategy@nts.org.uk](mailto:strategy@nts.org.uk)

#### ENGAGEMENT

##### Providing access and enjoyment for everyone

- We will be a leading provider of inspiring heritage visitor experiences in Scotland to more than 6 million people per year by 2032
- We will be a learning organisation by championing skills to support traditional conservation and innovation
- We will enable growth and diversity of people to access our properties to improve health and wellbeing

#### SUSTAINABILITY

##### Being a sustainable charity

- We will be a growing diverse organisation, with over half a million members
- We will be financially secure, balancing our income with over £100 million of capital investment over the lifetime of this strategy
- We will have transformed our organisation to be carbon negative by 2031/32
- We'll have invested in our own people, the volunteers and staff who care for our properties, and equipped them with the systems and capabilities we need

#### Our values

CARING BRAVE CURIOUS VIBRANT INCLUSIVE



The National Trust for Scotland is a Scottish charity, SC007410

# Strategic Review

## Our performance in 2023/24

We report on a suite of Key Performance Indicators (KPIs) to track progress against our ten-year strategic objectives. Some of these KPIs have been carried forward from the previous strategy period, and new indicators are being developed to give us wider coverage across the corporate strategy.

Overall performance, as measured through the suite of KPIs, has been good as we continue in the *Recovery & Planning* phase of the strategy.

<b>Pillar</b>	<b>Objective by 2032</b>	<b>KPI</b>	<b>RAG* Against Annual Target</b>	<b>2023/24</b>	<b>2022/23</b>
CONSERVATION	Our heritage assets are in a stable and improving condition.	Conservation Performance Index (CPI) – tracking the % of a sample of heritage assets in a good condition.		KPI under review <sup>i</sup>	68.2%
ENGAGEMENT	We are known as a leading provider of inspiring visitor experiences in Scotland to a diverse audience of over six million visitors a year.	Total visitors across all Trust properties within the year.		4.5 million <sup>ii</sup>	3.8 million
		Satisfaction score out of ten, derived from property visitor surveys across the year.		8.9 <sup>iii</sup>	8.8
	By 2032, half a million members will have supported over £100 million of investment in conservation, access and learning.	Number of members at year end.		326,336	317,243
SUSTAINABILITY	We have reduced our environmental impact and will be carbon negative by 2031.	Carbon equivalent emissions per visitor.		0.94kg <sup>iv</sup> CO <sub>2</sub> e per visitor	1.07kg CO <sub>2</sub> e per visitor
	We are financially secure, balancing our income with over £100 million of capital investment over the lifetime of this strategy, while maintaining enough reserves to ensure our long-term resilience.	Fundraising performance measured by income from donations and appeals.		£6.9 million	£3.6 million
		Financial performance against budgeted operational deficit/surplus after depreciation.		Deficit of £6.4 million	Deficit of £7.8 million

CROSS-CUTTING**	Our volunteers and staff are equipped with the systems and skills they need.	Workforce Engagement Index tracking % of the workforce who recommend the Trust as a good place to work.		82% <sup>v</sup>	76%
		Accidents per 100,000 visits.		3.7 <sup>vi</sup>	4.9

\*RAG: red = behind target and requires corrective action; amber = just behind target; green = on or exceeding target

\*\* CROSS-CUTTING KPIs underpin all three strategic pillars.

### CONSERVATION

<sup>(i)</sup>We introduced the Conservation Performance Index in 2019 as a holistic measure of the change in the condition of our most significant heritage assets. Over that time it has shown a small annual increase of around 1.5%. In 2022 we instigated a new comprehensive programme of building condition assessments to replace a smaller range of quinquennial surveys. In 2023 we began a project to sample the condition of collection items. We have also begun to review methodologies for assessing garden condition and to consider introducing a replacement for NatureScot’s Site Condition Surveys of designated features for natural heritage sites. We have therefore decided to pause reporting on the CPI until we have tested and calibrated these new, more robust and comprehensive methods of assessing the change in our heritage assets. We expect to report again in 2025 against an updated baseline. This annual report includes information on projects which demonstrate the full range of our conservation activities.

### ENGAGEMENT

<sup>(ii)</sup>2023/24 saw us achieving a record 4,530,482 visitors across the Trust estate, exceeding a pre-pandemic high of 4.2 million. This total includes 1.8 million recorded countryside visitors, which is most likely to be under recording due to the practical challenges across such a large countryside estate. We welcomed over 100,000 travel trade visitors to our properties this year, which has helped to boost commercial income.

<sup>(iii)</sup>The metric is a measure of the overall experience scored out of ten – it includes interaction with the Trust, visitor services such as retail and catering, access, and heritage/nature. Data is based on a rolling monthly average across the year from 4,589 surveys across Trust places open to visitors. 50% of respondents were members. 89% of respondents were UK-based; 11% were international.

### SUSTAINABILITY

<sup>(iv)</sup>This figure is extracted from our annual Streamlined Energy Carbon Report (SECR) for 2023/24, which is calculated in accordance with the Greenhouse Gas Protocol Corporate Standard and HM Government Environmental Reporting Guidelines. This intensity ratio is based on all scope 1 and 2 emissions and all visitors to heritage properties (excludes countryside visitors). The equivalent intensity ratio, taking into account reduced emissions for procured renewable electricity, is 0.53 kg of CO<sub>2</sub>e per visitor.

<sup>(v)</sup>Based on an annual survey to employees and volunteers in response to the question: ‘I would recommend the Trust as a good place to work’.

<sup>(vi)</sup>This figure is based on total visitors and accidents reported through the Trust’s accident and incident reporting system. The ratio of accidents to visitors is now below pre-pandemic levels.

## Our achievements in 2023/24

### Conservation

Throughout 2023/24, our teams across the country oversaw projects large and small to **improve the condition of our estate**. Work at Drum Castle and the restoration and repair of the glasshouses at Inveresk Lodge Garden and Canna House are just some of the projects supported by funding from Historic Environment Scotland's Partnership Fund Grant. At Arduaine Garden, we completed the felling of almost 1,000 Japanese Larch to help prevent the spread of plant disease, and we have started replanting the area with a more diverse and resilient range of species. We carried out conservation work on our collections too, of course, with the historic Fyvie organ benefitting from careful attention to get it back into working order. Its sounds can fill the drawing room once again.

We **enriched heritage** with the development of the gorgeous Crathes rose garden. Made possible thanks to the late Professor Ian Young and his wife Sylvia, who enjoyed a long association with Aberdeenshire, the garden takes inspiration from 5,000 years of Aberdeenshire history and brings it up-to-date with bright, wildlife-friendly planting which visitors already love. At St Abb's Head National Nature Reserve we provided safe access for hundreds of people to limit any disturbance to the expanding colony of grey seals during the pupping season. At the Robert Burns Birthplace Museum in Alloway, we once again added, through a generous gift, to our world-leading Burns collection some beautiful textiles, handcrafted by Burns's mother and sister, enhancing the stories we can share about Scotland's national bard.

**Nature is thriving** at our places. At Mar Lodge Estate alone, thousands of trees were planted, birds of prey are breeding successfully, a recently released wildcat has been spotted onsite, two rare dragonflies have been discovered and peatland has been restored. While this is the UK's largest National Nature Reserve, it is just one of the many places in our care and demonstrates the difference we are making all over Scotland, to many habitats and sites which are critical in tackling the biodiversity crisis. At Threave, our landscape restoration project is attracting new bird species to the site, as the wetlands are re-established and the new native trees take root. We have been preparing for our first seabird breeding season as stewards of the Treshnish Isles, working across the Trust to co-ordinate research, surveys and biosecurity.

We have been **speaking up for our heritage** which does not have a voice, highlighting our concerns about the way a programme to expand 4G coverage has been impacting on some of Scotland's most remote and beautiful landscapes. We appointed Cal Major as an ambassador to help us talk more about nature and its benefits and we spent time at the Scottish Parliament, meeting MSPs and taking the opportunity to introduce them to our work and all we do for Scotland's special places.

### Engagement

Throughout the period from 1 March 2023 to 29 February 2024, we provided **inspiring heritage experiences** for over 4.5 million visitors, more than our target for the year. Notable is the huge increase in popularity of our autumn programme with Halloween and apple harvest themed events attracting thousands of visitors, and all well up on pre-pandemic levels. Art proved popular too, with a Raeburn exhibition at the Georgian House attracting many members in particular. The exhibition collected works by the famous portrait artist from around our properties and put them on show in central Edinburgh with great success. At Corrieshalloch Gorge in the Highlands, our new Gateway to Nature gives visitors more to explore at this beautiful National Nature Reserve with new paths, viewing points, and more information from our knowledgeable, helpful staff to make a visit there even more special.

As the future conservation of our places depends on having the right people with the right range of professional specialisms in place, so we have been **championing skills** all over the country. At Threave, our School of Gardening continues to grow new garden talent with a special focus on the skills needed in a heritage setting. We are also helping create a pipeline of young people who can make a career with the National Trust for Scotland, offering apprenticeships with important focuses including digital marketing and cultural venue operations. Meanwhile, our archaeology team shared their skills and knowledge with history fans, volunteers and learners of all ages through their digs and drop-in days at Ben Lawers, Ben Lomond, Brodie Castle, Castle Fraser and Culloden, all helping to uncover more of Scotland's stories and maybe inspire a few new Indiana Joneses.

Our new Shared Moments campaign launched in August 2023. Highlighting the many benefits that experiencing our places brings, it aims to inspire a more diverse group of people to enjoy the special places in our care to **improve health and wellbeing**. Research confirmed that 97% of people felt that access to the outdoors is important for their mental health, so spending time at our places can definitely make a difference to people. For the more active, the 2023 PIM Running Festival at Crathes Castle provided a range of races to test runners of all ages and skill levels, all in the stunning setting of Royal Deeside. At Glencoe National Nature Reserve, work began on the Glencoe Greenway – a shared-use path enabling local people and visitors to walk, cycle or wheel into the heart of the glen from the west. Already famed for its mountaineering and high-altitude challenges, this new all ability pathway will open up access to the glen to a wider range of users, meaning even more people can benefit from its nature, beauty and heritage.

## Sustainability

### Fundraising

We are very pleased to report on another year of growth for fundraising activities and results for our charity, raising £13.2 million, against a target of £10.9 million. This is a positive step towards embedding fundraising in everything we do at the National Trust for Scotland. This is critical to enabling our charity to work towards our strategic objectives by delivering a stream of sustainable, flexible and strategically focused income.

More than 30 different areas of our work, be they property or project-specific, were supported by donations from donors over the last year. Each gift demonstrates the broad interest and widespread love for our work to care for and share our special places, and we are pleased to be inspiring more and more support for our charity.

Encouraging support for now and the future is the focus of our fundraising team, and our charity, and we are grateful to, and celebrate, the thousands of donors who have contributed £7.0 million to our charity in 2023/24 through appeals, major gifts, corporate partnerships, trusts, grants and community fundraising. We are also sincerely grateful to the individuals who made gifts in their Will to our charity. Their generous foresight and kindness contributed £6.2 million to our cause this year. Gifts in wills are vital to our charity – 10 pence from every £1 we spend comes from a legacy gift. We would like to thank the 108 people who, over the past year, have included the National Trust for Scotland in their Will, enabling so much important conservation work to take place all over the country.

A highlight of the past year came in the form of an extraordinary gift from an anonymous donor of £2.4 million. This is one of the largest single donations from a living donor in the history of our charity and is deeply valued. The donor has a long-standing relationship with our charity, and it's only with the work of many people across the Trust – from colleagues at properties, senior managers, and our fundraising team – that this gift was realised. It demonstrates what can be achieved when we work together to look after donors who wish to help us achieve our goals.

We are deepening engagement with existing supporters and reaching new audiences through regular communications, a programme of events, and our corporate partners including Sky VIP, The Glenlivet, HSBC UK,

Cotswolds Outdoor and Octopus Energy. We have also developed new ways to support the National Trust for Scotland and to celebrate loved ones at the same time with our new Dedicate a Tree and Dedicate a View products, while our regular giving options, ROOTs and Lottery, continue to grow our audience and income.

In addition, we have:

- Strengthened our links with our most loyal supporters in Members' Centres and Friends' Groups across the UK, our Patrons' Club, Founders' Circle and the National Trust for Scotland Foundation USA, who continue to generously support our work all over Scotland.
- Raised awareness of and support for our footpath work, our seabird activity and for our island places through our appeal programme.
- Gained the vital support of the National Lottery Heritage Fund who are supporting our ambition to engage new audiences with our Engaging Communities project, and who have provided vital support to our charity as Mackintosh at the Willow transitioned into our care.
- Grown our delivery and ambition for nature conservation thanks to funding from NatureScot and players of People's Postcode Lottery, who support our wide-ranging and vital Love our Nature project.
- Won support for infrastructure that will improve access to nature and the visitor experience at places including Corrieshalloch and Glencoe from NatureScot, Rural Tourism Infrastructure Fund, Sustrans and Cycling Scotland.

The Trust had no fundraising-related complaints or enquiries left unresolved and none escalated to the Scottish Fundraising Adjudication Panel for further investigation. Our fundraising activity adheres to the Trust's Working with Vulnerable People Policy.

## Members

Members are the lifeblood of the Trust. Our work to protect the places we all love couldn't happen without them and the support they provide. This year has been no different.

For many years, membership subscriptions have provided around a third of the Trust's total income. This year we received £17.8 million income through membership – the highest the Trust has ever received.

Our strategy sets out ambitious targets with relation to members and we continue to build towards this. We ended the year with 326,336 members – retaining nearly 84% of members and recruiting 38,657 new member households. This strong achievement underlines the importance of our ongoing focus on providing the best service we can, supporting members to have the best possible experience with us, and significantly growing membership by raising the Trust's profile and showcasing the importance of our work.

We're always thrilled to welcome members to the Trust and to our wonderful places and would like to thank all members for their support.

## Workforce

The people team support the Trust's total workforce, of which there are 1,235 employees and 2,257 volunteers (as of 31 March 2024).

In September and October 2023, we conducted our workforce survey. This year it was a short Pulse survey with 15 questions. Again, we were able to improve the response rate compared to the previous year, and, of special note, the response rate of our volunteering colleagues has significantly increased. Our Engagement KPI statement of 'I would recommend the Trust as a good place to work or volunteer' remained stable with 75% (+1% from 2022) for our employees and 90% (+7% from 2022) for our volunteers. When compared with 2022 results overall, scores have generally improved, with eight of the measures seeing some kind of increase in agreement, and with only one seeing a decline. A key outcome of the reflections in ExCo and the leadership teams is the decision to focus Trust-wide actions on enhancing the visibility and accessibility of senior management. Transparent and efficient communication is fundamental to increasing trust further within our teams, with many departments already

outlining actions to improve communication flow in their areas. The survey approach is currently under review, and we will conduct a refreshed survey in 2024.

To support and improve the confidence of our managers of volunteers and the experience of our volunteers, we have focused on developing new guidance, resources and training.

Our Workforce Equality, Diversity, and Inclusion programme has continued to grow, this year expanding on our age, disability, and LGBTQ+ inclusion work to also incorporate activities and initiatives which focused on gender and carers inclusion. This work has included a revision of our current processes, creation of new policies, development and delivery of new training to the workforce, and delivering awareness-raising initiatives in collaboration with our internal communications team.

In September 2023 a new People Business Partner model was introduced to the Trust, which sees a dedicated People Business Partner for each of our directorates and regions. Focus for the coming year will be to embed the new model.

# Financial Review 2023/24

## Introduction

The commentary noted below refers in all cases to the consolidated results for the year to 29 February 2024 reported within these financial statements and not just those of the Trust on a standalone basis. The Trust's subsidiary undertaking is National Trust for Scotland Enterprises Limited (NTSE, the Company).

## Consolidated Statement of Financial Activities

The Consolidated Statement of Financial Activities (SoFA) set out on page 36 highlights that total income and endowments for the financial year was £69.5 million (2022/23: £57.8 million) and total expenditure was £75.9 million (2022/23: £65.6 million) giving a net expenditure of £6.4 million before investment gains. This is a decrease of £2.4 million compared with net expenditure before investments for 2022/23, which was £7.8 million. Net income/expenditure is stated after recognising net gains and losses (both realised and unrealised) on investment assets.

Net investment gains during this financial year amounted to £7.9 million, which compared to the £8.4 million loss recognised last year, is a positive movement of £16.3 million. These net investment gains for this financial year comprised net realised gains of £4.3 million from the sale of investments during the year and £3.6 million of unrealised gains on investments still held at the end of the financial year. Net losses on investments in the previous financial year comprised £2.7 million of net realised losses from the sale of investments and £5.7 million of unrealised losses. Net income before transfers for 2023/24 is £1.5 million, an increase of £17.6 million compared to the net expenditure before transfers of £16.1 million for 2022/23.

The chart on the next page shows the comparison of the component parts of income in this financial year compared with the previous year.

Analysis of Sources of Income



## Income and endowments

### Membership revenues

Membership income increased by £0.8 million in 2023/24, to £17.8 million (2022/23: £17 million). At the end of the year the number of members was 326,336, a slight increase on 2022/23 of 9,093 or 2.9%. Increase in income per



member is in line with membership price annual increase. Membership revenues are separately detailed in the Statement of Financial Activities as they comprise both a donation and subscription element.

### Appeals and donations

Income from appeals and donations of £7.0 million was ahead of expectations for the year and a significant increase of £3.4 million on 2022/23. Of the total appeals and donations in 2023/24, £1.3 million is unrestricted income and £5.7 million is restricted income. Appeals and donations income is described more fully under the Fundraising section on page 12.

### Legacies

During this past financial year, we are delighted to have benefitted from legacy income totalling £6.2 million (of which £5.2 million was unrestricted). This is a decrease of £1.0 million from legacies recognised in the previous financial year. The receipt of legacy income is, by its very nature, unpredictable and the Trust has been very fortunate to benefit from a number of generous bequests over the years.

As always, we are extremely grateful to everyone who makes a provision for the Trust in their Will.

### Investment income

Our investments are held in a number of investment funds in line with the Strategic Asset Allocation Investment Policy launched in September 2021. The Strategic Asset Allocation Policy manages the total portfolio on a total return basis without regard to the split of returns between income and capital. It will generate real returns over the long term, reduce risks through diversification of assets classes and, except for property investments, has a dedicated manager appointed for each of the other seven asset classes.

Several funds in the portfolio are income generating and these are predominantly aligned with the Endowment Funds as it is only the income from these Endowments that can be spent. The other funds are predominantly allocated against the Restricted and General Funds of the charity, where both capital and income can be used by the Trust.

The oversight of most of the non-property investments held by the Trust is handled by Mercer who were appointed as the Trust's Investment advisers for quoted securities and private market funds in September 2021. They advise the Trust on any revisions to asset allocations as defined by the investment strategy.

The section Investment Policy and Performance on page 21 provides additional information on these investments.

The income generated from investments has seen growth from the previous financial year as the Private Market funds have started to make cash distributions and greater economic stability has allowed dividend and income growth from Bonds and the Property Fund. Higher interest rates have also improved the return on term deposit accounts holding the cash assets. The level of investment income received this financial year of £7.8 million was £2.4 million higher than the £5.4 million in the previous financial year.

### Grants

The Trust continues to receive grants towards the cost of some of our conservation work. We are grateful to the Scottish Government, Historic Environment Scotland, NatureScot, the National Lottery Heritage Fund, People's Postcode Lottery, Sustrans, and local authorities for providing valuable support during this past financial year.

Our grant income fluctuates from year to year, depending on the major projects that are active in any given year. During 2023/24 our total grant income was £3.6 million, while grants received in 2022/23 were £1.2 million.

## Property and other income

Property and other income, which includes admissions income and rental income, continued its upward trend in 2023/24, increasing from £8.1 million last year to £9.4 million this year.

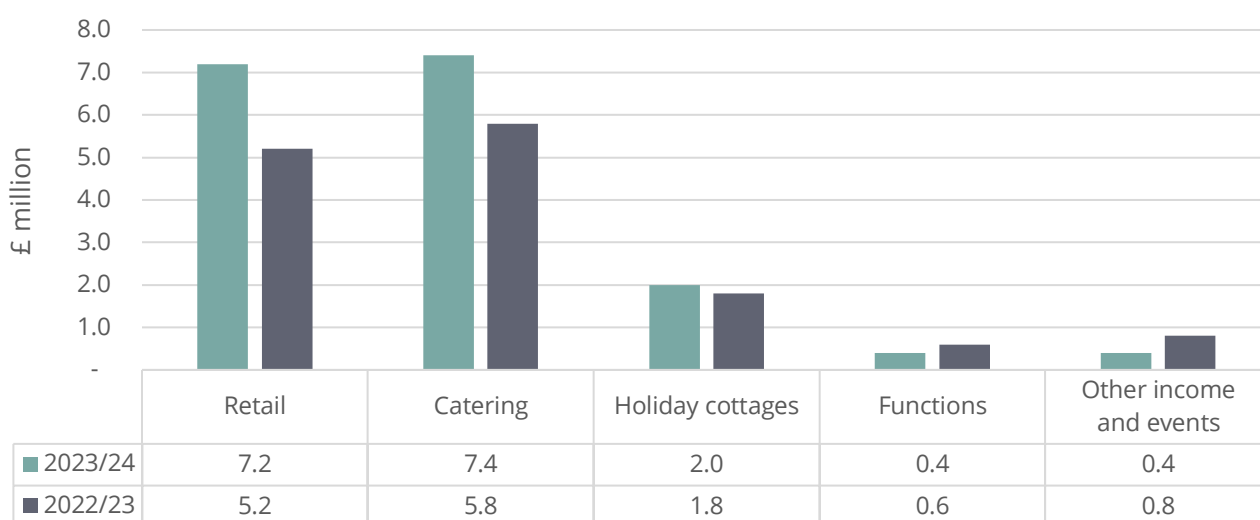
The level of rental income we generated from our let portfolio was £1.9 million, which was in line with last year. Other income, which includes advertising income, income from events and proceeds from insurance claims in respect of costs previously incurred, increased by £0.5 million to £2.1 million, from £1.6 million in the previous year.

## Commercial activities

### Revenues

Our total revenues from commercial activities of £17.4 million was substantially up (by £3.2 million) on last year's levels (2022/23: £14.2 million). The chart below highlights the year on year movement by commercial activity:

### Analysis of Commercial Revenue



### Net contribution (see Note 8)

Continued growth in commercial activities resulted in a net surplus of £4.1 million, up £0.9 million from the prior year's level of £3.2 million. This overall increase in net income from commercial activities was driven by an increase in revenue of £3.4 million, offset by an increase in expenditure of £2.5 million.

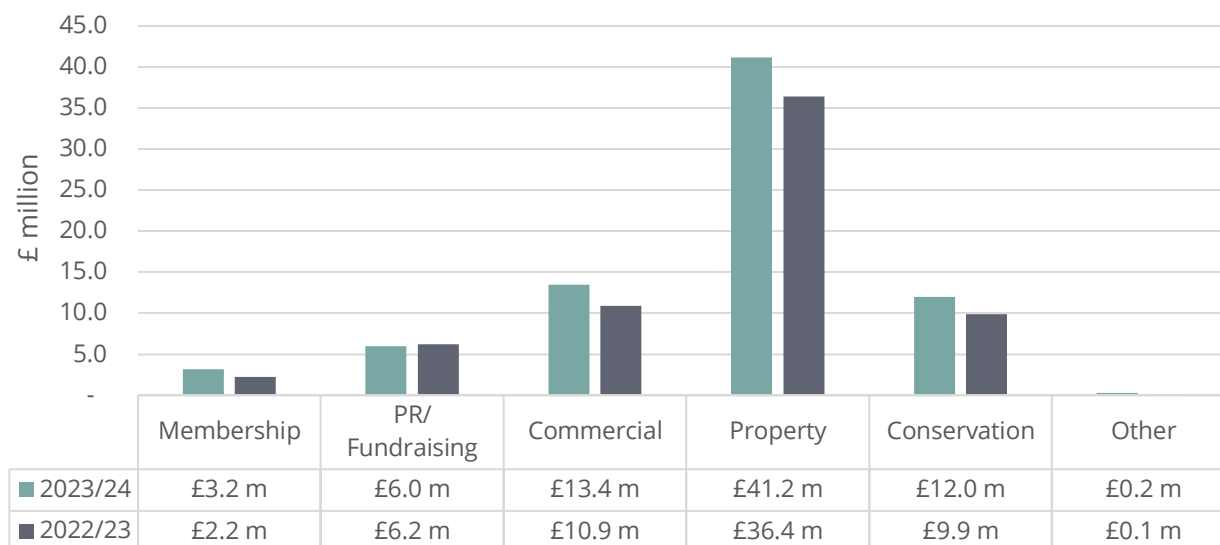
### Gain on sale of assets

There were a number of disposals of assets during the financial year, which resulted in a gain on sale recognised of £0.2 million (2022/23: £1.1 million). Note 21 to the financial statements provides further details of heritage assets included in these totals with sales values of £0.2 million (2022/23: £1.0 million).

## Expenditure

Total expenditure for the financial year is £75.9 million, up from £65.6 million in the prior year. The major items of SoFA expenditure relate to property operating expenditure of £41.2 million (2022/23: £36.4 million); conservation, repairs and improvements of £12.0 million (2022/23: £9.9 million); costs of commercial activities of £13.4 million (2022/23: £10.9 million); publicity and fundraising costs of £6.0 million (2022/23: £6.2 million); and membership and recruitment costs totalling £3.2 million (2022/23: £2.2 million). In addition, during the current financial year £0.2 million (2022/23: £0.1 million) of other expenditure was incurred. The chart below shows the comparison of the component parts of expenditure in this financial year compared with the previous year.

## Analysis of Expenditure



### Wages and salaries

Total gross pay, which is segmented in a number of different cost-category lines on the SoFA, including some of those referenced above, increased by £3.8 million this year to £28.0 million. This was predominately driven by overall higher staff numbers than in 2022/23, as well as our commitment to the Real Living Wage. The average number of employees on permanent and fixed-term contracts, including seasonal employees, was 1,144 (2022/23: 1,017). On a full-time equivalent basis this becomes 617 (2022/23: 770). The average number of employees on permanent contracts was 795 (2022/23: 662) and the average number of employees on fixed-term contracts was 339 (2022/23: 355). The peak number of staff employed during the year was 1,288 (2022/23: 1,164). All employees are employed by the Trust, and costs relating to commercial activities are charged to the subsidiary company.

With effect from 1 March 2023, all employees on Grade 1 and Grade 2 Lower pay scale received either a 9.7% (National Minimum Wage) or a 6.7% (Voluntary Living Wage) increase, plus a one-off payment of £250. All other grades received a 3.5% increase. This change was processed in April 2023 with arrears being paid in that pay period.

In addition to its paid workforce, the Trust also benefits greatly from a committed group of volunteers who give their time to help at properties and in administrative offices, covering tasks that include visitor services, retail, events, gardening, learning, environmental work and footpath work.

During the year to 29 February 2024, these volunteers carried out a total of 146,063 hours of work (2022/23: 127,502 hours), which is a 15% increase on the previous year. If translated at a National Minimum Living Wage cost of £11.44 per hour (which is an average based on the wide range of skills used by volunteers in the organisation), this effort equates to a value of £1.7 million (2022/23: £1.5 million).

The Trust depends heavily on volunteers and could not operate without their ongoing support. We are extremely grateful to them all for the time and energy they devote to the Trust.

### Property operating expenditure

Total expenditure on property operating costs was £41.2 million, an increase of £4.8 million on last year's £36.4 million. This reflects planned investment under phase 1 of our ten-year strategy. We faced unprecedented global inflationary pressures, impacting on our current and future costs. We have anticipated this inflationary cost increase and plan to mitigate it through careful monitoring and control of costs, as well as maximising national procurement contracts to ensure we achieve value for money.

## Conservation, repairs and improvements

Total expenditure on conservation, repairs and improvements amounted to £12.0 million in this financial year, £2.1 million above the £9.9 million spent in 2022/23. This increase reflects the continued investment in both major projects and routine conservation and repairs as planned. In 2022/23, £1.6 million of project expenditure relating to multi-year projects which had previously been charged to conservation, repairs and improvements in previous years was capitalised giving rise to a prior year adjustment. No such adjustment was made in 2023/24.

Project expenditure varies from year to year depending on conservation requirements. Major project expenditure in this year included work at Canna House, Brodick Castle, Glencoe Greenway, Mar Lodge Peatland Restoration, Craigievar Castle and at 18 holiday cottages across the country.

Further detail on the breakdown of all relevant costs is set out in the accompanying notes to the Financial Statements.

## Other expenditure

Total other expenditure incurred in the current financial year was £0.2 million, (2022/23: £0.1 million).

## Balance sheet and funds

At 29 February 2024, total funds amounted to £236.0 million, an increase of £1.5 million on the comparable figure of £234.5 million at the end of February 2023.

The Trust has approximately 300 restricted or designated funds, which have been either donated or set aside by the Board for a specific purpose.

The value of restricted funds was £163.0 million at 29 February 2024, an increase of £9.8 million from their level of £153.2 million at the prior year end. In addition to its restricted funds, the Trust has a separate designated fund to reflect the value of tangible fixed assets – this had a balance of £35.8 million at 29 February 2024.

The bulk of the Trust's unrestricted reserves are held in the General Income Fund, which had a balance of £37.2 million at 29 February 2024. The General Income Fund balance has decreased by £13.0 million from the balance of £50.2 million at the end of February 2023. The General Income Fund balance is higher than the target level of £34.1 million, which is required to cover six months of operating costs and operational deficits at properties and the cost of committed capital project work that will take place this year. If there are more than sufficient reserves to cover these future deficits, the reserves will be used to invest in conservation and improving operational efficiency to help ensure longer-term financial sustainability.

The value of our total fixed assets remained at £219.5 million (2022/23: £219.5 million) at 29 February 2024. There was an increase in the value of our tangible assets of £4.7 million, of which £1.75 million relates to the acquisition of Mackintosh at the Willow in January 2024. The value of our investment assets decreased by £4.9 million during the year to £184.7 million. A detailed review of investment performance is set out on page 21.

Our working capital increased by £0.8 million to £29.4 million at 29 February 2024. The most significant movements are the decrease in cash and bank of £0.9 million, and the increase in debtors of £1.6 million. The increase of £1.6 million in debtors to £11.0 million is mainly driven by an increase in accrued grant income for the year.

Creditors falling due within one year have decreased to £9.4 million (2022/23: £10.1 million) at 29 February 2024. This is primarily due to a reduction in accruals from £3.9 million at 29 February 2024 compared to £1.2 million at the previous year end. Trade creditors increased to £5.3 million at 29 February 2024 from £3.5 million at the previous year end.

## Cash flow and liquidity – cash generation

Cash flow from operations in the financial year was an outflow of £14.3 million, a £1.0 million increase from the outflow of £13.3 million reported for 2023/24.

Cash inflow from investing activities amounted to £13.5 million, which is a movement of £20.6 million on the outflow of £7.1 million in the previous financial year. Receipts from the sale of assets fell by £0.8 million to £0.2 million and capital expenditure increased by £0.9 million to £4.4 million in 2022/23. The purchase and sale of investments generated £12.8 million. Investment income generated £7.8 million, an increase of £2.4 million compared to 2022/23.

As a consequence of the above cash flows, cash and cash equivalents at the year-end amounted to £17.3 million, a decrease of £0.9 million from the opening level of £18.2 million at the start of the financial year.

## Future plans and outlook

The achievement of income and endowments of £69.2 million in the 2023/24 financial year completes the post-pandemic recovery of income levels with a significant increase on the 2022/23 level of £57.8 million and exceeds pre-pandemic income of £59.7 million. The Annual Operating Plan for 2023/24 was based around continued recovery, with plans for major capital projects, investment in our people resource and the reopening of properties across the estate. Despite the challenging external environment of high inflation and the cost of living, the Trust is planning for continued growth over the next three-year planning period to 2026/27, reflecting our continued excellent value for money.

We saw a significant increase in our visitor numbers in 2023/24, to 4.5 million from 3.8 million in 2022/23 and in excess of the pre-pandemic peak of 4.1 million. We expect current levels of visitation to continue in the 2024/25 financial year, recognising the current global financial uncertainty. The acquisition of Mackintosh at the Willow will contribute more visitors and contribute towards this recovery.

We are entering the third year of our ten-year Corporate Strategy with the latest financial and capital plans covering the three-year period to 2026/27. This longer-term view allows us to plan and fundraise for future projects, which is essential for both the long-term maintenance of the Trust's assets, and for investing in new initiatives that support our strategic goals and encourage repeat visitation and membership support.

The Trust's subsidiary undertaking, National Trust for Scotland Enterprises Limited (NTSE, the Company), returned a profit for the financial year of £3.0 million. The Company's activities are expected to continue to grow, driving income growth over the three-year planning period to 2026/27. We also expect costs to rise in this period, given current inflation rates. We aim to maintain or increase all margins, despite prices rising overall, through maximising national procurement contracts, increasing the proportion of income from higher margin activities and increasing our online sales.

A number of capital conservation projects have also commenced, or worked towards their completion, in 2023/24. We have planned more than 70 individual projects in 2024/25, ranging from the large investments in Canna House and Harbour, Hill House, Glencoe Greenway and Fyvie Castle to smaller developments all across the country.

The Trust's ten-year strategy and vision, along with longer-term financial planning, enables the Trust to plan its activities with greater clarity into the future. The Trust has maintained a sound and prudent cash and reserves position throughout the last three years, and this will help ensure that capital projects and other essential activities are tackled and completed in future years. Further information and detail around our plans for the future are included in our National Trust for Scotland Annual Review 2024.

We remain positive, optimistic and well-positioned to leverage the Trust's strong brand, as our offering of open spaces, wellbeing and historical importance are more relevant than ever as we continue the recovery phase of the Trust's ten-year strategy.

# Investment Policy and Performance

The Trust holds substantial funds for endowments, restricted and designated purposes. The Board of Trustees is assisted by the Investment Committee on the management of the equity and other investments represented by these funds.

The investment powers of the Trust are contained in the National Trust for Scotland Order Confirmation Act 1973, allowing investment in 'Such stocks, funds, shares, securities and any other investments... as the [Board of Trustees] shall, in their absolute discretion, think fit'.

The current investment objectives are to:

- (i) meet budgeted investment income targets as approved on an annual basis by the Board of Trustees
- (ii) achieve an increase in the value of the total return value in real terms over time, while maintaining prudent diversification of assets

The portfolios are invested in line with the Strategic Asset Allocation Investment Policy launched in September 2021. They are in listed global equity funds, bond and credit market funds, private market funds, a UK property fund and cash. Mercer are currently working with the Trust on managing the Investment Policy. The asset allocation of the funds is considered by the Investment Committee, which reports to the Board of Trustees on a quarterly basis.

The current split of the Trust Investment Portfolios is as follows:

Trust Investment Portfolios	Purpose	Fair Value as at end of February	
		2024	2023
<b>Equities – four funds</b>	Managed on a total return basis without regard to the split of returns between income and capital	£84.5 million	£79.7 million
<b>Property – one fund</b>	To deliver real income growth over time	£16.0 million	£17.2 million
<b>Private markets – two funds</b>	Managed on a total return basis without regard to the split of returns between income and capital	£32.5 million	£29.5 million
<b>Bonds and Cash</b>	To deliver real income growth over time	£40.2 million	£49.7 million
<b>Direct holdings</b>		£8.6 million	£8.7 million
<b>Total Investments</b>		£181.8 million	£184.8 million

<sup>2</sup>Note 5 on page 55 provides further information on the fair value movements of the investments.

The performance of the investment portfolios is measured against appropriate benchmarks and reviewed on a quarterly basis by the Investment Committee, who were satisfied with the actual performance on behalf of the Board of Trustees.

In the year to 29 February 2024, the total value of all investments reduced from £184.8 million to £181.9 million, after releasing cash assets of £10 million held in term deposit accounts to provide liquidity for operating and

project expenditure. Additional investments were made into the Private Markets funds funded by divestments from Equity Funds. The fund manager for the Global Small Cap Equity fund was changed during the year from Kempen to Allspring as it was considered that changes in the Kempen investment team weakened their ability to deliver the results expected from this fund. Investment income grew from £5.4 million to £7.8 million which reflected a growth in cash distributions from the Private Market funds, improved distribution growth from bonds and the Property Fund and higher term deposit interest on cash holdings. The markets stabilised over the course of the year and equity funds had a better year generating positive returns whilst other asset classes more correlated with interest rates – which stayed at high levels – had subdued returns. The Property Fund underperformed the other funds in what was a weak sector during the past financial year. Private funds are entering their second phase having drawn down capital to be closer to fully invested.

Changing the equity class of the Sustainable Global Equity fund generated the majority of the realised investment gains of £4.3 million and unrealised gains of £3.6 million were reflected in the year end position.

### Investment performance

The performance of the investment portfolio has been benchmarked by Mercer against sector-specific indices, as detailed below:

Investment portfolios	Benchmark	One year return	One year benchmark
Sustainable Global Equity	<i>Solactive Sustainable Global Developed EU Paris-Aligned Index</i>	22.0%	22.2%
Global Small Cap Equity	<i>MSCI World Small Cap Value Index</i>	10.1%	6.1%
Emerging Markets Equity	<i>MSCI Emerging Markets Growth Index</i>	6.3%	4.5%
Global Alpha Equity	<i>MSCI World Growth Index</i>	14.2%	18.4%
Property Fund	<i>MSCI Monthly Property Index</i>	-0.6%	0.7%
Multi-Asset Credit Fund	<i>SONIA interest rate +6.0% pa</i>	-6.4%	-2.5%
Infrastructure Equity Private Market Fund	<i>50% US CPI / 50% EU82 CPI +3% pa</i>	2.5%	-1.5%
Senior Private Debt Private Market Fund	<i>S&amp;P Leveraged Loan Index</i>	3.8%	6.7%

Figures from Mercer Monitoring Report Quarter to 29 February 2024. CPI - Consumer Price Index.

Figures shown are net of fees and based on performance provided by the Investment Managers, Mercer estimates and Refinitiv.

Total includes monthly returns for Pantheon and Adams Street calculated by Mercer using a Modified Dietz approach based on data provided by the manager and Refinitiv.

Mandates are shown against the Fund benchmarks.

The Trust endorses the UN Principles for Responsible Investment. In keeping with these principles, we ask our investment managers to take an interest in the management of the companies in which the Trust invests. The Trust aims to ensure that the votes attaching to our holdings are exercised where practicable and that they are exercised by our investment managers, taking into account best practice in corporate governance.

We appreciate both the importance of being a responsible asset owner and the benefits that can be achieved through placing a high value on Environmental, Social and Governance (ESG) concerns. The Trust incorporates ESG issues into our investment analysis and decision-making processes, both in selection of investment managers and in reviewing screening of specific stocks. In general terms, we aim to align our Investment Policy with our purpose and vision, which is to ensure that 'Scotland's heritage is valued by everyone and protected now, and for

future generations'. Manager's ESG reports are reviewed annually and the Trust notes that this is an evolving area. The Trust intends not to invest in companies which contravene our charitable purpose and in more general terms for the wider public benefit. Furthermore, the Trust is of the view that Trust funds should not be invested in tobacco stocks, armaments or pornography, and the Trust aims to limit fossil fuel stocks to those companies who are demonstrably progressing towards renewable energy sources.

Where assets of the Trust are invested in pooled vehicles, those assets are necessarily subject to the relevant investment managers' own policies regarding environmental, social and governance issues. The Investment Committee periodically reviews the policies of those pooled funds and meets with the relevant investment managers to discuss such issues. The Investment Committee continues to review opportunities for 'impact investing' to invest in areas which look at innovative solutions to ESG-related problems. They recognise that this carries higher risk and have yet to identify any suitable opportunities.

## Reserves Policy

The Trust is the conservation charity that protects and promotes Scotland's natural and cultural heritage for present and future generations to enjoy. The Trust's portfolio covers built and natural heritage properties with a diverse mix of core and purposeful activities such as learning services, education, volunteering, local fundraising and event programmes.

Safeguarding our heritage is a considerable undertaking that requires substantial financial resources each year. Properties held for conservation reasons bring with them a responsibility for their future care that imposes substantial and perpetual financial obligations.

Free reserves are those that are available to spend on any charitable purpose. These are represented by unrestricted funds less designated funds (which includes fixed assets reserves). In the case of the Trust, free reserves are represented by the General Income Fund (GIF) disclosed on the Trust's Balance Sheet. Free reserves do not include endowment funds, restricted funds or designated funds.

Costs required to operate the activities across the Trust are significant, as most of the Trust's properties are unable by their nature to generate sufficient income to cover the associated operating and heritage care costs. This results in operational deficits, which are funded from reserves.

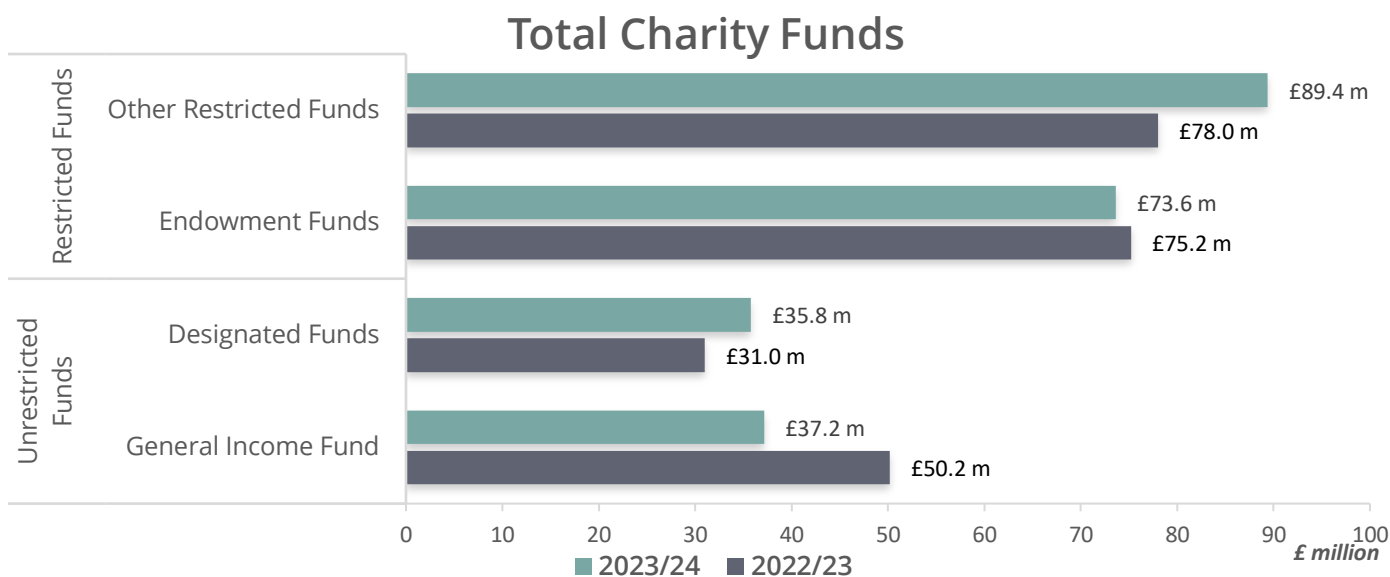
Reserves are an inherent part of risk management and the need for reserves will vary depending on the Trust's financial position and an assessment of risks faced at a particular time. Recent years have seen both global pandemics and regional conflicts impact financial performance, and with significant uncertainty and risk globally and regionally, it is important that an appropriate level of reserves are maintained. These help ensure that the organisation can continue to operate when faced with much lower levels of income or significant rises in costs. We regularly review and update our financial plans and assumptions to ensure that we hold sufficient reserves in the short, medium and longer term to maintain the sustainability of the Trust. The three-year annual operating plan supported by regular financial forecasting and the development of the ten-year strategic plan assists with this process. We monitor the ongoing situation around the UK and global economy to ensure the reserves are available to support the operations on a regular basis as well as part of the planning and budgeting cycle.

### Required level of unrestricted reserves

The Trust's Reserves Policy ensures we continue to retain sufficient funds to meet six months of budgeted operational costs plus committed non-operational expenditure where no restricted funds are available. For the year 2024/25, the budgeted minimum target is £33.8 million with forecasted headroom of £4.4 million. The three-year financial plans include reserves forecast out to 2027. The General Income Fund balance reduced from £50.2 million at the end of February 2023 to £37.2 million at February 2024. The Board will continue to review the level of GIF and the target level required in line with the budgeted and committed requirements of the Trust.



The total value of the Trust's charity funds is shown in the diagram below:



Designated Funds include £1.0 million which represents 'expressions of wishes' where legacies have been designated by the Board into specific designated funds. These are combined in the total for Designated Funds with £34.7 million of funds used for fixed assets (2022/23: £29.9 million) and as such are not available for other uses.

Endowment funds cannot be utilised and are invested to generate income that can be utilised. The decrease in value of endowment funds in the year to 29 February 2024 is due to investment losses as outlined in Note 5.2, further analysis of the funds of the charity can be found in Notes 28 to 32.

# Structure, Governance and Management

## Constitution

The Trust operates under the National Trust for Scotland Order Confirmation Acts 1935 to 1973 and the National Trust for Scotland (Governance, etc) Act 2013.

The National Trust for Scotland is registered as a charity in Scotland, with charity registration number SC007410. Our principal office and place of business is at Hermiston Quay, 5 Cultins Road, Edinburgh EH11 4DF.

The charitable purposes of the Trust can be summarised as the promotion of the preservation of, access to and enjoyment of places of historic interest or natural beauty.

The Trust has a wholly owned subsidiary, National Trust for Scotland Enterprises Ltd ('Enterprises'). It is incorporated in Scotland (SC095585) and its results are consolidated within the group results of the National Trust for Scotland. Enterprises' principal activities are the running of retail, catering and other commercial activities. Further information can be found in Note 8 of the Financial Statements.

## Patron

We are honoured that His Majesty King Charles III has confirmed his continuing role as our Patron.

## President

The Trust's President is Jackie Bird, who was re-elected at the 2023 Annual General Meeting. The President does not sit on the Board; the role's purpose is purely ambassadorial to promote the charitable purposes of the Trust.

## Board of Trustees and statement of Trustees' responsibilities

The Trustees are responsible for the Trust's strategic direction. The Board of Trustees meets at least six times a year. The Trustees are responsible for preparing the Trustees' Annual Report (including the Strategic 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 Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the group and parent charity, and of the incoming resources and application of resources of the group and parent charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Observe the methods and principles in the Charities SORP (Statement of Recommended Practice) FRS 102.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and parent charity and enable them to ensure that the financial statements comply with regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are

also responsible for safeguarding the assets of the group and parent charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Board of the Trust was constituted on 1 March 2011 and comprises up to 14 Trustees.

The current Chair of the Board is Sir Mark Jones and the Deputy Chairs are David Mitchell and Shona Malcolm.

Ten of the Trustees are elected by the membership of the National Trust for Scotland. The remaining four Trustees (including the Chair) are co-opted by invitation because of the specific skills and experience they bring. The process for the appointment of Trustees is detailed in the Appointment, Induction and Training of Trustees section that follows.

In addition to the Chair and Deputy Chairs, the Trustees on the Board during the year ending 29 February 2024, and up to the date of signing, were:

<i>Current Trustees:</i>		
<b>Dr Janet Brennan</b>	<b>Peter Drummond</b> (Appointed to fill a casual vacancy on 23 October 2023)	<b>Lish Kennedy</b> (Elected on 22 September 2023)
<b>David MacLellan</b>	<b>Jill Miller</b>	<b>Stephen Mitchell</b>
<b>Cameron Murray</b>	<b>Professor Murray Pittock</b> (Re-elected on 22 September 2023)	<b>Michael Spence</b>
<b>Ian Turnbull</b>	<b>Dr Will Williams</b> (Elected on 22 September 2023)	
<i>Former Trustees:</i>		
<b>Dr James Fenton</b> (Retired on 22 September 2023)		

Members of the Trust's Executive Committee and the President do not serve on the Board of Trustees.

## Appointment, induction and training of Trustees

Our Trustees are drawn from a wide range of backgrounds and locations across Scotland, as it is important that the Board reflects the broad range of the Trust's activities. We are also keen to ensure that our Board of Trustees reflects our diverse membership.

Trustees are appointed for an initial four-year term. Elected Board members retire by rotation and can offer themselves for re-election at the AGM for one further term. Co-opted Board members may be co-opted for a term of up to four years, which may be renewed for a further term of up to four years. All four of the co-opted places are currently filled.

All candidates for appointment or election to the Board of Trustees undergo an assessment exercise, conducted by the Trust's Nominations Committee, before they may proceed to co-option or election. The exercise assesses the candidates' technical and leadership experience. Skills gaps left by the retirement or resignation of Board members are identified, and the recruitment process aims to ensure that those gaps are filled by suitably qualified candidates. These skills may include specific areas of charity purpose, business or management experience.

The Nominations Committee identifies and recommends candidates for election to the Board of Trustees through an open and transparent recruitment process. The committee's role involves agreeing the assessment criteria, assessing the application forms, and interviewing candidates against the agreed criteria. Only those candidates who successfully complete the Nominations Committee's assessment process will be proposed for election to the membership of the Trust. The candidates with the largest number of votes in each of the categories are elected to the Board of Trustees. The election process is conducted by the Trust Secretary and the Nominations Committee.

All members of the Board of Trustees receive an induction detailing the Trustees' roles and responsibilities, and they attend face-to-face briefings with senior management. The induction process begins in advance of appointment. Regular reports are sent to each Trustee including data relevant to any specific role they hold and generic information about the operations of the Trust.

Independent members of the Trust's committees also require specific skills and experience relevant to their appointments and the functions of the relevant committee. The Nominations Committee assesses candidates for these roles before recommending their appointment to the Board of Trustees.

## Board effectiveness

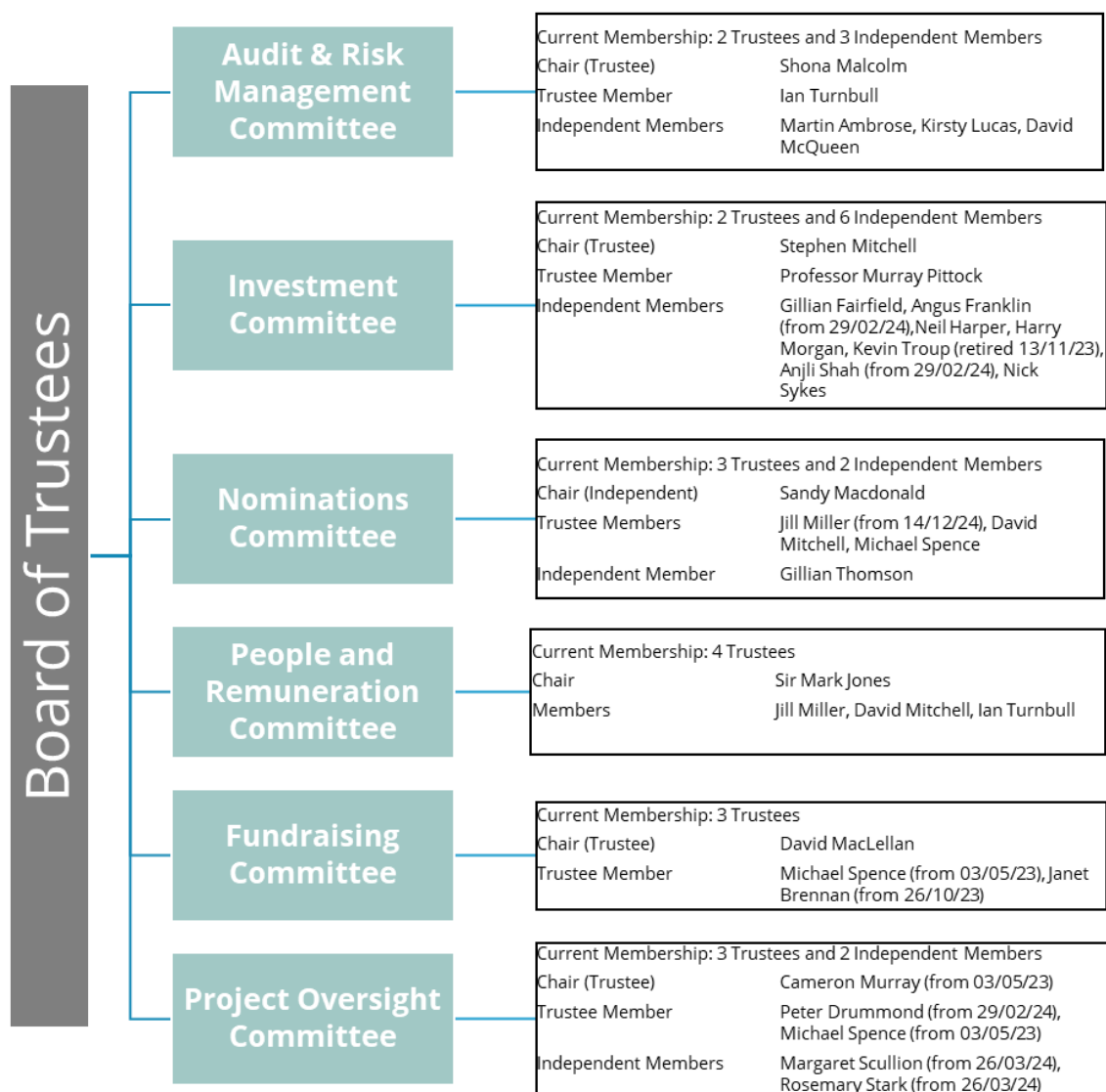
The Board of Trustees and the sub-committees are supported by the Trust Secretary and the Deputy Secretary, who advise on proper process, the conduct of the meetings, and ensure that these are properly recorded.

Good governance underpins the Trust's effectiveness and is also the best way to protect and enhance our reputation. To reinforce this, the Trust has its own Code of Good Governance, which each member of the Board of Trustees has accepted, and which sets out the standard of conduct expected of our Trustees. Principle 7 in this code is a requirement for Trustees to always observe high ethical standards in the discharge of their duties on the Board and associated sub-committees. This includes the requirement to identify, disclose and manage conflicts of interest.

A full independent and external review of the effectiveness of the Board is carried out every three to five years. The latest external review was carried out by the Trust's then internal auditors, Grant Thornton, and reported to the Audit & Risk Management Committee and the Board of Trustees in 2023. The Board accepted and is in the process of implementing the recommendations of that review.

## Board sub-committees

There are six sub-committees of the Board, who advise on various areas of the Trust's activities. These sub-committees have specific responsibilities to attend to matters devolved by Trustees and to make recommendations to assist with strategic direction and decision-making. The Board is also supported by the Chief Executive and Executive Committee. The Terms of Reference of the former Remuneration Committee have been broadened to include People and Human Resources matters as a result of a recommendation of the Board Effectiveness review in 2023.



The remits of the sub-committees are set out in the following paragraphs.

## Audit & Risk Management Committee

The remit of this committee includes monitoring and reviewing the overall integrity of the financial recording and reporting systems of the Trust, effectiveness of internal controls, and risk management systems; overseeing internal and external audit functions; managing the independent audit of the annual accounts; and reporting to the Board of Trustees on the committee's work and findings.

The Trust's external auditor (Anderson Anderson & Brown Audit LLP), internal auditor, Chief Executive, Chief Operating Officer and Trust Secretary also attend each committee meeting.

The committee has been established and operates in accordance with current best practice relating to corporate governance. The committee meets quarterly.

## Investment Committee

The Trust holds substantial funds for a variety of purposes, and the Board of Trustees is assisted by the Investment Committee on the management of the investments represented by these funds.

The investment powers of the Trust are contained in the National Trust for Scotland Order Confirmation Act 1973 allowing investment in '...Such stocks, funds, shares, securities and any other investments... as the [Board of Trustees] shall, in their absolute discretion, think fit'. The strategic asset allocation of the investments is considered by the Investment Committee; the committee reports to the Board of Trustees on a quarterly basis.

## Nominations Committee

The remit of the Nominations Committee is to identify and recommend nominees for all appointments to be made by the Board of Trustees (including those of co-opted Board members) and to recommend candidates with appropriate skills and experience for election to the Board.

The main focus of the committee's work during the past year was the process to propose a new President; the assessment of candidates for elections to the Board; the conduct of elections; and the search for new co-opted Trustees and independent members of the Trust's committees.

## People and Remuneration Committee

The People and Remuneration Committee of the Board is chaired by the Chair of the Trust. The purpose of this committee is to set the remuneration of the Executive Committee, as defined below; make recommendations to the Board on the annual pay award for other staff; to maintain an overview of the reward and recognition function within the Trust; and to support the implementation of the Trust's workforce strategy, policies and procedures. In setting remuneration for key management personnel, the committee makes reference to external benchmarks while being mindful of the fact that the Trust is a charity. The main task of the committee during the past year was consideration of the annual staff pay awards.

## Fundraising Committee

The remit of the Fundraising Committee is to review and champion fundraising to the Board, to provide guidance and assistance to staff, and ensure that the philanthropic health of the Trust is recognised and reported. The committee meets quarterly.

## Project Oversight Committee

The remit of this committee is to monitor and review the delivery of the Trust's approved project programme across all of the Trust's directorates, and monitor the overall effectiveness of the Trust's project governance arrangements. The committee meets quarterly.

## Executive Committee

The responsibility for managing the operations of the Trust in accordance with the Board's policies lies with the Chief Executive and the Executive Committee, who report regularly to the Board of Trustees. The Executive Committee consists of the key management personnel of the organisation.

The Executive Committee comprises:

- Philip Long, Chief Executive
- Katerina Brown, Chief Operating Officer
- Jane Ferguson, Director of Audiences & Support (formerly Customer & Cause) (from 1 June 2023)
- Jim Whyteside, Interim Director of Audiences & Support (formerly Customer & Cause) (to 1 June 2023 )
- Pamela Milne, People Director
- Stuart Brooks, Director of Conservation & Policy
- Michael Terwey, Director of Public Engagement & Research
- Ian McLelland, Regional Director South & West
- Clea Warner, Regional Director Highlands & Islands
- Iain Hawkins, Regional Director North East
- Stuart Maxwell, Regional Director Edinburgh & East
- David Frew, Head of Mar Lodge Estate

Further reference and administrative details are provided on page 80.

## Risk management and internal controls

### Risk management

The Trust's risk management is overseen by the Board of Trustees, and risk management is a standing item on the Board's agenda. The Audit & Risk Management Committee supports the Board by receiving quarterly reports from the Executive Committee on the most significant risks and how these are being managed. The Trust's Risk Register identifies current and emerging risks. For each risk, there is an agreed risk appetite, based on anticipated likelihood and impact; a risk owner; and a series of controls and assurances to reduce the inherent risk level to the desired, residual risk level. The Director of Conservation & Policy oversees compliance reporting and progress on actions.

Risks are grouped into strategic categories: Conservation; Engagement; People; Health and Safety; Funding and Financial Management; ICT and Data Management; Emergency Response; Governance; and External Change. There are a number of risk areas that are of particular importance to our charity and people; these are detailed below.

#### Health and safety

The safety of our visitors, our staff and our volunteers is of priority concern to the Trust. The Board of Trustees oversees the Trust's Health and Safety Policy and receives regular reports on health and safety management and performance. The Trust operates a Safety, Health and Environment system, which supports incident management at all Trust places. The Trust operates a comprehensive regulatory compliance tracker, which provides reports on property status and is reported on quarterly at the Audit & Risk Management Committee. We have also established a rolling health and safety audit of properties and review of Fire Risk Assessments to ensure compliance and support best practice.

#### Engagement

At the Trust, the public, our members and visitors are the beneficiaries of our conservation work and our mission to provide access, learning and enjoyment. To understand how members and visitors are engaging with the Trust, a rolling visitor satisfaction survey provides real-time intelligence on how well properties are performing and identifies areas for improvement. We also take part in an independent mystery shopper survey programme. We survey our members on specific topics on a regular basis.

#### Conservation

Conservation of Scotland's natural and cultural heritage is at the heart of the Trust's work. Our Conservation Performance Index (CPI) assesses the condition of our archaeological sites, collections and interiors, built heritage, gardens and designed landscapes, and natural heritage assets. Using this data, we can identify areas of need and plan for interventions. The CPI is used as one of the Trust's Key Performance Indicators, and progress is reported to the Executive Committee and Board of Trustees.

#### Funding and financial management

As a self-supporting charity, the Trust requires careful financial management to ensure we live within our means. The Trust has controls in place to manage risks relating to fundraising, financial reporting, payments, detection of fraudulent activity, and regulatory compliance.

#### Information and communication technologies, and data protection

The Trust depends on its systems to coordinate staff and volunteers, deliver enterprise activities, and to manage our finances. We have been investing in additional protections to ensure our cybersecurity, data recovery and cyber incident response. The Trust also has processes and policies in place to manage the collection, use and disposal of personal data to ensure compliance with the UK's General Data Protection Regulation.



## Internal control framework

The Board of Trustees, with the support of the Audit & Risk Management Committee, receives regular reports from the Trust's external and internal auditors in order to monitor and evaluate the effectiveness of the Trust's internal control framework. Anderson Anderson & Brown Audit LLP are the Trust's current external auditors and Grant Thornton UK LLP were the Trust's internal auditors until the appointment of Wbg (Audit) Limited as the Trust's internal auditors with effect from 18 June 2024 after a competitive tender process.

The Board of Trustees, with the support of the Audit & Risk Management Committee, consider reports from the Trust's external auditors, including the audit plan for 2023/24 and the audit findings report that documented key findings arising from the audit of the year-end financial statements.

The Audit & Risk Management Committee considers areas of focus for internal audit during the year and receives reports from the internal auditors that highlight the effectiveness of internal controls and risk mitigation measures in those areas, and recommendations for improvement. The Audit & Risk Management Committee monitors the implementation of internal audit recommendations and provides updates to the Board of Trustees after each meeting.

The Board of Trustees and Audit & Risk Management Committee regularly review management accounts from the Chief Operating Officer, which report projected outturns against the budgets approved by the Board. The committee also reviews reports submitted by management on the effectiveness of internal controls and management systems.

The Trustees confirm that, as far as they are aware, there is no relevant audit information of which the auditors are unaware and, with the benefit of advice from the Audit & Risk Management Committee, are satisfied that:

- The range of assurances and evidence of effective internal controls supplied to the committee are robust, have integrity and are sufficiently reliable to provide overall assurance and support to the Board of Trustees in its financial stewardship responsibilities.
- Appropriate action plans are in place to address any weaknesses identified.
- It is appropriate for the Financial Statements to be prepared on a going concern basis, as detailed in Note 1 of the Financial Statements.

## Related parties

The National Trust for Scotland consolidates the results of its wholly owned subsidiary undertaking, National Trust for Scotland Enterprises Ltd, into these financial statements. The company's principal activities are the running of retail, catering, holiday cottages, hospitality and other sundry trading activities at National Trust for Scotland places. Other related parties with which the Trust has transacted during the year are listed in Note 36.

Approved by the Board of Trustees on 27 June 2024 and signed on their behalf by:



Sir Mark Jones  
Chair  
27 June 2024

# Independent Auditor's Report to the Trustees of the National Trust for Scotland

## Opinion

We have audited the financial statements of the National Trust for Scotland (the 'Trust') and its subsidiary (the 'group') for the year ended 29 February 2024, which comprise the Consolidated Statement of Financial Activities, the Trust Statement of Financial Activities, the Consolidated Balance Sheet, the Trust Balance Sheet, the Consolidated and Trust Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

## In our opinion the financial statements:

- i) give a true and fair view of the state of the group's affairs as at 29 February 2024 and of its incoming resources and application of resources, for the year then ended;
- ii) have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- iii) have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least 12 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 Annual Report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Annual Report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves.

*Independent Auditor's Report to the Trustees of the National Trust for Scotland (continued)*

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- i) the information given in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- ii) proper accounting records have not been kept; or
- iii) the financial statements are not in agreement with the accounting records; or
- iv) we have not received all the information and explanations we require for our audit

**Responsibilities of Trustees**

As explained more fully in the statement of Trustees' responsibilities set out on page 25, 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 group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

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

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

**The extent to which the audit was considered capable of detecting irregularities, including fraud**

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:

We obtained an understanding of the legal and regulatory frameworks within which the Trust operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.

The laws and regulations we considered in this context were the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulation 2006 (as amended) and the Companies Act 2006.

We identified the greatest risk of material impact on the financial statements from irregularities including fraud to be:

- Management override of controls to manipulate the Trust's key performance indicators to meet targets.
- Recognition of revenue in an incorrect period.
- Compliance with relevant laws and regulations, which directly impact the financial statements and those that the company needs to comply with for the purpose of trading.

*Independent Auditor's Report to the Trustees of the National Trust for Scotland (continued)*

Our audit procedures to respond to these risks included:

- Testing of journal entries and other adjustments for appropriateness.
- Evaluating the business rationale of significant transactions outside the normal course of business.
- Vouching revenue transactions to source documentation and performance obligations, assessing the revenue recognition.
- Reviewing judgments made by management in their calculation of accounting estimates for potential management bias.
- Enquiries of management about litigation and claims and inspection of relevant correspondence.
- Reviewing legal and professional fees to identify indications of actual or potential litigation, claims and any non-compliance with laws and regulations.
- Analytical procedures to identify any unusual or unexpected trends or relationship.
- Reviewing minutes of meetings of those charged with governance to identify any matters indicating actual or potential fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [frc.org.uk/auditors-responsibilities](https://www.frc.org.uk/auditors-responsibilities). This description forms part of our auditors' report.

**Use of our report**

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

*Anderson Anderson + Brown Audit LLP*

**Anderson Anderson & Brown Audit LLP**

Statutory Auditor  
Chartered Accountants  
81 George Street  
Edinburgh  
EH2 3ES

**28 June 2024**

Anderson Anderson & Brown Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006. This description forms part of our auditor's report.

# Financial Statements for 2023/24

## Consolidated Statement of Financial Activities

for the year ended 29 February 2024

	Notes	Unrestricted funds		Restricted funds		2023/24 Total £000s
		General funds	Designated funds	Restricted funds	Endowment funds	
		£000s	£000s	£000s	£000s	
<i>Income and endowments from:</i>						
<b>Donations and legacies</b>						
Donations from membership subscriptions		13,251		(53)		13,198
Appeals and donations	3	1,310		5,663		6,973
Legacies	4	5,223		996		6,219
<b>Investment income</b>	5	1,476		6,373		7,849
<b>Income from charitable activities</b>						
Income from membership subscriptions		4,623				4,623
Grants	6	1,548		2,026		3,574
Property and other income	7	9,404		38		9,442
<b>Income from other trading activities</b>						
Commercial activities	8	17,435		25		17,460
<b>Other income</b>	9	208				208
<b>Total income and endowments</b>		<b>54,478</b>		<b>15,068</b>		<b>69,546</b>
<i>Expenditure on:</i>						
<b>Costs of raising funds</b>						
Membership and recruitment		2,598				2,598
Publicity and fundraising	10	5,979				5,979
Commercial activities	8	13,399				13,399
<b>Expenditure on charitable activities</b>						
Membership and recruitment		560				560
Property operating expenditure	11	40,676		542	(38)	41,180
Conservation, repairs and improvements	12	7,673	7	4,188	38	11,906
<b>Other expenditure</b>	14	280		4		284
<b>Total expenditure</b>		<b>71,165</b>	<b>7</b>	<b>4,734</b>		<b>75,906</b>
<b>Net (expenditure)/income before investment gains</b>		<b>(16,687)</b>	<b>(7)</b>	<b>10,334</b>		<b>(6,360)</b>
Net gains/(losses) on investment assets	5	238		9,217	(1,562)	7,893
<b>Net (expenditure)/income before transfers</b>		<b>(16,449)</b>	<b>(7)</b>	<b>19,551</b>	<b>(1,562)</b>	<b>1,533</b>
Transfers between funds	32	3,286	4,871	(8,149)	(8)	-
<b>Net movement in funds</b>		<b>(13,163)</b>	<b>4,864</b>	<b>11,402</b>	<b>(1,570)</b>	<b>1,533</b>
<i>Reconciliation of funds:</i>						
Total funds brought forward 1 March 2023		50,321	30,941	78,009	75,203	234,474
<b>Total funds carried forward at 29 February 2024</b>		<b>37,158</b>	<b>35,805</b>	<b>89,411</b>	<b>73,633</b>	<b>236,007</b>

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities. The comparative figures for each fund are shown on page 38 and in the notes to the Financial Statements on pages 44–79, which form part of these Financial Statements.

## Consolidated Statement of Financial Activities for the year ended 28 February 2023

	Notes	Unrestricted funds		Restricted funds		2022/23 Total £000s
		General funds	Designated funds	Restricted funds	Endowment funds	
		£000s	£000s	£000s	£000s	
<i>Income and endowments from:</i>						
<b>Donations and legacies</b>						
Donations from membership subscriptions		13,589	-	(19)	-	13,570
Appeals and donations	3	888	-	2,741	1	3,630
Legacies	4	6,834	-	354	-	7,188
<b>Investment income</b>	5	1,230	-	4,181	-	5,411
<b>Income from charitable activities</b>						
Income from membership subscriptions		3,441	-	-	-	3,441
Grants	6	397	-	769	-	1,166
Property and other income	7	8,038	92	13	-	8,143
<b>Income from other trading activities</b>						
Commercial activities	8	14,098	-	91	-	14,189
<b>Other income</b>	9	183	-	928	-	1,111
<b>Total income and endowments</b>		<b>48,698</b>	<b>92</b>	<b>9,058</b>	<b>1</b>	<b>57,849</b>
<i>Expenditure on:</i>						
<b>Costs of raising funds</b>						
Membership and recruitment		1,660	-	-	-	1,660
Publicity and fundraising	10	5,305	-	380	492	6,177
Commercial activities	8	10,864	-	-	-	10,864
<b>Expenditure on charitable activities</b>						
Membership and recruitment		504	-	-	-	504
Property operating expenditure	11	36,282	-	131	(2)	36,411
Conservation, repairs and improvements	12	3,214	-	6,685	4	9,903
<b>Other expenditure</b>	14	95	-	-	-	95
<b>Total expenditure</b>		<b>57,924</b>	<b>-</b>	<b>7,196</b>	<b>494</b>	<b>65,614</b>
<b>Net (expenditure) before investment gains</b>		<b>(9,226)</b>	<b>92</b>	<b>1,862</b>	<b>(493)</b>	<b>(7,765)</b>
Net gains/(losses) on investment assets	5	751	-	(985)	(8,126)	(8,360)
<b>Net (expenditure) before transfers</b>		<b>(8,475)</b>	<b>92</b>	<b>877</b>	<b>(8,619)</b>	<b>(16,125)</b>
Transfers between funds	32	7,826	2,505	(10,502)	171	-
<b>Net movement in funds</b>		<b>(649)</b>	<b>2,597</b>	<b>(9,625)</b>	<b>(8,448)</b>	<b>(16,125)</b>
<i>Reconciliation of funds:</i>						
Total funds brought forward 1 March 2022		50,895	28,399	87,636	83,651	250,581
<b>Total funds carried forward at 28 February 2023</b>		<b>50,246</b>	<b>30,996</b>	<b>78,011</b>	<b>75,203</b>	<b>234,456</b>

# Trust Statement of Financial Activities

for the year ended 29 February 2024

	Notes	Unrestricted funds		Restricted funds		2023/24 Total £000s
		General funds	Designated funds	Restricted funds	Endowment funds	
		£000s	£000s	£000s	£000s	
<i>Income and endowments from:</i>						
<b>Donations and legacies</b>						
Donations from membership subscriptions		13,251		(53)		13,198
Appeals and donations	3	1,310		5,663		6,973
Legacies	4	5,223		996		6,219
<b>Investment income</b>	5	4,017		6,373		10,390
<b>Income from charitable activities</b>						
Income from membership subscriptions		4,623		-		4,623
Grants	6	1,548		2,026		3,574
Property and other income	7	10,415		38		10,453
<b>Other income</b>	9	228		2		230
<b>Total income and endowments</b>		<b>40,615</b>		<b>15,045</b>		<b>55,660</b>
<i>Expenditure on:</i>						
<b>Costs of raising funds</b>						
Membership and recruitment		2,598				2,598
Publicity and fundraising	10	5,979				5,979
Commercial Activities		142				142
<b>Expenditure on charitable activities</b>						
Membership and recruitment		560				560
Property operating expenditure	11	40,675		542	(38)	41,179
Conservation, repairs and improvements	12	7,673	7	4,188	38	11,906
Other expenditure	14	139		4		143
<b>Total expenditure</b>		<b>57,766</b>	<b>7</b>	<b>4,734</b>		<b>62,507</b>
<b>Net (expenditure)/income before investment gains</b>		<b>(17,151)</b>	<b>(7)</b>	<b>10,311</b>		<b>(6,847)</b>
Net gains/(losses) on investment assets	5	238		9,217	(1,562)	7,893
<b>Net (expenditure)/income before transfers</b>		<b>(16,913)</b>	<b>(7)</b>	<b>19,528</b>	<b>(1,562)</b>	<b>1,046</b>
Transfers between funds	32	3,286	4,871	(8,149)	(8)	-
<b>Net movement in funds</b>		<b>(13,627)</b>	<b>4,864</b>	<b>11,379</b>	<b>(1,570)</b>	<b>1,046</b>
<i>Reconciliation of funds:</i>						
Total funds brought forward 1 March 2023		47,763	30,941	78,009	75,203	231,916
<b>Total funds carried forward at 29 February 2024</b>		<b>34,136</b>	<b>35,805</b>	<b>89,388</b>	<b>73,633</b>	<b>232,962</b>

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities. The comparative figures for each fund are shown on page 40 and in the notes to the Financial Statements on pages 44–79, which form part of these Financial Statements.



## Trust Statement of Financial Activities

for the year ended 28 February 2023

	Notes	Unrestricted funds		Restricted funds		2022/23 Total £000s
		General funds	Designated funds	Restricted funds	Endowment funds	
		£000s	£000s	£000s	£000s	
<i>Income and endowments from:</i>						
<b>Donations and legacies</b>						
Donations from membership subscriptions		13,589	-	(19)	-	13,570
Appeals and donations	3	888	-	2,741	1	3,630
Legacies	4	6,834	-	354	-	7,188
<b>Investment income</b>	5	2,312	-	4,181	-	6,493
<b>Income from charitable activities</b>						
Income from membership subscriptions		3,441	-	-	-	3,441
Grants	6	392	-	769	-	1,161
Property and other income	7	8,722	92	13	-	8,827
<b>Other income</b>	9	187	-	1,019	-	1,206
<b>Total income and endowments</b>		<b>36,365</b>	<b>92</b>	<b>9,058</b>	<b>1</b>	<b>45,516</b>
<i>Expenditure on:</i>						
<b>Costs of raising funds</b>						
Membership and recruitment		1,660	-	-	-	1,660
Publicity and fundraising	10	5,305	-	380	492	6,177
<b>Expenditure on charitable activities</b>						
Membership and recruitment		504	-	-	-	504
Property operating expenditure	11	36,282	-	131	(2)	36,411
Conservation, repairs and improvements	12	3,214	-	6,685	4	9,903
Other expenditure	14	95	-	-	-	95
<b>Total expenditure</b>		<b>47,060</b>	<b>-</b>	<b>7,196</b>	<b>494</b>	<b>54,750</b>
<b>Net (expenditure) before investment gains</b>		<b>(10,695)</b>	<b>92</b>	<b>1,862</b>	<b>(493)</b>	<b>(9,234)</b>
Net gains/(losses) on investment assets	5	751	-	(985)	(8,126)	(8,360)
<b>Net income/(expenditure) before transfers</b>		<b>(9,944)</b>	<b>92</b>	<b>877</b>	<b>(8,619)</b>	<b>(17,594)</b>
Transfers between funds	32	7,826	2,505	(10,502)	171	-
<b>Net movement in funds</b>		<b>(2,118)</b>	<b>2,597</b>	<b>(9,625)</b>	<b>(8,448)</b>	<b>(17,594)</b>
<i>Reconciliation of funds:</i>						
Total funds brought forward 1 March 2022		49,806	28,399	87,636	83,651	249,492
<b>Total funds carried forward at 28 February 2023</b>		<b>47,688</b>	<b>30,996</b>	<b>78,011</b>	<b>75,203</b>	<b>231,898</b>

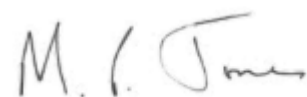
The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

# Consolidated Balance Sheet

as at 29 February 2024

	Notes	2023/24		2022/23	
		£000s	£000s	£000s	£000s
<b>Fixed Assets</b>					
Tangible assets	20		34,223		29,570
Heritage assets	21		271		271
Intangible assets	22		356		75
Investment assets	5		184,693		189,548
<b>Total fixed assets</b>			<b>219,543</b>		<b>219,464</b>
<b>Current assets</b>					
Stock	23	1,126		997	
Debtors	24	11,038		9,359	
Cash and bank	35	17,352		18,214	
<b>Total current assets</b>		<b>29,516</b>		<b>28,570</b>	
Creditors: amounts falling due within one year	25	(9,368)		(10,092)	
<b>Net current assets</b>			<b>20,148</b>		<b>18,478</b>
<b>Total assets less current liabilities</b>			<b>239,691</b>		<b>237,942</b>
Creditors: amounts falling due after more than one year	25		(1,934)		(1,828)
Provision for liabilities	27		(1,750)		(1,658)
<b>Net assets</b>	28		<b>236,007</b>		<b>234,456</b>
<b>The funds of the group</b>					
<b>Restricted funds</b>					
Endowments	29	73,633		75,203	
Other restricted funds	30	89,411		78,011	
<b>Total restricted funds</b>			<b>163,044</b>		<b>153,214</b>
<b>Unrestricted funds</b>					
Designated – tangible fixed assets	31	34,712		29,916	
Other designated funds	31	1,093		1080	
<b>Total designated funds</b>		<b>35,805</b>		<b>30,996</b>	
General income		37,158		50,246	
<b>Total unrestricted funds</b>			<b>72,963</b>		<b>81,242</b>
<b>The funds of the group</b>			<b>236,007</b>		<b>234,456</b>

The Financial Statements were approved by the Board of Trustees on 27 June 2024 and signed on behalf and authorised for issue by:



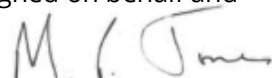
Sir Mark Jones,  
Chair, 27 June 2024

# Trust Balance Sheet

as at 29 February 2024

	Notes	2023/24		2022/23	
		£000s	£000s	£000s	£000s
<b>Fixed assets</b>					
Tangible assets	20		34,223		29,570
Heritage assets	21		271		271
Intangible assets	22		356		75
Investment assets	5		184,693		189,548
<b>Total fixed assets</b>			<b>219,543</b>		<b>219,464</b>
<b>Current assets</b>					
Stock	23		122		112
Debtors	24		11,236		9,750
Cash and bank	35		15,824		14,832
<b>Total current assets</b>			<b>27,182</b>		<b>24,694</b>
Creditors: amounts falling due within one year	25		(10,090)		(8,774)
<b>Net current assets</b>			<b>17,092</b>		<b>15,920</b>
<b>Total assets less current liabilities</b>			<b>236,635</b>		<b>235,384</b>
Creditors: amounts falling due after more than one year	25		(1,923)		(1,828)
Provision for liabilities	27		(1,750)		(1,658)
<b>Net assets</b>	28		<b>232,962</b>		<b>231,898</b>
<b>The funds of the group</b>					
<b>Restricted funds</b>					
Endowments	29		73,633		75,203
Other restricted funds	30		89,388		78,011
<b>Total restricted funds</b>			<b>163,021</b>		<b>153,214</b>
<b>Unrestricted funds</b>					
Designated – fixed assets	31		34,713		29,916
Other designated funds	31		1,092		1,080
<b>Total designated funds</b>			<b>35,805</b>		<b>30,996</b>
General income			34,136		47,688
<b>Total unrestricted funds</b>			<b>69,941</b>		<b>78,684</b>
<b>The funds of the Trust</b>			<b>232,962</b>		<b>231,898</b>

The Financial Statements were approved by the Board of Trustees on 27 June 2024 and signed on behalf and authorised for issue by:

  
Sir Mark Jones,  
Chair, 27 June 2024

# Consolidated and Trust Cash Flow Statement

for year ending 29 February 2024

	Notes	Group		Trust	
		2023/24 £000s	2022/23 £000s	2023/24 £000s	2022/23 £000s
Cash (used in)/generated by operating activities	34	(14,322)	(13,339)	(15,014)	(15,717)
<i>Cash flows from investing activities:</i>					
Purchase of assets		(7,365)	(4,378)	(7,365)	(4,378)
Returns from investments		7,849	5,411	10,390	6,493
Receipts from sales of assets		228	1,021	233	1,021
Purchase of investments		(47,643)	(29,345)	(47,643)	(29,345)
Sale of investments		60,391	20,179	60,391	20,179
<b>Cash (used in)/provided by investing activities</b>		<b>13,460</b>	<b>(7,112)</b>	<b>16,006</b>	<b>(6,030)</b>
<i>Cash flows from financing activities:</i>					
Repayment of borrowings		-	-	-	-
<b>Cash used in financing activities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
(Decrease)/Increase in cash in the year	35	(862)	(20,451)	992	(21,747)
Cash and cash equivalents at beginning of year		18,214	38,665	14,832	36,579
Cash and cash equivalents at end of year	35	17,352	18,214	15,824	14,832

The notes on pages 44–79 form part of these Financial Statements.

# Notes to the Financial Statements

## 1. Accounting policies

The Trust operates under the National Trust for Scotland Order Confirmation Acts 1935 to 1973 and the National Trust for Scotland (Governance etc) Act 2013. The National Trust for Scotland for Places of Historic Interest or Natural Beauty is registered as a charity in Scotland with charity registration number SC007410, and its principal office and place of business at Hermiston Quay, 5 Cultins Road, Edinburgh EH11 4DF. The charitable purpose of the Trust may be summarised as the promotion of the preservation of, access to and enjoyment of places of historic interest or natural beauty.

The National Trust for Scotland has one wholly owned subsidiary undertaking, National Trust for Scotland Enterprises Ltd (The Company), the results of which are consolidated with those of the Trust. The Company's principal activities are the running of retail, catering, holiday cottages, hospitality and other sundry trading activities at National Trust for Scotland places.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the Financial Statements are as follows and included in Note 2:

### Basis of preparation

The accounts (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) and related information sheets and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and sections 6 & 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

The National Trust for Scotland ('the Trust') meets the definition of a public benefit entity under FRS 102.

Monetary amounts in these Financial Statements are in £ sterling and rounded to the nearest whole £1,000 except when otherwise indicated.

### Going concern

The Financial Statements are prepared on a going concern basis and under the historical cost convention (as modified by the revaluation of investment properties and listed investments to market value) and in accordance with applicable accounting standards in the United Kingdom, which have been consistently applied. The going-concern basis is considered appropriate due to the strength of the Trust's Balance Sheet, which would allow the Trust to continue to operate if there was either a significant reduction in income or an unexpected increase in costs, or both.

The Board is required to assess the Trust's viability over a period greater than 12 months from the date of signing. In keeping with the way that the Board views the development of the Trust over the long term, a period of three years is considered appropriate for business planning, measuring performance and remunerating at a senior level. The Trust moved to a regular three-year financial planning cycle as part of its development of a longer-term corporate strategy and a three-year operating plan was approved by the Board in December 2023. At present, the assessment of viability continues for a 12-month period to the end of June 2025.

For 2024/25 we are forecasting a period of growth, exceeding plans from 2023/24 and moving us into the next stage of our corporate strategy, *Building*.

For the current financial year 2023/24, the Trust forecasts a consolidated deficit of £4.8 million (before net gains/losses on investments). The deficit reduction of £9.8 million on 2023/24 reflects significant growth in

## 1. Accounting policies (continued)

income, driven by continued growth in membership income and commercial activities and a focus on reducing expenditure in key areas in line with strategic direction. The ten-year corporate strategic vision has been developed in parallel to the three-year budget, and planned activities are prioritised against those objectives to ensure we support and deliver them. The overall goals have been to agree on our priorities collaboratively, and to create a financially sustainable operating model with the right level of resources to support it. Financially, it is also important that commercial and operating income is maximised, and that the conditions are created to drive a growth in fundraising income by providing a longer-term planning horizon. Total Trust income is projected to be £67.9 million in 2024/25 (Actual income of £69.5 million in 2023/24). We anticipate membership growth of 5.4% over three years (4.6% in 2023/24 over three years) and strong commercial growth driven by retail, catering and holiday income.

In terms of reserves, the Trust's policy to maintain a prudent level of unrestricted general reserves provides a level of financial resilience that has helped the Trust remain financially viable through this challenging period. We continue to monitor this and align the liquidity position with the Trust's overall Investment Strategy. The move to a longer-term planning horizon, along with the Trust's ten-year Corporate Strategy, will ensure that the continuance of the Trust's charitable aims and objectives are sustainable.

The Trust's closing cash and bank balance at 29 February 2024 was £14.6 million, which is unrestricted. In addition, there are liquid investments and deposits linked to unrestricted funds valued at £17.3 million. The total level of liquid cash, bank and investment assets linked to unrestricted funds totals £20.9 million and these are considered to be sufficient to cover the Trust's projected expenditure commitments, should there be a significant shortfall in the £69.4 million estimated income in the 2024/25 budget.

### Basis of consolidation

The Trust holds 100% of the issued share capital of National Trust for Scotland Enterprises Limited. The results include those of the National Trust for Scotland and those of National Trust for Scotland Enterprises Ltd (Enterprises), the wholly owned subsidiary of the Trust. Uniform accounting policies are adopted throughout the group, and any profits or losses arising on intra-group transactions are eliminated in the Consolidated Statement of Financial Activities.

### Income recognition

With the exception of membership subscriptions, income is recognised when the Trust has legal entitlement; any performance conditions attached to the item(s) of income have been met; it is probable that the income will be received; and the amount can be measured reliably.

#### Membership subscription income

The element of annual membership subscriptions that is not regarded as a donation is treated as income from charitable activities. This is deferred and released to the Statement of Financial Activities over the period to which the membership subscription relates. The element that is deemed to be a donation and its associated Gift Aid is recognised on receipt and reported within Donations and Legacies in the Statement of Financial Activities.

Life Membership subscriptions and any associated Gift Aid are recognised in 15 equal annual instalments and allocated to Donations and Legacies and income from charitable activities within the Statement of Financial Activities, in line with the level of active Life Memberships.

#### Appeals and donations

Appeals and donations are recognised as income when the donated cash is received or when receipt of the donation meets the Charities SORP (FRS 102) tests of entitlement, probability and measurement. Donations of non-cash assets and investments are included as income when the title of these assets transfers to the Trust, and income is recognised at the appropriate fair value at the point of transfer of title. Gift Aid thereon is accounted for on a receivable basis and is added to restricted funds or unrestricted funds as appropriate.

## 1. Accounting policies (continued)

Where the use of the income has been restricted in accordance with the donor's wishes, appeal and donation income is credited to an appropriate fund (see the Accounting Policy for Funds and Reserves on page 52) until it can be spent for the purpose for which it was given. When a new heritage asset is gifted to the Trust, where practical these are included in income at their fair value. No value has been placed on heritage assets historically gifted to the Trust, in accordance with the National Trust for Scotland's policy on heritage assets.

### Grants

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Trust has entitlement to the funds; performance conditions attached to the grants have been met; it is probable that the income will be received; and the amount can be measured reliably.

Where terms or conditions have not been met, or uncertainty exists as to whether they can be met, the relevant income is not recognised in the year but is deferred and included in the balance sheet as deferred income.

### Legacies

Legacies are accounted for as income either upon receipt or when receipt of the legacy meets the Charities SORP (FRS 102) tests of entitlement, probability and measurement. Pecuniary legacies are recognised following formal notification from the Estate, whereas residuary legacies are only recognised in line with the following assessments:

- Entitlement to a legacy is evidenced when a charity has sufficient evidence that a gift has been left to them and the executor of the estate is satisfied that the assets in question will not be required to satisfy claims in the estate.
- Receipt is normally probable when:
  - i) there is a grant of probate;
  - ii) the executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy;
  - iii) any conditions attached to the legacy have been fulfilled or are within the charity's control.
- The legacy should be recognised at the estimate of fair value of the legacy income receivable based on the income available. If there is uncertainty as to the amount of the legacy and it cannot be reliably estimated, then it is held as a contingent asset until all the conditions for income recognition can be fulfilled (Note 37).

Where the use of the income has been restricted in accordance with the benefactor's wishes, legacy income is credited to an appropriate fund (see Accounting Policy for Funds and Reserves on page 52) until it can be spent for the purpose for which it was given. No value is placed on heritage assets bequeathed to the Trust in accordance with the National Trust for Scotland's policy on heritage assets.

### Investment income

Investment income is recorded in the period in which it is earned. The Trust's investment income includes the distribution of earnings from Enterprises, which pays all its taxable profits for the reporting period to its parent charity (the Trust) under the Gift Aid scheme. In line with the amended FRS 102, this Gift Aid income is only recognised on receipt of this distribution or when there is a legal obligation established.

### Property and other income

Income reported under this heading includes charitable trading activities (catering, holidays and car parks), rents and admission fees, all of which are recognised in the period to which they relate. Admission fees are included based on the point at which the sale is made.

### Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Depending on the nature of the related expenditure, irrecoverable VAT is either charged to the appropriate expenditure heading or it is capitalised.

## 1. Accounting policies (continued)

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party; it is probable that settlement will be required; and the amount of the obligation can be measured reliably. The Consolidated Statement of Financial Activities defines costs in three specific categories:

- Cost of raising funds – costs that are associated with the generation of income from sources other than from undertaking charitable activities, which includes trading, investment management costs, membership, fundraising and an allocation of support costs.
- Expenditure on charitable activities – costs incurred by the Trust in the delivery of its charitable activities, which includes membership, property operations, conservation, repairs and improvements, and an allocation of associated support costs.
- Other expenditure – items that do not fall under any other heading, for example the cost of restructuring or significant investment on back-office systems and processes (such as the Transforming the Trust project – phase 2) which are anticipated to significantly change the support operating model.

### Allocation of support costs

Support costs are those costs that do not relate directly to a single activity. They include back-office costs, finance, personnel, ICT and governance costs. Governance costs are those associated with meeting the constitutional and statutory requirements of the charity as well as costs linked to its strategic management. Support costs have been allocated between cost of raising funds and expenditure on charitable activities. The analysis of support costs and the bases of allocation are shown in Note 13.

### Pension schemes

The Trust operates a defined contribution scheme through a Group Personal Pension Scheme and National Employment Savings Trust (NEST) and are charged in the year they are incurred. Further detail is provided in Note 16.

### Employee benefits

The group contributes to a group personal pension scheme, the assets of which are administered by Standard Life. It is a defined contribution scheme. All contributed costs are accounted for on the basis of charging the cost of providing pensions over the period when the charity benefits from the employees' services. The charity has no further liability under the scheme. Short-term benefits including holiday pay are recognised as an expense in the period in which the service is received. The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### Contribution of volunteers

No amounts have been included in these Financial Statements to reflect the value of services provided free of charge to the National Trust for Scotland by volunteers. An estimate of the value of hours of volunteer time from which the Trust has benefitted is included in Note 16.

### Operating leases

The annual rental for leases that are classified as operating leases is charged as expenditure to the Statement of Financial Activities on a straight-line basis over the lease term.

### VAT

The Trust is registered for VAT, with partial exemption due to the nature of incoming resources. Expenditure is stated inclusive of any irrecoverable input tax.

### Taxation

The Trust is a Scottish registered charity and is recognised as such by HMRC for UK taxation purposes. As a result, there is no liability for UK taxation on any of its income or capital gains in respect of charitable activities.



## 1. Accounting policies (continued)

The trading activities of the Trust are undertaken by Enterprises, which then Gift Aids its taxable surpluses in the form of a distribution to the Trust; hence no taxation is incurred.

### Tangible fixed assets

A fixed asset is typically something long-lasting and owned by the Trust. A tangible fixed asset is an asset that has a physical form, e.g. machinery, buildings or land.

Recognition of a tangible fixed asset

Tangible fixed assets are assets that will be:

- i) used by the Trust in the **generation of income for more than one year**;
- ii) the purchase cost and/or the total costs incurred to produce the asset **are more than £5,000**

Where these criteria are met, the purchase costs and/or costs incurred to produce the asset will be recorded in the balance sheet of the Trust rather than in operational or conservation costs.

Where refurbishment and major repair costs are incurred for the purpose of income generation, the criteria noted above are considered to determine if the costs should be capitalised on the balance sheet.

Valuation and depreciation of a tangible fixed asset

Tangible fixed assets are recorded at the historic purchase cost or costs of production, less accumulated depreciation. Tangible fixed asset costs are depreciated on a straight-line basis in line with their estimated useful lives to ensure their values are accurately reflected in the Financial Statements.

Capital asset category	Expected useful life
Buildings	30 years
Renewable energy equipment*	20 years
Building fit-outs	10–15 years
Fixtures and fittings*	5–20 years
Motor vehicles	4 years
Computer equipment	4 years

\*Included in Fixtures & Fittings in Note 20

Depreciation is first charged in the calendar month of acquisition or on the bringing into use of the asset, whichever is later.

Assets under construction are not depreciated until completed and placed into service or use

### Heritage assets

Heritage assets are defined as tangible and intangible assets with historic, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture.

The Trust's charitable purpose is to promote the preservation of and access to Scotland's heritage. As a result, a large majority of assets held may fall under the definition of heritage assets.

The Trust accounts for its heritage assets in line with FRS 102. These fall into two categories:

#### Land and buildings

Heritage assets in the form of land and buildings are not generally capitalised on the balance sheet. Following the introduction of FRS 102, the Board of the National Trust for Scotland reviewed the position and confirmed that the capitalisation of heritage assets at that point would result in a distorted view of the Trust's financial position. These assets are not assets in the normal sense, since any value placed on them would more than be offset by the liability of having the obligation to maintain them.

## 1. Accounting policies (continued)

Many of the Trust's Heritable Land and Building Assets have been gifted or bequeathed since the inception of the Trust, and as a result it is not possible to establish a cost or valuation for these assets; these are therefore not recorded on the balance sheet.

Where refurbishment and major repair costs are incurred predominantly for the conservation of Heritable Assets and/or to improve access to the Heritable Asset, these costs will not be capitalised and instead will appear as Conservation and Repair costs in the SoFA in the financial year in which the expenditure was incurred. In most cases, the original cost is not capitalised. To capitalise the conservation of these costs would result in a distorted view of the Trust's financial position.

When a new Heritable Asset is purchased and it has a cost of acquisition, these acquisition costs will be recognised on the balance sheet if they meet the criteria for capitalisation of tangible fixed assets; otherwise they will appear as expenses in the SoFA. When a new Heritable Asset is gifted to the Trust, where practical, these are recognised at their fair value in the balance sheet if they meet the criteria for capitalisation of tangible fixed assets; otherwise they will appear as expenses in the SoFA. Heritage land and buildings are not depreciated.

Any acquisition of new land or buildings should follow the Trust's Conservation Property Acquisition and Disposals Policy, a copy of which is available on request.

Any disposals of land and buildings must be considered by the Disposals Committee and the Board of Trustees. Any proceeds from the disposal of a Heritable Asset should be recognised through the gains and losses within the SoFA, together with the derecognition of any carrying amount in the balance sheet.

### Collections

Over time the Trust has amassed various collections of furniture, paintings, books, fine china and artefacts. These collections, of substantial heritage significance, are generally recorded within a database that is updated as new collections are acquired. As these items have accumulated over a considerable period of time, it is not possible to establish a cost or valuation for these assets and these are therefore not recorded on the balance sheet.

In accordance with FRS 102 and the SORP, the Trust does not carry out valuations of the collections. There are around 300,000 individual items. When a new Heritable Asset in the form of a collection item is purchased, its costs will be recognised on the balance sheet at this amount if it meets the criteria for capitalisation of tangible fixed assets; otherwise they will appear as expenses in the SoFA.

The purchase or disposal of collections must be in line with the policies outlined in the Trust's *Developing Collections: A Policy to Reflect and Enrich Lives*. Any proceeds from the disposal of a heritage asset would be recognised through the gains and losses within the SoFA, together with the derecognition of any carrying value in the balance sheet.

Where refurbishment and major repair costs are incurred predominantly for the conservation of heritage assets or to improve access to the heritage asset, these costs will not be capitalised in line with the Heritage Assets Policy.

Where refurbishment and major costs to a heritage asset are incurred predominantly to increase income generation, the costs are capitalised despite the work being carried out on a heritage asset. An example could be when the interiors of holiday cottages or commercial operations such as retail or catering outlets are refurbished. These units are often located in heritage assets, which themselves are not capitalised in line with the Heritage Assets Policy. However, since the primary purpose of these refurbishments is income generation, the costs of the refurbishments (if in excess of £5,000) are capitalised.

## 1. Accounting policies (continued)

### Intangible fixed assets

Intangible assets are non-monetary assets that are without physical substance, that are controlled by the Trust and that are transferable. Examples include computer software, trademarks and internet domains. Intangible fixed assets are intangible assets that will be:

- i) used by the Trust in the generation of income for more than one year; and
- ii) the purchase cost and/or the total costs incurred to produce the asset are more than £5,000

Where these criteria are met, the purchase costs and/or costs incurred to produce the asset will be recorded in the balance sheet of the Group, rather than in operational or conservation costs.

### Valuation and amortisation of intangible fixed assets

Intangible fixed assets are stated at their historical cost and amortised on a straight-line basis over their expected useful lives, with adjustments made for impairment as required.

Capital asset category	Expected useful life
Website development	4 years

Amortisation is first charged in the calendar month of acquisition or on the bringing into use of the asset, whichever is later. Amortisation is charged to publicity and fundraising costs, as the asset relates to the Trust website.

Costs associated with software with an annual licence or subscriptions are not capitalised as they will provide no benefit to the Trust without incurring the next year's licence or subscription being paid.

### Investments

The Trust holds substantial funds for endowments, restricted and designated purposes. The Board of Trustees is assisted by the Investment Committee on the management of the equity and other investments represented by these funds.

Investments are shown at fair value, which is normally the bid price for quoted investments. Unquoted investments are shown at the Board of Trustees' valuation on advice. Investment properties are included at valuation based on a comparable, open market, existing use. A quinquennial external desktop valuation cycle is in place (the last external valuation took place in March 2023). Between the external valuations, an annual valuation review is undertaken by the Trust's own professionally qualified surveyors. These valuations have been assessed based on trends and known changes in occupation and in line with RICS (Royal Institution of Chartered Surveyors) assumptions. Additions are shown at cost, with the exception of gifts, which are shown at valuation on the date of gift. The movement in valuation of investments is shown in the Consolidated Statement of Financial Activities and comprises both realised and unrealised gains and losses.

The investment held in the subsidiary undertaking (National Trust for Scotland Enterprises Limited) is held at cost.

### Stock

Stock is stated at the lower of purchase cost or net realisable value, other than farm stocks which are stated at valuation. In relation to retail stock that is deemed to be end of life and not sellable at any price, the stock is written off and disposed of. Stock consists of retail and catering trading stock, livestock, publications and raw materials. Stock is valued on a first-in, first-out (FIFO) basis.

### Cash and cash equivalents

Cash at bank and in hand is held to meet the day-to-day running costs of the charity as they fall due.

## 1. Accounting policies (continued)

### Capital contributions

Capital contributions from landlords are treated as deferred income and are released to the Statement of Financial Activities over the initial lease period.

### Provision for liabilities

A provision for a liability is established for an obligation as a result of past transactions or events that exists at the balance sheet date.

Recognition of a provision:

An obligation will be established as a provision where:

- i) there is a present obligation (legal or constructive) as a result of a past event;
- ii) it is probable that a transfer of economic benefits will be required to settle the obligation, e.g. the Trust will have to make a payment to a third party to settle the obligation;
- iii) a reliable estimate can be made of the amount of the obligation

If the above criteria are met, then the Trust will establish a provision for liabilities and disclose this within the notes to the Financial Statements.

### Financial instruments

The Trust applies the provisions of *Section 11 'Basic Financial Instruments'* and *Section 12 'Other Financial Instruments Issues'* of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provision of the instrument and are offset only when the Trust currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### Financial assets

A financial asset represents financial resources available to the charity; examples include financial investments in shares or bonds, debtors and cash.

Debtors: Trade and other debtors which are receivable within one year are initially measured at the transaction price. They are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade and other debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of Financial Activities for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

#### Financial liabilities

Creditors: Trade and other creditors payable within one year are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

## 1. Accounting policies (continued)

### Funds and reserves

The Trust's **Charity Funds** are a consolidation of around 345 individual funds and are divided into two distinct categories: unrestricted and restricted, as set out below:

## Charity Funds

### Unrestricted funds

The use of these funds has not been restricted to a particular purpose by donors or their representatives.

### Restricted funds

These funds have been restricted to a particular purpose by donors.

### General Income Fund (GIF)

To provide a reserve to finance central infrastructure, provide access to large project funding for properties with insufficient reserves themselves.

This fund may also provide working capital for properties with no restricted funds of their own with operational deficits and provide financial protection against uncertainty or unexpected events and is available to use at the discretion of the Trustees in furtherance of the Trust's objectives.

### Designated funds

Have been allocated by the Trustees for particular purposes.

Where specific planned activities are identified as requiring significant funding, proposals will be made to the Board to designate unrestricted funds for use for a particular project or commitment.

These include the Fixed Asset Reserve.

### Endowment funds

Typically arise when donors or grant-giving bodies provide funds on the condition that they must be retained in order to generate investment income for the long-term needs of the property or the restricted activity that the endowment is provided for.

Income arising on endowment funds is generally expendable and is distributed as income to funds in order to be spent.

### Other restricted funds

These include gifts and legacies which have been given or bequeathed to the Trust to be used in accordance with the conditions of donors. Both the capital and the income may only be applied for the purpose for which the funds were donated.

A number of the Trust's places held for conservation have established restricted funds that have been given to the Trust either by donors or grant-making bodies. The existence of these restricted funds places less reliance on reserve requirements to maintain these properties, and the Trust's policy is to seek adequate endowments for new acquisitions.

## 1. *Accounting policies (continued)*

### Transfers between funds

Transfers may be made between funds for the following reasons:

- From restricted to unrestricted funds when restricted funds may be lawfully released (i.e. permission for the release has been given by the donor, or OSCR or court approval has been given to release historic funds).
- Transfers from General Income Fund to designated funds to support properties' conservation and improvement requirements, as approved by the Board.
- Transfers from designated funds to General Income Fund where previously designated funds are no longer required for the designated purpose, as approved by the Board.
- From unrestricted to restricted funds to cover a deficit on a restricted fund that may (for example) have been caused by investment losses.
- To reflect the increase in the book value of tangible fixed assets without specific designated or restricted funding.
- Transfers to reflect assets purchased with restricted funds, but not held for a restricted purpose.

The Board has adopted a formal **Reserves Policy**, as detailed in the Trustees' Report on page 23. Free reserves are reserves available to spend freely on any charitable purpose. These are represented by unrestricted funds, less designated funds, less fixed assets.

In the case of the Trust, free reserves are represented by the General Income Fund (GIF) disclosed on the Trust's Balance Sheet. Free reserves do not include endowment funds, restricted funds or designated funds.

### **Comparative financial information**

The accounting policies adopted have been consistently applied in both the current and comparative period.

## 2. Critical accounting estimates and areas of judgement

In the application of the accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

The key areas that are deemed to be material for these financial statements are as follows:

- Accruing for income derived from legacies where complicated issues surrounding the measurement or the entitlement to income existed at the year end, in line with the Accounting Policy on legacies (page 46) An estimate of future costs in relation to property lease reinstatement obligations has been made based on an external adviser's assessment of these in relation to commitment and calculation. Further, an estimate for inflation has been adjusted to the dilapidations accrual to take account of time passed since the external survey was completed in June 2019. This is included within the provisions for liabilities at Note 27.
- The valuation of investment properties is carried out by the Trust's National Estates Manager. This estimate is in line with the Trust's accounting policies (pages 44–53).

## 3. Appeals and donations

The income from appeals and donations was £6,973k (2022/23: £3,630k). Detailed comparative information for each separate class of fund is set out below:

Group and Trust	Unrestricted funds		Restricted funds		Total £000s
	General funds	Designated funds	Restricted funds	Endowment funds	
	£000s	£000s	£000s	£000s	
2024	1,310	-	5,663	-	6,973
2023	888	-	2,741	1	3,630

## 4. Legacies

The income from legacies was £6,218k (2022/23: £7,188k). Detailed comparative information for each separate class of fund is set out below:

Group and Trust	Unrestricted funds		Restricted funds		Total £000s
	General funds	Designated funds	Restricted funds	Endowment funds	
	£000s	£000s	£000s	£000s	
2024	5,223	-	996	-	6,219
2023	6,834	-	354	-	7,188

## 5. Investments and investment income

### 5.1 Reconciliation of Movement in Investments by Asset Class:

Group and Trust	Investment Asset Class			Total £000s
	Investments	Deposits and cash	Net property investments	
	£000s	£000s	£000s	
<i>Market value as at 28 February 2022</i>	<i>184,381</i>	<i>2,012</i>	<i>2,268</i>	<i>188,661</i>
Additions at cost	29,345	-	-	29,345
Disposal proceeds	(20,179)	-	-	(20,179)
Capital events, transfers & movements	-	-	81	81
Realised gain/(loss)	(2,729)	-	-	(2,729)
Unrealised gain/(loss)	(5,993)	-	362	(5,631)
<i>Market value as at 28 February 2023</i>	<i>184,825</i>	<i>2,012</i>	<i>2,711</i>	<i>189,548</i>
Additions at cost	47,642	1	-	47,643
Disposal proceeds	(58,441)	(1,950)	-	(60,391)
Capital events, transfers & movements	-	-	-	-
Realised gain/(loss)	4,260	-	-	4,260
Unrealised gain/(loss)	3,633	-	-	3,633
<b>Market value as at 29 February 2024</b>	<b>181,919</b>	<b>63</b>	<b>2,711</b>	<b>184,693</b>

The following table provides further information on the breakdown of investments:

Group and Trust	2023/24	2022/23
	£000s	£000s
UK listed investment	80,982	104,082
Overseas listed investment	92,292	72,063
UK unlisted investments	8,645	8,680
<b>Market Value</b>	<b>181,919</b>	<b>184,825</b>

5.2 Detailed comparative information for each separate class of fund relating to the realised gains/(losses) from investment asset disposals and unrealised gains/(losses) from investment asset revaluation is set out below:

Group and Trust	Unrestricted funds				Restricted funds				Total	
	General funds		Designated funds		Restricted funds		Endowment funds			
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Unrealised gain/(loss) on investment revaluation	251	957	-	-	4,944	(718)	(1,562)	(5,870)	3,633	(5,631)
Realised gain/(loss) on investment disposal	(13)	(206)	-	-	4,273	(267)	-	(2,256)	4,260	(2,729)
<b>Net gain/(loss) on investment assets</b>	<b>238</b>	<b>751</b>	<b>-</b>	<b>-</b>	<b>9,217</b>	<b>(985)</b>	<b>(1,562)</b>	<b>(8,126)</b>	<b>7,893</b>	<b>(8,360)</b>



## 5. Investments and investment income (continued)

5.3 The following is a summary of the income arising from the Trust's investments:

	Investment Income			
	Group		Trust	
	2023/24 £000s	2022/23 £000s	2023/24 £000s	2022/23 £000s
Income from investments	7,067	5,408	7,067	5,408
Interest on deposits and cash	782	3	772	3
Distribution from Enterprises		-	2,551	1,082
<b>Total Investment Income</b>	<b>7,849</b>	<b>5,411</b>	<b>10,390</b>	<b>6,493</b>

5.4 A detailed comparative information for each separate class of fund for the investment income is set out below:

Group	Unrestricted funds		Restricted funds		Total £000s
	General funds	Designated funds	Restricted funds	Endowment funds	
	£000s	£000s	£000s	£000s	
2024	1,476	-	6,373	-	7,849
2023	1,230	-	4,181	-	5,411

Trust	Unrestricted funds		Restricted funds		Total £000s
	General funds	Designated funds	Restricted funds	Endowment funds	
	£000s	£000s	£000s	£000s	
2024	4,017	-	6,373	-	10,390
2023	2,312	-	4,181	-	6,493

### 5.5 Distribution from Enterprises

The Trust receives a distribution of earnings from trading activities which are undertaken by National Trust for Scotland Enterprises Ltd SC095585 (Enterprises), its subsidiary undertaking, arising from an investment of £2 held within the National Trust for Scotland. This investment income is in the form of Gift Aid on taxable profits made by Enterprises. Gift Aid distributions are recognised in the year they are paid. A payment of £2,551k was made during the year 2023/24 (2022/23: £1,082k).

5.6 At the year end, the Trust held property deemed not to be 'of heritage significance'. In line with FRS 102, these properties have been included within property investments above at a fair value of £2,711k (2022/23: £2,711k) as per valuations conducted by the Trust's National Estates Manager in May 2024. Included in investment properties is property with a value of £975k for which the Trust has granted an irrevocable undertaking to retain the property.

## 6. Grants

The Trust received grants from the following bodies:

	Group		Trust	
	2023/24	2022/23	2023/24	2022/23
	£000s	£000s	£000s	£000s
Scottish Government	1,529	111	1,529	111
Historic Environment Scotland	289	140	289	140
NatureScot (formerly Scottish Natural Heritage)	1,533	101	1,533	101
Local authorities and Enterprise companies	223	814	223	809
<b>Total for year ending 29 February</b>	<b>3,574</b>	<b>1,166</b>	<b>3,574</b>	<b>1,161</b>

For both Group and Trust, £2,026k (2022/23: £769k) of the total grants received were restricted.

## 7. Property and other income

Group	Unrestricted funds				Restricted funds				Total	
	General funds		Designated funds		Restricted funds		Endowment funds			
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Admissions	5,443	4,550	-	-	-	-	-	-	5,443	4,550
Rents	1,933	1,972	-	-	-	-	-	-	1,933	1,972
Other	2,028	1,516	-	92	38	13	-	-	2,066	1,621
<b>Property &amp; other income</b>	<b>9,404</b>	<b>8,038</b>	<b>-</b>	<b>92</b>	<b>38</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>9,442</b>	<b>8,143</b>

Trust	Unrestricted funds				Restricted funds				Total	
	General funds		Designated funds		Restricted funds		Endowment funds			
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Admissions	5,443	4,550	-	-	-	-	-	-	5,443	4,550
Rents	1,933	1,972	-	-	-	-	-	-	1,933	1,972
Other	3,039	2,200	-	92	38	13	-	-	3,077	2,305
<b>Property &amp; other income</b>	<b>10,415</b>	<b>8,722</b>	<b>-</b>	<b>92</b>	<b>38</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>10,453</b>	<b>8,827</b>

Other income, for the Group and Trust, includes income from events, produce sales and countryside activities, as well as subsidies and commission.

## 8. Commercial activities

National Trust for Scotland Enterprises Ltd (Enterprises) is wholly owned by the Trust with share capital of £2. It is incorporated in Scotland (SC095585) and its results are consolidated with the results of the National Trust for Scotland in the group accounts. Enterprises's principal activities are the running of retail, catering, holiday cottages, hospitality and other sundry trading activities at Trust places. All of these activities are unrestricted; therefore, all income and expenditure is unrestricted. Unlike most of the Trust's income, Enterprises does not enjoy exemption from taxation and distributes, under a Gift Aid scheme, the whole of its surpluses to the Trust.

A management charge of £1,023k (2022/23: £708k) was charged by the National Trust for Scotland for management services provided to Enterprises.

The turnover and net contributions to Trust funds from Enterprises were:

NTS Enterprises	Turnover		Costs		Contribution	
	2023/24 £000s	2022/23 £000s	2023/24 £000s	2022/23 £000s	2023/24 £000s	2022/23 £000s
Retail	7,220	5,248	4,650	3,723	2,570	1,525
Catering	7,440	5,768	6,405	5,249	1,035	519
Holiday cottages	1,963	1,766	1,360	956	603	810
Cruises	-	-	-	-	-	-
Functions	417	565	342	545	75	20
Other income and events	420	747	642	391	(222)	356
<b>Total</b>	<b>17,460</b>	<b>14,094</b>	<b>13,399</b>	<b>10,864</b>	<b>4,061</b>	<b>3,230</b>

During 2022/23, local government business recovery grants were awarded to compensate for loss of commercial income due to the COVID-19 pandemic, totalling £6k. No recovery grants were received in 2023/24.

After inclusion of the grants received and the management charge, a profit before tax of £3,038k (2022/23: £2,551k) and a profit after tax of £3,038k (2022/23: £2,551k) was as recorded below.

	2023/24 £000s	2022/23 £000s
<b>Enterprises profit/(loss) before tax</b>		
Contribution	4,061	3,230
Property and other income		23
Other operating income – grants received		6
Other operating expenditure – management recharge	(1,023)	(708)
<b>Profit/(loss) before tax for year</b>	<b>3,038</b>	<b>2,551</b>
Taxation credit		-
<b>Profit/(loss) after tax for year</b>	<b>3,038</b>	<b>2,551</b>

The net assets/(liabilities) of Enterprises are summarised as follows:

Enterprises net assets/(liabilities)	2023/24 £000s	2022/23 £000s
Stock	1,003	884
Debtors	3,689	399
Cash and bank	1,501	3,381
Creditors	(3,149)	(1,317)
Amounts due to parent	-	(789)
<b>Net assets/(liabilities)</b>	<b>3,044</b>	<b>2,558</b>

## 9. Other income

Other income was £208k (2022/23: £1,111k). Detailed comparative information for each separate class of fund is set out below:

Group	Unrestricted funds				Restricted funds				Total	
	General funds		Designated funds		Restricted funds		Endowment funds			
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Gain on sale of assets	208	183	-	-	-	928	-	-	208	1,111
<b>Other income</b>	<b>208</b>	<b>183</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>928</b>	<b>-</b>	<b>-</b>	<b>208</b>	<b>1,111</b>

Trust	Unrestricted funds				Restricted funds				Total	
	General funds		Designated funds		Restricted funds		Endowment funds			
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Gain on sale of assets	228	187	-	-	2	1,019	-	-	230	1,206
<b>Other Income</b>	<b>228</b>	<b>187</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>1,019</b>	<b>-</b>	<b>-</b>	<b>230</b>	<b>1,206</b>

## 10. Publicity and fundraising

Expenditure on publicity and fundraising was £5,979k (2022/23: £6,177k). Detailed comparative information for each separate class of fund is set out below:

Group and Trust	2023/24	2022/23
	£000s	£000s
Salaries and wages	1,664	1,305
Marketing and publications	2,670	2,665
Consultants and professional fees	58	893
Maintenance and equipment	292	(1)
Travel and subsistence	44	30
Other overheads (including depreciation)	404	378
Support costs (see Note 13)	686	819
Governance costs (see Note 13)	161	88
<b>Total publicity and fundraising expenditure</b>	<b>5,979</b>	<b>6,177</b>

The total publicity and fundraising expenditure can be analysed by fund as follows:

Group and Trust	Unrestricted funds		Restricted funds		Total
	General funds	Designated funds	Restricted funds	Endowment funds	
	£000s	£000s	£000s	£000s	
2024	5,979	-	-	-	5,979
2023	5,305	-	380	492	6,177

## 11. Property operating expenditure

Property operating expenditure consists of the following main areas of resources:

Group and Trust	2023/24	2022/23
	£000s	£000s
Salaries and wages	15,463	14,052
Utilities	3,574	2,800
Maintenance and equipment	6,116	4,970
Insurance	869	839
Travel and subsistence	688	592
Other overheads (including depreciation)	5,445	5,290
Support costs (see Note 13)	8,047	7,096
Governance costs (see Note 13)	978	772
<b>Total property operating expenditure</b>	<b>41,180</b>	<b>36,411</b>

## 11. Property operating expenditure (continued)

The total property operating expenditure can be analysed by fund as follows:

Group and Trust	Unrestricted funds		Restricted funds		Total £000s
	General funds	Designated funds	Restricted funds	Endowment funds	
	£000s	£000s	£000s	£000s	
2024	40,676	-	542	(38)	41,180
2023	36,282	-	131	(2)	36,411

## 12. Conservation, repairs and improvements

The Trust spent the following on conservation, repairs and improvements:

Group and Trust	2023/24 £000s	2022/23 £000s
Major projects	5,902	553
Routine conservation and repairs	2,598	6,856
Support costs (see Note 13)	2,276	1,989
Governance costs (see Note 13)	1,130	505
	<b>11,906</b>	<b>9,903</b>

The total expenditure on conservation, repairs and improvements can be analysed by fund as follows:

	Unrestricted funds		Restricted funds		Total restated £000s
	General funds	Designated funds	Restricted funds	Endowment funds	
	£000s	£000s	£000s	£000s	
2024	7,673	7	4,188	38	11,906
2023	3,214	-	6,685	4	9,903

Major projects vary year on year, and as such spending will increase or decrease in accordance with the projects ongoing in the year.

### 13. Analysis of support and governance costs

The Trust initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. The other support costs, together with the governance costs, are allocated between fundraising activities and charitable activities. The basis of allocation is on the estimated time spent by the appropriate support service.

Group and Trust	2023/24					2022/23
	Admin & other	Human resources	Finance	ICT <sup>1</sup>	Total	Total
	£000s	£000s	£000s	£000s	£000s	£000s
Membership and recruitment	21	149	50	286	506	501
Publicity and fundraising	88	27	284	286	685	819
Property operating expenditure	3,817	1,628	885	1,717	8,047	7,096
Conservation, repairs and improvements	1,468	88	291	429	2,276	1,989
Governance	3,084	30	208	144	3,466	1,567
<b>Total support &amp; governance cost</b>	<b>8,478</b>	<b>1,922</b>	<b>1,718</b>	<b>2,862</b>	<b>14,980</b>	<b>11,972</b>

<sup>1</sup> ICT stands for Information and Communications Technology

Governance	2023/24	2022/23
	£000s	£000s
Membership and recruitment <sup>2</sup>	330	202
Publicity and fundraising	160	88
Property operating expenditure	1,847	772
Conservation, repairs and improvements	1,129	505
<b>Total governance cost allocation</b>	<b>3,466</b>	<b>1,567</b>

<sup>2</sup> Governance costs relating to membership and recruitment are allocated across cost of raising funds and charitable activities, based on the percentage split of income

## 14. Other expenditure

The Trust incurred other expenditure of £143k (2022/23: £95k). Detailed comparative information is set out below:

Group	2023/24 £000s	2022/23 £000s
Organisational, systems & process change projects	284	89
COVID-19 re-opening adaptations	-	6
<b>Total other expenditure</b>	<b>284</b>	<b>95</b>

Trust	2023/24 £000s	2022/23 £000s
Organisational, systems & process change projects	143	89
COVID-19 re-opening adaptations	-	6
<b>Total other expenditure</b>	<b>143</b>	<b>95</b>

Total other expenditure can be analysed by fund as follows:

Group	Unrestricted funds		Restricted funds		Total £000s
	General funds	Designated funds	Restricted funds	Endowment funds	
	£000s	£000s	£000s	£000s	
2024	238	-	4	-	242
2023	95	-	-	-	95

Trust	Unrestricted funds		Restricted funds		Total £000s
	General funds	Designated funds	Restricted funds	Endowment funds	
	£000s	£000s	£000s	£000s	
2024	139	-	4	-	143
2023	95	-	-	-	95

The Trust incurred a total of £143k (2022/23: £89k) in improving systems and processes and supporting organisational change. Included in this figure is costs for personal protective equipment (PPE) of £nil (2022/23: £6k) to enable safe property opening during the pandemic.

A provision for the cost of dilapidations relating to the lease on Hermiston Quay in Edinburgh has been estimated. The provision has increased in line with inflation – Note 27 provides further information.

## 15. Trustees' remuneration, benefits and expenses

No remuneration has been paid to members or former members of the Board of Trustees in respect of their duties as Board members. In addition, £5,710 was reimbursed to five Board and Committee members (2023/24: £1,998, two Board members); this continues to reflect the use of virtual meetings where appropriate.



## 16. Analysis of staff costs and remuneration of key management personnel

16.1 The average number of employees on permanent and fixed-term contracts, including seasonal employees, was 1,144 (2022/2023: 1,017). On a full-time equivalent basis, this becomes 617 (2022/23: 770). The average number of employees on permanent contracts was 795 (2022/23: 662) and the average number of employees on fixed-term contracts was 339 (2022/23: 355). The peak number of staff employed during the year was 1,288 (2022/23: 1,164). All employees are employed by the Trust, and costs relating to commercial activities are charged to the subsidiary company.

Details of staff costs and emoluments for the year are as follows:

Group	2023/24	2022/23
	Total Permanent & fixed term £000s	Total Permanent & fixed term £000s
Gross pay	28,027	24,210
Employer's NI	2,442	2,432
Employer's pension	1,281	993
Agency staff costs	13	-
<b>Total</b>	<b>31,763</b>	<b>27,635</b>

Trust	2023/24	2022/23
	Total Permanent & fixed term £000s	Total Permanent & fixed term £000s
Gross pay	28,027	24,210
Employer's NI	2,442	2,432
Employer's pension	1,281	993
Agency staff costs	13	-
<b>Total staff costs</b>	<b>31,763</b>	<b>27,635</b>
Less: recharge to NTSE	(5,443)	(4,370)
<b>Total</b>	<b>26,320</b>	<b>23,265</b>

16.2 Total pension contributions paid during the year for the Group were £997k (2022/23: £756k) to the defined contribution scheme and £289k (2022/23: £237k) to the National Employment Savings Trust (NEST) scheme. Total contributions paid during the year for the Trust were £1,286k (2022/23: £910k) to both schemes. Pension contributions are treated as an operating cost and allocated by employee activity.

## 16. Analysis of staff costs and remuneration of key management personnel (continued)

16.3 In addition to its paid workforce, the Trust also benefits from a committed group of volunteers who give their time to help at properties and in administrative offices, covering tasks that include visitor services, retail, events, gardening, learning, environmental work and footpath work.

During the year to 29 February 2024 these volunteers carried out a total of 146,063 hours (2022/23: 127,502 hours) of work, which is a 15% increase on the previous year. This reflects the Trust continuing to recover from the impact of COVID-19 and approaching pre-pandemic levels (2019/20: 168,448 hours). If translated at an indicative cost of £11.44 per hour (National Minimum Wage), this effort equates to a value of £1.7 million (2022/23: £1.3 million).

The Trust depends heavily on its volunteers and could not operate without their ongoing support. We are extremely grateful to them all for the time and energy they devote to the Trust.

16.4 The Trust considers its key management personnel to be the Executive Committee (as shown on page 30), led by the Chief Executive. The employee benefits (exclusive of pension contribution) of key management personnel were £1.2 million (2022/23: £1.1 million). Pension contributions were £84k (2022/23: £84k) for key management personnel.

The number of employees whose annual emoluments (including termination payments but excluding employer pension contributions) were above £60k are set out below:

	2024 Number of Employees	2023 Number of Employees
Between £60,000 and £69,999	20	9
Between £70,000 and £79,999	6	5
Between £80,000 and £89,999	4	5
Between £90,000 and £99,999	6	3
Between £100,000 and £109,999	1	2
Between £130,000 and £139,999	-	-
Between £140,000 and £149,999	1	1
Between £150,000 and £159,999	-	-
Between £160,000 and £169,999	1	1

16.5 Redundancy and termination payments of £1k (2022/23: £117k) were made or contractually committed to during the year. Redundancy costs are recognised in the year for employees who have received written notification within the financial year confirming their redundancy. There were no ex-gratia payments included in these amounts.

## 17. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2023/24		2022/23	
	Land & buildings £000s	Other assets £000s	Land & buildings £000s	Other assets £000s
Within one year	428	105	428	61
Between one and five years	107	245	535	55
After five years	-	-	-	-
<b>Total</b>	<b>535</b>	<b>350</b>	<b>963</b>	<b>116</b>

During the year, expenses of £517k (2022/23: £540k) were made in respect of operating leases.

## 18. Auditor's remuneration

Remuneration for audit services for the year ending 29 February 2024 was £57k (2023: £66k) for the Group and £51k (2023: £50k) for the Trust.

## 19. Non-audit services

In common with many other organisations of a similar size, entities related to the Trust's auditors prepare and submit corporation tax and other related returns to the tax authorities. Total fees for non-audit, one-off services at 29 February 2024 amounted to £9k (2023: £26k).

## 20. Tangible fixed assets

Group and Trust	Tangible fixed assets						
	Assets under construction	Motor vehicles	Buildings	Building fit-outs	Computer equipment	Fixtures & fittings	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Cost and valuation</b>							
At 1 March 2023	5,093	2,861	27,131	16,032	4,181	7,109	62,407
Additions	4,030	982	1,974	219	-	-	7,207
Disposals	(6)	(91)	-	-	-	-	(97)
Transfers	(4,298)	-	3,581	320	-	397	-
<b>At 29 February 2024</b>	<b>4,819</b>	<b>3,752</b>	<b>32,686</b>	<b>16,573</b>	<b>4,181</b>	<b>7,506</b>	<b>69,517</b>
<b>Cumulative depreciation</b>							
At 1 March 2023	-	2,546	10,224	10,672	4,181	5,214	32,837
Charge for the period	-	221	982	955	-	390	2,548
Disposals	-	(91)	-	-	-	-	(91)
Transfers	-	-	-	-	-	-	-
<b>At 29 February 2024</b>	<b>-</b>	<b>2,676</b>	<b>11,208</b>	<b>11,627</b>	<b>4,181</b>	<b>5,604</b>	<b>35,294</b>
<b>Net book value at 29 February 2024</b>	<b>4,819</b>	<b>1,076</b>	<b>21,478</b>	<b>4,946</b>	<b>-</b>	<b>1,904</b>	<b>34,223</b>
<i>Net book value at 28 February 2023</i>	<i>5,093</i>	<i>315</i>	<i>16,907</i>	<i>5,360</i>	<i>-</i>	<i>1,895</i>	<i>29,570</i>

The Trust had total capital commitments of £1,301k against fixed assets at the financial year end (2022/23: £2.9 million). This relates to contracted work at various properties and projects.

## 21. Heritage assets

21.1 At 29 February 2024 the Trust owned a variety of places for the access and benefit of the nation, including built properties, major gardens, historic burghs, countryside places, island groups, National Nature Reserves, Munros and a dual World Heritage Site.

These assets have been acquired since the formation of the Trust; many have been gifted or bequeathed to the Trust during that period. It is therefore not possible to give a total acquisition cost for the heritage portfolio, nor would such a figure be meaningful.

The heritage assets owned by the Trust fall into two categories:

- i) land and buildings; and
- ii) collections

For the reasons explained in the Accounting Policy on heritage assets, neither of these categories are capitalised in the balance sheet unless purchased.

## 21. Heritage assets (continued)

### Land and buildings

Land and buildings assets include areas of countryside, islands, castles, museums, houses, farms, gardens and estates. The total insurance reinstatement value of our historic buildings is £1,762 million (2022/23: £1,388 million).

### Collections

Our collections assets are extensive and include furniture, paintings, porcelain, domestic items, decorative arts, costume, photography and social history collections. Many of our properties also hold extensive library collections, and some have historic archives. The Trust also cares for its own corporate archive.

The Trust estimates that these collections contain around 300,000 individual items, acquired at various points during the Trust's 90-year history. The majority of the art, objects and books collections are on display in the places run by the Trust, whilst the archives and some more delicate items are in storage. Examples of significant collections held by the Trust include:

- The Beckford Collection of exceptional small-scale objects de vertu, silver and porcelain housed in Brodick Castle.
- The portrait collection, including works by Batoni, Romney, Gainsborough, Opie, Lawrence and Hoppner, at Fyvie Castle. The castle also contains one of the largest collections of Raeburn paintings in the world as well as an equally impressive collection of fine furniture, tapestries, arms and armour.
- The arms collection at Culzean Castle, which includes one of the most important collections of 18th-century and early 19th-century flintlock pistols in the world.
- The exceptional collection of 20th-century Scottish paintings given to the Trust by Douglas Hutchison in 1999, which is currently hung in the Eisenhower Apartment at Culzean Castle.

The Trust maintains a collections management database of items. There are around 142,000 database entries covering the museum collections, of which approximately 8,400 are records of objects on long- or short-term loan to the Trust. The archives are also catalogued in a separate database module, and a proportion of the book collections are catalogued in the book module. The database holds a valuation figure for approximately 27,700 of the entries in the museum database and the total sum of these valuations is referenced below.

The collections valuations cover a broad time period, with the earliest dating from the early 1960s, and emanate from three separate sources:

- Professional valuations carried out on certain items under a rolling programme of insurance valuation – this programme ceased in 2005.
- Acquisition costs where items have been purchased separately – in these cases, the cost of purchase is recorded as the valuation.
- Insurance valuations undertaken for specific purposes (e.g. when a painting is loaned to another institution for a temporary exhibition).

Given the age of the recorded valuations and the lack of valuations available for the majority of items, the overall valuation figure for collections is likely to be significantly understated. The cost of obtaining valuations for the 112,800 records that lack valuation is not thought to be commensurate with the benefit to users of these accounts. However, based on the details currently held, the Trust estimates that the collections it holds have a total value in excess of £139 million. This figure remains the same as for the last financial year as there has been no active programme of valuing collections this year.

## 21. Heritage assets (continued)

21.2 The value of heritage assets included in the balance sheet and associated in year movements are set out in the table below:

Group and Trust	Heritage assets	
	Property	Total
	£000s	£000s
Cost and Valuation		
At 1 March 2023	271	271
At 29 February 2024	271	271

21.3 The Trust has acquired new items in accordance with its Acquisition Policy; it has disposed of assets too. In the last five years the costs of acquisitions and values of disposals have been as follows:

	Acquisitions		Disposals	
	Land and buildings	Collections	Land and buildings	Collections
	£000s	£000s	£000s	£000s
2023/24	-		177	
2022/23	-	-	991	-
2021/22	-	14	1,736	-
2020/21	-	89	438	-
2019/20	121	-	2,174	-

21.4 The Trust has made the following disposals of heritage assets during the year:

	2023/24	2022/23
	£000s	£000s
<b>Land and buildings</b>		
Croft at Drumbuie, Balmacara		1
Croft at Wester Alligin, Torridon		1
Crarae Gardens, Minard		1
Station Road, Crathes		3
Kelton Hill farm		485
Lodge of Kelton farm		500
Croft 7, Wester Alligin, Torridon	1	
Station Wood, Crathes	15	
Craigievar Cottage, Craigievar	161	
<b>Total disposals of heritage assets</b>	<b>177</b>	<b>991</b>

This represents the sales value less legal fees incurred in making the sale.

## 22. Intangible fixed assets

Group and Trust	Web & digital development £000s	Assets under development £000s	Total £000s
<i>Cost and valuation</i>			
At 1 March 2023	716	-	716
Transfer	-	-	-
Additions	-	306	306
At 29 February 2024	716	306	1,022
<i>Cumulative amortisation</i>			
At 1 March 2023	641	-	641
Charge for the period	25	-	25
At 29 February 2024	666	-	666
Net book value at 29 February 2024	50	306	356
Net book value at 28 February 2023	75	-	75

## 23. Stock

	Group		Trust	
	2023/24 £000s	2022/23 £000s	2023/24 £000s	2022/23 £000s
Retail stocks	1,004	885	-	-
Farm stocks	122	112	122	112
<b>Total stock</b>	<b>1,126</b>	<b>997</b>	<b>122</b>	<b>112</b>

The value of stocks expensed during the year was £71k (2022/23: £66k). The value of stock written off during the year was £7k (2022/23: £28k).

## 24. Debtors

	Group		Trust	
	2023/24 £000s	2022/23 £000s	2023/24 £000s	2022/23 £000s
Trade debtors	1,827	2,255	1,553	2,115
Other debtors including tax recoverable	2,709	2,054	3,367	2,051
Prepayments and accrued income	6,502	5,050	6,316	4,795
Amounts due from subsidiary undertakings	-	-	-	789
<b>Total debtors</b>	<b>11,038</b>	<b>9,359</b>	<b>11,236</b>	<b>9,750</b>

## 25. Creditors

	Group		Trust	
	2023/24 £000s	2022/23 £000s	2023/24 £000s	2022/23 £000s
Trade creditors	5,331	3,523	4,784	3,111
Other creditors	791	272	493	251
Taxation and social security	623	699	623	516
Accruals	1,224	3,860	1,159	3,422
Deferred income	1,239	1,592	1,239	1,328
Life members account	160	146	160	146
Amounts due to subsidiary undertakings	-	-	1,632	-
<b>Creditors: amounts falling due within one year</b>	<b>9,368</b>	<b>10,092</b>	<b>10,090</b>	<b>8,774</b>
Other creditors	58	45	47	45
Deferred income (see Note 26)	685	757	685	757
Life members account	1,191	1,026	1,191	1,026
<b>Creditors: amounts falling due after more than one year</b>	<b>1,934</b>	<b>1,828</b>	<b>1,923</b>	<b>1,828</b>



## 25. Creditors (continued)

The Creditors: amounts falling due after more than one year are further analysed as follows:

	Group		Trust	
	2023/24 £000s	2022/23 £000s	2023/24 £000s	2022/23 £000s
<b>Between one and two years</b>				
Life members account	152	137	152	137
Other creditors	58	45	47	45
Deferred income	58	72	58	72
<b>Between two and five years</b>				
Life members account	407	365	407	365
Deferred income	52	110	52	110
<b>Between five and 15 years</b>				
Life members account	632	524	632	524
Deferred income	575	575	575	575
<b>Total</b>	<b>1,934</b>	<b>1,828</b>	<b>1,923</b>	<b>1,828</b>

## 26. Deferred income

26.1 Deferred income, for the purpose of this note, is calculated as follows:

	Group		Trust	
	2023/24 £000s	2022/23 £000s	2023/24 £000s	2022/23 £000s
<b>Creditors: amounts falling due within one year</b>				
Deferred income	1,814	1,592	1,238	1,328
Life members account	168	146	160	146
<b>Creditors: amounts falling due after more than one year</b>				
Deferred income	740	757	685	757
Life members account	835	1,026	1,191	1,026
<b>Total deferred income</b>	<b>3,557</b>	<b>3,521</b>	<b>3,274</b>	<b>3,257</b>

Membership income is deferred and released to the Consolidated Statement of Financial Activities (SoFA) over the period to which the membership relates. Other deferred income relates to holiday cottages, functions and wayleaves.

26.2 The movements in deferred income can be analysed as follows, noting that membership income for the purpose of this table is the combination of deferred annual membership income and the Life members account income:

Group & Trust	Deferred income					
	Membership income		Other income		Total	
	Group £000s	Trust £000s	Group £000s	Trust £000s	Group £000s	Trust £000s
At 1 March 2023	1,925	1,925	1,596	1,332	3,521	3,257
Amounts released during the year	(663)	(663)	(1,869)	(182)	(2,532)	(845)
Amounts deferred during the year	653	653	1,915	209	2,568	862
At 29 February 2024	<b>1,915</b>	<b>1,915</b>	<b>1,642</b>	<b>1,359</b>	<b>3,557</b>	<b>3,274</b>

## 27. Provision for liabilities

The following table provides an analysis of the provision for liabilities:

<b>Group and Trust</b>	<b>Total £000s</b>
<i>Provision for liabilities</i>	
<b>At 1 March 2023</b>	<b>1,658</b>
Additional provision in year	92
<b>At 29 February 2024</b>	<b>1,750</b>

The provision above has been recognised in accordance with the Trust's Accounting Policy for the provision of liabilities (page 51). The provision includes obligations relating to the Trust's Edinburgh headquarters at Hermiston Quay, which arise from a full repairing and insuring lease that commenced in April 2010. Under the lease the Trust has obligations for (a) the repairing of any damage requiring repair, maintenance, re-instatement, decoration or cleaning irrespective of cause; and (b) to keep all lighting, heating, ventilation, drainage system, water supply, gas, firefighting equipment and other machinery provided by the landlord to be in good working order/repair.

An external surveyor, TFT, was engaged to undertake an assessment of the dilapidations assessment, and it is this information that has been used as the basis of the estimated obligation liability. The assessment of the total dilapidations liability to the first break clause has subsequently been increased in line with inflation.

## 28. Analysis of net assets among funds

Group fund balances at 29 February 2024 are represented by:

Group	Unrestricted funds		Restricted funds		Total
	General Income Funds	Designated funds	Restricted funds	Endowment funds	
	£000s	£000s	£000s	£000s	
Fixed assets	-	34,850	-	-	34,850
Investments	32,061	1,063	77,958	73,611	184,693
Net current assets	8,781	(108)	11,453	22	20,148
Creditors due after more than one year	(1,934)	-	-	-	(1,934)
Provision for liabilities	(1,750)	-	-	-	(1,750)
<b>At 29 February 2024</b>	<b>37,158</b>	<b>35,805</b>	<b>89,411</b>	<b>73,633</b>	<b>236,007</b>
<i>Fixed assets</i>	-	29,916	-	-	29,916
<i>Investments</i>	43,935	1,042	69,374	75,197	189,548
<i>Net current assets</i>	9,797	38	8,637	6	18,478
<i>Creditors due after more than one year</i>	(1,828)	-	-	-	(1,828)
<i>Provision for liabilities</i>	(1,658)	-	-	-	(1,658)
<b>At 28 February 2023</b>	<b>50,246</b>	<b>30,996</b>	<b>78,011</b>	<b>75,203</b>	<b>234,456</b>

Trust fund balances at 29 February 2024 are represented by:

Trust	Unrestricted funds		Restricted funds		Total
	General Income Funds	Designated funds	Restricted funds	Endowment funds	
	£000s	£000s	£000s	£000s	
Fixed assets	-	34,850	-	-	34,850
Investments	32,061	1,063	77,958	73,611	184,693
Net current assets	5,748	(108)	11,430	22	17,092
Creditors due after more than one year	(1,923)	-	-	-	(1,923)
Provision for liabilities	(1,750)	-	-	-	(1,750)
<b>At 29 February 2024</b>	<b>34,136</b>	<b>35,805</b>	<b>89,388</b>	<b>73,633</b>	<b>232,962</b>
<i>Fixed assets</i>	-	29,916	-	-	29,916
<i>Investments</i>	43,935	1,042	69,374	75,197	189,548
<i>Net current assets</i>	7,239	38	8,637	6	15,920
<i>Creditors due after more than one year</i>	(1,828)	-	-	-	(1,828)
<i>Provision for liabilities</i>	(1,658)	-	-	-	(1,658)
<b>At 28 February 2023</b>	<b>47,688</b>	<b>30,996</b>	<b>78,011</b>	<b>75,203</b>	<b>231,898</b>

## 29. Endowment funds

The following endowment funds individually exceed 5% of the total of such funds at 29 February 2024:

Group & Trust	2022/23	Resources expended	Changes in fair value	Transfers	2023/24
Fund	£000s	£000s	£000s	£000s	£000s
Mar Lodge Estate	14,817	-	(308)	-	14,509
Newhailes	7,586	-	(158)	-	7,428
Threave	4,395	-	(91)	-	4,304
Fyvie Castle	3,787	-	(79)	-	3,708
Other funds	44,618	-	(922)	(8)	43,684
<b>At 29 February 2024</b>	<b>75,203</b>	<b>-</b>	<b>(1,560)</b>	<b>(8)</b>	<b>73,633</b>

At 28 February 2023:

Group & Trust	2021/22	Resources expended	Changes in fair value	Transfers	2022/23
Fund	£000s	£000s	£000s	£000s	£000s
Mar Lodge Estate	16,518	(97)	(1,604)	-	14,817
Newhailes	8,457	(50)	(821)	-	7,586
Threave	4,900	(29)	(476)	-	4,395
Fyvie Castle	4,222	(25)	(410)	-	3,787
Other funds	49,554	(292)	(4,815)	171	44,618
<b>At 28 February 2023</b>	<b>83,651</b>	<b>(493)</b>	<b>(8,126)</b>	<b>171</b>	<b>75,203</b>

The income from these funds is used to support the named properties.

## 30. Other restricted funds

The Trust has over 230 specifically restricted funds, of which the following restricted funds individually exceed 5% of the total of such funds at 29 February 2024:

Group & Trust	2022/23	Incoming resources	Resources expended	Changes in fair value	Transfers	2023/24
Fund	£000s	£000s	£000s	£000s	£000s	£000s
Alexander Bequest	4,725	33	(27)	496	(235)	4,992
Unna Bequest	4,928	34	-	520	(639)	4,843
Property funds	30,977	7,561	(1,664)	3,800	(6,570)	34,104
Other funds	37,381	7,441	(3,043)	4,398	(705)	45,472
<b>At 29 February 2024</b>	<b>78,011</b>	<b>15,069</b>	<b>(4,734)</b>	<b>9,214</b>	<b>(8,149)</b>	<b>89,411</b>

### 30. Other restricted funds (continued)

At 28 February 2023:

Group & Trust	2021/22	Incoming resources	Resources expended	Changes in fair value	Transfers	2022/23
Fund	£000s	£000s	£000s	£000s	£000s	£000s
The Fawcitt Fund	4,547	18	(20)	(63)	(1,604)	2,878
Alexander Bequest	4,830	19	(57)	(67)	-	4,725
Unna Bequest	5,000	19	(22)	(69)	-	4,928
Property funds	35,711	6,212	(2,493)	(258)	(8,195)	30,977
Other funds	37,548	2,790	(4,606)	(526)	(703)	34,503
At 28 February 2023	87,636	9,058	(7,198)	(983)	(10,502)	78,011

The **Fawcitt Fund** is 'for the provision and support of properties of great natural beauty in Scotland to be preserved for the nation in precious memory of Norman and Ethel Fawcitt'.

The **Alexander Bequest** is 'to be used for the acquisition, curatorship and management of the National Trust for Scotland's collections'.

The **Unna Bequest** is 'to provide funds to fulfil the 11 purposes as set out in the Will for countryside properties'. The merging of the income and the capital restricted funds (for simplifying their management) has resulted in this fund becoming greater than 5% of the total other restricted funds.

The property funds comprise 94 property-specific restricted funds, including property-specific donations and grants received, as well as the income generated from any property-specific endowment fund.

Details of the transfers are shown in Note 32. It is anticipated that these funds will be used by the Trust as part of the programme of investment in the ten-year strategy.

### 31. Designated funds

Group & Trust	2022/23	Incoming resources	Resources expended	Changes in fair value	Transfers	2023/24
Fund	£000s	£000s	£000s	£000s	£000s	£000s
Fixed Asset Reserve	29,777	-	-	-	4,935	34,712
Other funds	1,080	-	(7)	-	20	1,093
At 29 February 2024	30,857	-	(7)	-	4,955	35,805

At 28 February 2023:

Group & Trust	2021/22	Incoming Resources	Resources Expended	Changes in Fair Value	Transfers	2022/23
Fund	£000s	£000s	£000s	£000s	£000s	£000s
Fixed Asset Reserve	28,399	-	-	-	1,517	29,916
Other funds	-	92	-	-	988	1,080
At 28 February 2023	28,399	92	-	-	2,505	30,996

The Fixed Asset Reserve fund relates to assets that have been capitalised and are included in Notes 20–22. Movements on the fund reflect additions, disposals and depreciation charged during the year. Details of the transfers are shown in Note 32.

## 32. Transfers between funds

The following table summarises the transfers between classes of funds:

Group & Trust	Unrestricted funds		Restricted funds		Total £000s
	General funds £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	
Capitalisation of project expenditure	(4,851)	4,851	-	-	-
Release of designated funds					
Other transfers between funds	8,137	20	(8,149)	(8)	-
<b>Net transfers at 29 February 2024</b>	<b>3,286</b>	<b>4,871</b>	<b>(8,149)</b>	<b>(8)</b>	<b>-</b>
<i>Net transfers at 28 February 2023</i>	<i>7,826</i>	<i>2,505</i>	<i>(10,502)</i>	<i>171</i>	<i>-</i>

During 2023/24 the key reasons for transferring between classes of funds were:

- i) designation of general funds into designated funds to recognise expressions of wishes in legacies received during the year; or
- ii) application of restricted property funds as appropriate to offset operational deficits incurred by the General Income Fund in the operation of the properties

## 33. Financial instruments

The carrying amounts of the Group's financial instruments at 29 February 2024 were:

	Group		Trust	
	2023/24 £000s	2022/23 £000s	2023/24 £000s	2022/23 £000s
<b>Financial assets:</b>				
Debt instruments measured at amortised cost	9,863	10,345	11,771	12,131
Equity instruments measured at fair value	181,919	184,825	181,919	184,825
<b>Total financial assets at 29 February 2024</b>	<b>191,782</b>	<b>195,170</b>	<b>193,690</b>	<b>196,956</b>
<b>Financial liabilities:</b>				
Measured at amortised cost	6,658	7,482	10,142	7,836
<b>Total financial liabilities at 29 February 2024</b>	<b>6,658</b>	<b>7,482</b>	<b>10,142</b>	<b>7,836</b>

### 34. Reconciliation of net movement in funds to net cashflow from operating activities

	Group		Trust	
	2023/24 £000s	2022/23 £000s	2023/24 £000s	2022/23 £000s
Net expenditure before gains and losses on investment assets	(6,360)	(7,765)	(6,847)	(9,234)
Add back depreciation & amortisation	1,961	2,341	2,083	2,341
Deduct net gain on disposal of assets	261	(1,111)	133	(1,111)
Deduct returns from investments (within investing activities)	(7,849)	(5,411)	(10,390)	(6,493)
(Increase)/decrease in stock	(129)	57	(10)	(12)
(Increase)/decrease in debtors	(1,680)	(2,502)	(1,486)	(2,202)
Increase/(decrease) in creditors	(618)	1,052	1,411	994
Increase/(decrease) in provision for liabilities	92	-	92	-
<b>Net cash (used in)/generated by operating activities</b>	<b>(14,322)</b>	<b>(13,339)</b>	<b>(15,014)</b>	<b>(15,717)</b>

### 35. Analysis of cash and cash equivalents and net debt

The following table provides an analysis of cash and cash equivalents:

	Group		Trust	
	2023/24 £000s	2022/23 £000s	2023/24 £000s	2022/23 £000s
Cash	17,352	18,214	15,824	14,832
Overdraft facility repayable on demand	-	-	-	-
<b>Total cash and cash equivalents</b>	<b>17,352</b>	<b>18,214</b>	<b>15,824</b>	<b>14,832</b>

The following table provides a breakdown of net debt:

Group	As at 1 March 2023 £000s	Cashflows £000s	Fair value movements £000s	As at 29 February 2024 £000s
	Cash	18,214	(892)	
Overdraft facility repayable on demand	-			-
Loans	-			-
<b>Total net debt</b>	<b>18,214</b>	<b>(892)</b>		<b>17,352</b>
Trust	As at 1 March 2023 £000s	Cashflows £000s	Fair value movements £000s	As at 29 February 2024 £000s
Cash	14,832	992		15,824
Overdraft facility repayable on demand	-			-
Loans	-			-
<b>Total net debt</b>	<b>14,832</b>	<b>992</b>		<b>15,824</b>

## 36. Related party transactions

The Trust has considered the disclosure requirements of the Statement of Recommended Practice – Reporting & Accounting by Charities (SORP FRS 102) and of FRS 102. The Trust believes that the following related party transactions require disclosure:

All Trustees are members of the Trust. Total donations without conditions made by Trustees to the Trust during the year were £0.2k (2022/23: £0.3k). There are no outstanding amounts due.

In 2023/24 the following transactions took place between the Trust and Enterprises, its wholly owned subsidiary:

- The provision of management services by the Trust covering payroll, finance, back-office support, legal and managerial support of £1,023k (2022/23: £708k).
- The provision of catering, retail, fixture & fittings and ICT assets by the Trust to allow the subsidiary to run its shops, cafés and holiday cottages of £103k (2022/23: £285k).
- A Gift Aid payment was made in 2023/24 by the subsidiary of £2,558k (2022/23: £1,082k).

The Trust provides a treasury function for Enterprises, and at 29 February 2024 an amount of £1,023k was due to the Trust from Enterprises for transactions paid by the Trust through this function. In 2022/23, £789k was due to Enterprises from the Trust at the reporting date.

The Chief Executive of the National Trust for Scotland is an ex officio member of the Board of the National Trust for Scotland Foundation USA. During the year, the National Trust for Scotland Foundation USA made donations to the National Trust for Scotland of £581k (2022/23: £130k).

The above transactions are on an arms-length basis with no unusual terms/conditions and no guarantees.

## 37. Contingent assets

The Trust has been notified that it is a beneficiary to a number of residuary legacies which have not yet been recognised within the Financial Statements. The Trust's Accounting Policy for legacies (page 46) states that a legacy can only be recognised when entitlement is evidenced, receipt of funds is probable, and it is possible to estimate the fair value of the legacy income receivable. Once all three criteria are met, the Trust will recognise this legacy income in the financial statements. For many of the notified residuary legacies it is the inability to estimate the legacy income receivable that prevents the income being recognised.



# Reference and Administrative Details

Head Office  
Hermiston Quay  
5 Cultins Road  
Edinburgh  
EH11 4DF

Investment Advisors  
Mercer Limited  
1 Tower Place West  
London  
EC3R 5BU

Independent External Auditor  
Anderson Anderson & Brown Audit LLP  
81 George Street  
Edinburgh  
EH2 3ES

Internal Auditor (until 17 June 2024)  
Grant Thornton UK LLP  
7 Castle Street  
Edinburgh  
EH2 3AH

Bankers  
The Royal Bank of Scotland plc  
West End Office  
142/144 Princes Street  
Edinburgh  
EH2 4EQ

## Trustees on the Board at the date of signing are:

Sir Mark Jones (Chair)  
David Mitchell (Deputy Chair)  
Shona Malcolm (Deputy Chair)  
David MacLellan  
Dr Janet Brennan  
Dr Will Williams  
Peter Drummond  
Lish Kennedy

Jill Miller  
Stephen Mitchell  
Cameron Murray  
Professor Murray Pittock  
Michael Spence  
Ian Turnbull

## Executive Officers at the date of signing are:

Philip Long (Chief Executive)  
Katerina Brown (Chief Operating Officer)



[nts.org.uk](https://nts.org.uk)

The National Trust for Scotland is a charity registered in Scotland, Charity Number SC 007410  
Registered address: Hermiston Quay, 5 Cultins Road, Edinburgh, EH11 4DF