

REGISTERED COMPANY NUMBER: SC361942 (Scotland)  
REGISTERED CHARITY NUMBER: SC024589

**Report of the Trustees and**  
**Financial Statements for the Year Ended 31st March 2016**  
**for**  
**Crichton Foundation**

Farries, Kirk and McVean  
Chartered Accountants  
Statutory Auditors  
Dumfries Enterprise Park  
Heathhall  
Dumfries  
DUMFRIESSHIRE  
DG1 3SJ

**Crichton Foundation**

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for the Year Ended 31st March 2016**

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## **Crichton Foundation**

### **Report of the Trustees** **for the Year Ended 31st March 2016**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2016. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015).

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

The Crichton Foundation, was Incorporated on 30 June 2009 as a Company limited by guarantee and not having a share capital (Company Number SC361942). The new Company was recognised by OSCR as a Scottish Charity under Scottish Charity Number SC024589.

Its objectives and charitable purposes are set out in full in its Memorandum and Articles of Association and can be summarised as follows:-

1. To widen access to higher and further education in southern Scotland and beyond.
2. To assist the academic institutions on the Crichton University Campus to develop their academic programmes and facilities.
3. To preserve and regenerate the heritage of the Crichton estate as a public asset, to be enjoyed by the local community.
4. To raise awareness of the importance of the Crichton University Campus for the prosperity of the local community.

In addition the Foundation acts as a bridge between the Campus and the local community and runs a series of awareness raising events to keep the public abreast of developments on the Campus.

The Foundation holds funds endowed to it by Dumfries and Galloway Council and transferred from the former Trust. These take the form of investments currently managed by Brewin Dolphin Limited who are members of the London Stock Exchange and regulated by The Financial Conduct Authority.

##### **Grantmaking**

All grant applications being considered for funding must clearly demonstrate they fit one or more of the objectives and charitable purposes of the Foundation which are detailed above.

Award and Grant applications fall within three main headings:

- Financial support for students
- Capital funding contributions towards Campus projects
- Revenue support for specific projects

All applications are assessed by the Awards and Grants Committee or student support services. The committee met four times between 1 April 2015 and 31 March 2016. All awards and grants in excess of £5,000 are referred to the Executive Committee and ratified by the Board.

#### **ACHIEVEMENT AND PERFORMANCE**

##### **REVIEW OF ACTIVITIES**

##### **1. Fundraising**

A total of £42,470 was raised from 1 April 2015 - 31 March 2016

Following on from the success of the Gatsby Glamour Gala in November 2014 the Foundation hosted the Gatsby Gala Encore on 6th November 2015. Two hundred and fifty guests enjoyed the evening's entertainment. Music was provided by the Classic Jazz Orchestra who have a high international reputation. The tables were adorned by fabulous flowers and feather fantasies. Fraser Clark, a local pianist, played a selection of jazz pieces throughout dinner. After a candle lit three course meal guests enjoyed the music and dancing. A raffle and auction added to the evening's entertainment. The event was organised by the Committee of enthusiastic volunteers led by Stevie Norris. The evening was held at the Easterbrook Hall and proved to be a great success generating a fundraising profit of £11,405.

The Foundation is grateful to the many donors who supported the auction and raffle and who took advertising in the programme. Our thanks also go to Sybelle Thomson who kindly acted as our Auctioneer.

## Crichton Foundation

### Report of the Trustees for the Year Ended 31st March 2016

#### **ACHIEVEMENT AND PERFORMANCE**

The annual Women of Dumfries and Galloway Lunch took place on Friday 11th March 2016. Chairman Vicky Jardine-Paterson welcomed over three hundred and twenty guests on the day. Two guest speakers were welcomed to the stage following the drinks reception and two course lunch. Mary Bell took guests on an Alice in Wonderland type journey down the rabbit holes that saw her become a teacher, through ill-health to becoming BBC Music Day's Unsung Hero in Scotland. Although very different in content, Arabella Dorman's account of her time spent in the war zones of Iraq and Afghanistan, working with service men suffering with Post-Traumatic Stress Disorder and most recently with refugees arriving on Lesbos after their perilous journeys, was equally poignant. The room was completely still and silent throughout the talks with not a dry eye in the house when they were finished. The Foundation is very grateful to both speakers for their fascinating and humbling talks.

Our thanks go to Vicky and the Women's Lunch Committee, the many businesses that took advertising within the programme, those who gave donations and of course to Bonham's who once again provided very generous support as the main sponsor. The Foundation offers them all our grateful thanks for their support, which has helped to ensure the success of the event by raising £11,615.

#### **2. Awards & Grants**

The main achievements from 1 April 2015 - 31 March 2016 were as follows:

##### General Education Grants

The Foundation received 12 applications and issued 5 Awards totalling £1,300.

##### Academic Excellence Award

The Foundation received 11 applications and issued 9 Awards totalling £3,505.

These awards are given to students who provide evidence of excellence to the Committee.

##### Carson Reaching Potential Award

The Foundation received 23 applications and issued 16 Awards totalling £5,600. These awards are given to undergraduate students who provide evidence to the Committee that the funds will enable them to progress with their studies and reach their full potential.

##### Crichton Vision Award

The Foundation received 4 applications and issued 4 Awards totalling £1,800.

#### **Hardship Grants**

Candidates must provide evidence they have applied to the appropriate bodies for financial assistance and that any sources of income they have secured through grants or part time employment are insufficient to meet their needs.

##### Crichton Foundation Hardship Grant

These grants for undergraduates and postgraduates are assessed by Student Services and monitored by the Awards & Grants Committee. 22 applications were received, 21 hardship grants were awarded during the year to a total value of £5,550.

#### **Grants to Partners**

##### Summer School

The Foundation made an award of £4,917.35 to support the 2015 Summer School run by the University of Glasgow and University of West of Scotland. The Award to the Summer School proves to be an invaluable contribution to costs incurred and the two Universities have stated that without this funding they would be unable to run the School. A report is produced each year on the outcomes and it is clear that the School is successful in encouraging school leavers, local people and a number from outwith the region to apply for both full time and part time courses at the two Universities. Under spent funds of £1,208.73 were returned to the Foundation.

##### Dumfries & Galloway College - Discretionary Fund (Ref: 1591)

The Foundation awarded a total of £10,000. This fund is administered by Dumfries & Galloway College Learner Services and monitored by the Awards & Grants Committee.

##### Dumfries & Galloway College - The Crichton Foundation Prize & Shield (Ref: 1644)

The Foundation contributed 1 prize totalling £500.

##### University of Glasgow - Crichton: Balliol Fellowship (Ref: 1597)

The Foundation supported this fellowship £1,000 per annum for ten years. £10,000 was allocated to this project but as the Fellowship is not taking place the funds are not required.

##### University of Glasgow - Outreach Project (Ref: 1618)

The Foundation contributed £500 towards this project

## Crichton Foundation

### Report of the Trustees for the Year Ended 31st March 2016

#### **ACHIEVEMENT AND PERFORMANCE**

University of Glasgow -Higher Education Academy's STEM Conference (Ref: 1649)

The Foundation contributed £500 for a student to attend and present at the conference

University of Glasgow - Summer School 2016 (Ref: 1674)

The Foundation contributed £1,500

University of West of Scotland - Innovation and Enterprise (Ref: 1603)

The Foundation supported this project to the value of £1,500, the funds were returned to the Foundation as the project did not proceed.

University of West of Scotland - Raspberry Pi Project (Ref: 1617)

The Foundation supported this project to the value £400

University of West of Scotland - Social Work Summer School 2016 (Ref: 1669)

The Foundation contributed £1,500 but only £223 was utilised meaning £1,277 was not required.

University of West of Scotland - Computing Summer School 2016 (Ref: 1670)

The Foundation contributed £1,500 but this was returned after the year end as the award was not required.

Crichton University Campus Students Association (CUCSA)

The Foundation supported The Crichton University Campus Boat Club to the value of £2,160.23

#### **3. Awareness Raising Activities**

Between 01 April 2015 and 31 March 2016 the Foundation ran a successful series of six Crichton Conversations delivered by high profile speakers on a range of contemporary topics. These included:

- David Frost CMG, Chief Executive of the Scottish Whisky Association addressed the question "Does Scotch Whisky need the EU?"

- Professor Roger Crofts CBE chaired the debate "Looking after our Land: New approaches lead to new Horizons."

- Professor Alice Brown CBE, Chairman of the Scottish Funding Council considered the topic "Scottish Further and Higher Educations: Challenges and Opportunities."

- David Strang QPM BSc MSc, HM Chief Inspector of Prisons posed the question " What good is prison?"

- Professor Charles Munn OBE FCIBS, author, spoke on the topic Henry Duncan: Minister for Money.

- The Annual SRUC lecture "Soil as the natural capital we all depend on" was delivered by Professor Colin Campbell, Director of Science Excellence at The James Hutton Institute

These events have continued to attract significant audiences and sponsorship assists in keeping the costs of attendance to a minimum whilst making sure that overall income from the series covers expenditure. The Foundation is very grateful to the sponsors for this Conversation series: Dumfries & Galloway College, Farries, Kirk & McVean, The Open University in Scotland, Scottish Natural Heritage, Scotland's Rural College, University of Glasgow, University of the West of Scotland and Watson Birds.

#### **4. Breakdown of Income Received**

Actual Income to 31 March 2016

Income raised from events £51,082

Income raised from Friends Scheme £6,560

Income received for Awards and Bursaries

General Education Fund £4,297

#### **5. Crichton Campus Leadership Group**

Following Scottish Government reforms of Further and Higher education in 2013, the Crichton Campus Leadership Group was established and began meeting in early 2014. Chaired by Dame Barbara Kelly and supported by the Scottish Funding Council, the group comprises representatives from all the institutions and agencies that have responsibilities for development of the Crichton Quarter. The Foundation is represented on the Group. In the course of its first year a Consolidated Outcome Agreement has been signed off and the Foundation has been pleased to support financially the publication of a Crichton Campus brochure.

## Crichton Foundation

### Report of the Trustees for the Year Ended 31st March 2016

#### **ACHIEVEMENT AND PERFORMANCE**

##### **6. Volunteer Recognition**

The Foundation is grateful for the support of its Members, Patrons and supporters. It also wishes to recognise the sterling efforts of the many volunteers who serve on its committees and support the fund-raising events.

##### **7. Friends Scheme**

Individual Friends, Joint Friends & Associate Friends pay an annual subscription and can elect to register for Gift Aid which increases the amount received by the Foundation. During the year to 31 March 2016 subscriptions generated a total of £ 6,560 in donations, 80% of which is allocated to educational grants with 20% allocated to administrative costs.

##### **8. Management Costs**

The Foundation's activities are divided between fund-raising and awareness-raising. The total spent on administration to 31 March 2016 was £51,724.

#### **FINANCIAL REVIEW**

##### **a. FINANCIAL ACTIVITIES**

The results for the year to 31 March 2016 are set out in the statement of financial activities on page 11. The deficit amounted to £67,786. The surplus for the year was £22,103 before taking into account unrealised losses on investment assets of £89,889.

At the end of the reporting period, the charitable company has Total Funds of £2,057,142 (2015 - £2,124,928). Included within this total is Restricted Funds of £27,553 (2015 - £33,481). Amounts falling due within one year were £53,295, of which £7,210 was Trade Creditors (2015 - £56,417 and £9,208 respectively).

All monies raised through the Foundation's activities are applied in furtherance of its aims. The Trustees accept, however, that where large projects are identified a percentage management fee will be built into bids seeking funding. There have been no such projects during this financial year.

The Awards and Grants Committee, chaired by Ian Wilson met four times during the year on dates which reflect the academic calendar. The funds available for distribution are determined by the Executive Committee and any recommendations of grants or awards over £5,000 must be referred to the Executive Committee for approval and ratified by the Board.

##### **b. RISK MANAGEMENT REVIEW**

The Foundation has in place procedures to assess major risks to which it is exposed and is satisfied that by continuous monitoring of all aspects of its activities and by assessing opinion and recommendations from advisers any such risks will be promptly identified and addressed.

##### **c. RESERVES POLICY**

At the end of the reporting period, the charitable company held reserves of £2,057,142 (2015 - £2,124,928). The Foundation's reserves mostly comprise of the funds invested in securities and cash held on their behalf by Brewin Dolphin Limited with a view towards generating the income required to cover expenditure each year. Their advice is given at regular meetings of the Executive Committee with regard to the economic climate for investment and maintenance of a balanced portfolio of securities and cash to achieve a realistic return of revenue and capital growth. The Executive Committee agrees the risk profile that is applied to the portfolio.

##### **d. RELATED PARTIES**

The Foundation has a close relationship with the Crichton Stakeholders and attends meetings of the Crichton Campus Leadership Group. It continues to participate in discussions on key issues that affect the Campus and the Crichton Quarter in general. Nominated representatives of the academic institutions and the Crichton Trust sit as appointed Trustees on the Foundation's Board.

Stakeholders include: Dumfries and Galloway Council, the University of Glasgow, the University of the West of Scotland, Dumfries and Galloway College, Scotland's Rural College, the Scottish Funding Council, the Crichton Trust, the Crichton Development Company, the Crichton Carbon Centre, the Open University in Scotland, Scottish Enterprise, the Scottish Parliament and NHS Dumfries and Galloway.

During the year a number of grants were made to stakeholder organisations. These transactions were agreed by the Awards and Grants Committee and ratified by the Board where appropriate. The related parties were Trustees that represented the relevant stakeholder organisations. The titles of these projects, amount of grant and name of appointed Trustees have been declared and confirmation given that these transactions took place at arm's length.

## **Crichton Foundation**

### **Report of the Trustees for the Year Ended 31st March 2016**

#### **FINANCIAL REVIEW**

The Foundation was pleased to create the Dame Barbara Kelly Fellowship in 2014. Intense competition resulted in the award of an annual sum of £25,000 for three years being granted to Professor David Clark of Glasgow University. The student undertaking the doctoral studies is Jacqueline Kandsberger and she commenced her research work in September 2015.

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

##### **a. FUTURE DEVELOPMENTS**

#### **Forward Strategy**

The last year has seen continued progress on the Crichton University Campus. That progress however has been slower than had been hoped for, as institutions review their positions regarding developments. All of the academic bodies on Campus are part of larger organisations based elsewhere in Scotland and as such are subject to increasing financial pressures. The untimely death of the CEO of the Crichton Trust has also made it necessary to take a fresh look at the various proposals that were being put forward. Progress is being made however and consultations regarding SRUC's move to the Crichton site are ongoing, as are the UWS proposals for Dumfries. The future is certainly bright, but the time scale is being adjusted.

No significant changes are anticipated in the Foundation's role. We will continue to engage in fund raising for both worthy students and their parent institutions, while at the same time fostering links with the wider community. As well as the developments mentioned above, a number of others are currently being discussed, all of which carry large costs. The Foundation therefore anticipates becoming involved in a major fund-raising project, the precise nature of which may emerge over the coming months.

#### **Trustees**

The Trustees for the purpose of charity law, who served during the year and up to date of this report, are set out on the Legal Administrative Information pages.

There are no restrictions imposed by the governing document other than those normally imposed within the framework of charity and company law.

Given the prevailing adverse economic conditions the Trustees are satisfied with the investment strategies throughout the year.

The Trustees receive no remuneration for their services but they may claim incidental expenses. No such expenses were claimed during the financial year.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The charity is controlled by its governing document, the memorandum and articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

##### **Recruitment and appointment of new trustees**

The Memorandum and Articles of Association of the company state the number of Trustees shall not be less than three nor more than seventeen, unless determined in advance by Special Resolution at General Meeting. They allow for the election of up to nine Trustees by the Members, a majority of whom should either live or work in Dumfries & Galloway. In addition up to one individual Trustee nominated by each of four specified organisations noted below. There is also provision for up to four co-opted Trustees including a representative from the Crichton University Campus Student Association or Dumfries and Galloway College Student Association and up to three of the Board's choice.

The four organisations with the right to nominate a Trustee are the Crichton Trust, the Board of Management of Dumfries & Galloway College, Dumfries and Galloway Council and finally, the University of Glasgow Court and the Court of the University of West of Scotland, both acting together to elect one Trustee on behalf of both of them.

Trustees may serve two terms of office maximum before having to leave office for a period of at least one year unless acting as Convenor or Vice Convenor at the end of the second term of office, in which case a further four years may be allowed providing re-elected annually.

The Crichton Foundation operated with the following officers:

Andrew Walls FRCS, Convenor, Chair of Executive Committee  
Gordon McKerrow, Honorary Treasurer (appointed December 2015)  
Ian Wilson, Chair of Awards and Grants Committee  
Graeme Macfarlane, Chair of Audit Committee  
Kirsty Barbour, Company Secretary

**Crichton Foundation**

**Report of the Trustees**  
**for the Year Ended 31st March 2016**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**  
COMMITTEE MEMBERSHIP 2015-2016

Executive Committee

Andrew Walls (Chairman), Evelyn Hastings, Graeme Macfarlane, Gordon McKerrow and Ian Wilson.

Audit Committee

Graeme Macfarlane (Chairman), Evelyn Hastings and Ian Wilson. In attendance Gordon McKerrow and Andrew Walls.

Awards and Grants Committee

Ian Wilson (Chairman), Margaret Carruthers, Evelyn Hastings, Tom Hydes (retired October 2015), Sue Irving , Arthur Jardine, Valerie McElroy and Fraser Sanderson. In attendance Andrew Walls.

Event Committees

Gala Evening

Stevie Norris (Chairman), Serena Campbell, Maureen Crowley, Hazel Douglas, Jane Fordyce, Fiona Kerr, Pam Maitland , Maureen McKerrow (retired April 2015), Andrea Thompson, Deborah Thurlow, Jon Walker and Lalage Walls. In attendance, Andrew Walls.

Women of Dumfries and Galloway Lunch

Vicky Jardine-Paterson (Chairman), Jenny Colledge, Gisele Hammond, Mary Gladstone , Barbara Kelly, Stevie Norris, Helen Steele, Jean Tulloch, and Kim Wilson. In attendance, Andrew Walls.

St Andrew's Dinner Committee

Evelyn Hastings (Chairman), Maureen Crowley, Fiona Kerr and Yvonne Stirling. In attendance Andrew Walls.

**Organisational structure**

The structure of the Foundation comprises of Members who are entitled to vote at the AGM and Trustees who are also Directors. The Company is managed by a Board of Trustees/Directors. The Board meet four times during the year to agree strategies and policies and to monitor activities and finance.

At the Company's AGM on 25 November 2015 David Hannay and Mary-Ann Smyth retired as elected Trustees, both having served two terms of office. No new Trustees were elected.

An induction pack is provided to all newly appointed Trustees, including a copy of the Memorandum and Articles, the Annual Report, and a fact sheet on the Roles of a Charity Trustee.

The Board will keep the skill requirements of Trustees under review and when recruiting new Trustees consider the skills of applicants to ensure they complement or add value to the skills of current Trustees.

The day to day business of the Foundation was supervised by an Executive Committee chaired by Andrew Walls.

The Audit Committee provides an independent oversight of financial reporting and internal controls; it is also responsible for monitoring and reviewing the annual Financial Statements and the Risk Management Policy.

The Foundation operates additional committees for Awards & Grants and Events. These are chaired by a person nominated by the Board.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

SC361942 (Scotland)

**Registered Charity number**

SC024589

**Registered office**

Browne House  
Crichton University Campus  
Dumfries  
DG1 4ZZ

**Crichton Foundation**

**Report of the Trustees**  
**for the Year Ended 31st March 2016**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Trustees**

E Hastings OBE  
Dr M A E Smyth MEnvSc AIEEM - resigned 25.11.15  
A Walls FRCS  
I Wilson  
Professor D Hannay - resigned 25.11.15  
G Macfarlane  
D Holland - resigned 13.4.15  
Professor A Anderson MA PhD OBE  
T Laurie - resigned 7.10.15  
V McElroy  
G McKerrow  
Dr S Norris  
J Henderson  
Professor D J Roberts - appointed 2.3.16  
Mrs G Dykes - appointed 2.3.16

**Company Secretary**

K Barbour

**Auditors**

Farries, Kirk and McVean  
Chartered Accountants  
Statutory Auditors  
Dumfries Enterprise Park  
Heathhall  
Dumfries  
DUMFRIESSHIRE  
DG1 3SJ

**Bankers**

Clydesdale Bank PLC  
84-86 High Street  
Dumfries  
DG1 2BJ

**Investment Managers**

Brewin Dolphin Ltd  
Sixth Floor  
Atria One  
144 Morrison Street  
Edinburgh  
EH3 8BR

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRSSE);
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

**Crichton Foundation**

**Report of the Trustees**  
**for the Year Ended 31st March 2016**

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**AUDITORS**

The auditors, Farries, Kirk and McVean, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 11th August 2016 and signed on its behalf by:

A Walls FRCS - Trustee

**Report of the Independent Auditors to the Trustees and Members of  
Crichton Foundation**

We have audited the financial statements of Crichton Foundation for the year ended 31st March 2016 on pages eleven to twenty one. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees Responsibilities set out on page eight, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

**Scope of the audit of the financial statements**

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

**Opinion on financial statements**

In our opinion the financial statements:

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

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Trustees and Members of  
Crichton Foundation**

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

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

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

Rodney Palmer, BA CA (Senior Statutory Auditor)  
for and on behalf of Farries, Kirk and McVean  
Chartered Accountants  
Statutory Auditors  
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
Dumfries Enterprise Park  
Heathhall  
Dumfries  
DUMFRIESSHIRE  
DG1 3SJ

11th August 2016

**Crichton Foundation**

**Statement of Financial Activities**  
**(Incorporating an Income and Expenditure Account)**  
**for the Year Ended 31st March 2016**

	Notes	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	9,885	-	9,885	11,877
Other trading activities	3	51,082	-	51,082	56,222
Investment income	4	89,214	-	89,214	75,773
<b>Total</b>		<u>150,181</u>	<u>-</u>	<u>150,181</u>	<u>143,872</u>
<b>EXPENDITURE ON</b>					
Raising funds	5	54,514	328	54,842	56,219
<b>Charitable activities</b>					
Profile Raising	6	21,902	-	21,902	23,661
Awards and Grants		41,467	5,600	47,067	116,215
Governance Costs		4,320	-	4,320	4,200
<b>Total</b>		<u>122,203</u>	<u>5,928</u>	<u>128,131</u>	<u>200,295</u>
<b>NET INCOME/(EXPENDITURE)</b>		<u>27,978</u>	<u>(5,928)</u>	<u>22,050</u>	<u>(56,423)</u>
<b>Other recognised gains/(losses)</b>					
Gains/(losses) on investment assets		(89,836)	-	(89,836)	96,385
<b>Net movement in funds</b>		<u>(61,858)</u>	<u>(5,928)</u>	<u>(67,786)</u>	<u>39,962</u>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		2,091,447	33,481	2,124,928	2,084,966
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>2,029,589</u></u>	<u><u>27,553</u></u>	<u><u>2,057,142</u></u>	<u><u>2,124,928</u></u>

The notes form part of these financial statements

**Crichton Foundation**

**Balance Sheet**  
**At 31st March 2016**

	Notes	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	13	270	-	270	3,384
Investments	14	1,924,967	-	1,924,967	2,000,443
		<u>1,925,237</u>	<u>-</u>	<u>1,925,237</u>	<u>2,003,827</u>
<b>CURRENT ASSETS</b>					
Debtors	15	8,083	-	8,083	5,144
Cash at bank and in hand		174,564	27,553	202,117	222,374
		<u>182,647</u>	<u>27,553</u>	<u>210,200</u>	<u>227,518</u>
<b>CREDITORS</b>					
Amounts falling due within one year	16	(53,295)	-	(53,295)	(56,417)
		<u>129,352</u>	<u>27,553</u>	<u>156,905</u>	<u>171,101</u>
<b>NET CURRENT ASSETS</b>					
		<u>2,054,589</u>	<u>27,553</u>	<u>2,082,142</u>	<u>2,174,928</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>2,029,589</u>	<u>27,553</u>	<u>2,057,142</u>	<u>2,124,928</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	17	(25,000)	-	(25,000)	(50,000)
		<u>2,029,589</u>	<u>27,553</u>	<u>2,057,142</u>	<u>2,124,928</u>
<b>NET ASSETS</b>					
		<u>2,029,589</u>	<u>27,553</u>	<u>2,057,142</u>	<u>2,124,928</u>
<b>FUNDS</b>	19				
Unrestricted funds				2,029,589	2,091,447
Restricted funds				27,553	33,481
<b>TOTAL FUNDS</b>				<u>2,057,142</u>	<u>2,124,928</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved for issue by the Board of Trustees on 11th August 2016 and were signed on its behalf by:

A Walls FRCS-Trustee

## Crichton Foundation

### Notes to the Financial Statements for the Year Ended 31st March 2016

#### 1. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

The financial statements of the charitable company have been prepared in accordance with the Charities SORP (FRSSE) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015)', the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

##### **Income**

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

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

All resources expended are inclusive of irrecoverable VAT.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Tenants improvements	- Straight line over 14 years
Office equipment	- 25% on cost
Computer equipment	- 25% on cost

##### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

##### **Fund accounting**

Unrestricted funds comprise a General fund and may also include Designated funds from time to time. General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes. Designated funds have been set aside for a particular purpose by the trustees although such funds may still be used at the discretion of the trustees.

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

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

##### **Leasing commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

##### **Pension costs and other post-retirement benefits**

The company contributes to personal pension plans of its employees. The pension costs charged in the financial statements represent the contributions payable by the charity in the year.

**Crichton Foundation**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31st March 2016**

**1. ACCOUNTING POLICIES - continued**

**Financial instruments**

**Cash and bank**

Cash and bank comprises cash on hand and call deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

**Trade debtors**

Trade debtors are amounts due from customers for the sale of goods sold in the ordinary course of business.

Trade debtors are recognised initially at the transaction price and represent the full value of the services charged to customers, including any amounts charged on for third parties.

**Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date they are presented as non current liabilities.

**Awards and donations committed but unpaid**

Awards and donations committed but unpaid are those where the charitable company has agreed to make an award but not actually paid it out yet, either because conditions are to be satisfied to obtain the award or because the commitment was for a future period.

**2. DONATIONS AND LEGACIES**

	2016	2015
	£	£
Donations	1,125	3,551
Gift aid	2,200	2,286
Friends of Crichton Foundation	6,560	6,040
	<u>9,885</u>	<u>11,877</u>

**3. OTHER TRADING ACTIVITIES**

	2016	2015
	£	£
Fundraising events	42,470	43,188
Profile raising	8,612	13,034
	<u>51,082</u>	<u>56,222</u>

**4. INVESTMENT INCOME**

	2016	2015
	£	£
Portfolio income	88,242	74,836
Deposit account interest	971	847
Interest on short-term deposit	1	90
	<u>89,214</u>	<u>75,773</u>

Portfolio income for 2016 includes a special dividend received of £10,625 in that year.

**Crichton Foundation**

**Notes to the Financial Statements - continued  
for the Year Ended 31st March 2016**

**5. RAISING FUNDS**

**Other trading activities**

	2016	2015
	£	£
Staff costs	17,494	17,266
Costs of fundraising	24,459	26,732
Depreciation	1,557	1,556
Interest payable and similar charges	70	71
	43,580	45,625

**Investment management costs**

	2016	2015
	£	£
Stockbroker fees	11,262	10,594

Aggregate amounts	54,842	56,219
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**6. CHARITABLE ACTIVITIES COSTS**

	Direct costs	Grant funding of activities (See note 7)	Support costs (See note 8)	Totals
	£	£	£	£
Profile Raising	7,089	-	14,813	21,902
Awards and Grants	-	37,248	9,819	47,067
Governance Costs	-	-	4,320	4,320
	7,089	37,248	28,952	73,289

**7. GRANTS PAYABLE**

	2016	2015
	£	£
Awards and Grants	37,248	105,944

**Crichton Foundation**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31st March 2016**

**7. GRANTS PAYABLE - continued**

The total grants paid to institutions during the year was as follows:

	2016	2015
	£	£
Summer School	3,709	-
University of West of Scotland Innovation and Enterprise	-	500
Dumfries & Galloway College - Discretionary Fund	10,000	10,000
Dumfries & Galloway College - Crichton Foundation Prize	500	500
University of West of Scotland - PhD Business School	-	(4,000)
Crichton Campus Teaching & Phenology	-	2,700
University of West of Scotland - Crichton Estate Publication	-	1,500
Boyan Ensemble	-	300
University of West of Scotland - Sports Day	-	250
CUC Boat Club	2,160	2,860
University of Glasgow - Barbara Kelly Fellowship	-	75,000
CUCSA Riding Club	-	384
CUCSA Health Week	-	150
University of West of Scotland Raspberry Pi Project	400	-
University of West of Scotland Social Work Summer School	224	-
University of Glasgow Outreach Project	500	-
University of Glasgow Summer School	1,500	-
University of Glasgow Bethan Woods	500	-
	<u>19,493</u>	<u>90,144</u>

The total grants paid to individuals during the year was as follows:

	2016	2015
	£	£
Carson Bursaries	5,600	4,600
Post Graduate Excellence Award	600	2,000
Under Graduate Excellence Award	2,905	1,500
Crichton Foundation Hardship	5,550	5,200
General Education Award	1,300	1,500
Crichton Vision Award	1,800	1,000
	<u>17,755</u>	<u>15,800</u>

Awards granted are those awards committed in the year and to be paid to individuals and institutions.

**8. SUPPORT COSTS**

	Management	Governance costs	Totals
	£	£	£
Profile Raising	14,813	-	14,813
Awards and Grants	9,819	-	9,819
Governance Costs	-	4,320	4,320
	<u>24,632</u>	<u>4,320</u>	<u>28,952</u>

**9. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	2016	2015
	£	£
Auditors' remuneration	4,320	4,200
Depreciation - owned assets	3,114	3,112
Hire of plant and machinery	460	460
	<u>7,894</u>	<u>7,772</u>

**Crichton Foundation**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31st March 2016**

**10. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31st March 2016 nor for the year ended 31st March 2015 .

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31st March 2016 nor for the year ended 31st March 2015 .

**11. STAFF COSTS**

	2016	2015
	£	£
Wages and salaries	33,038	32,580
Social security costs	320	370
Other pension costs	1,630	1,582
	34,988	34,532
	34,988	34,532

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

	2016	2015
Administration and support	2	2
	2	2
	2	2

No employees received emoluments in excess of £60,000.

In addition the average monthly number of unpaid Trustees acting during the year under review was 11 (2015 - 12).

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	9,387	2,490	11,877
Other trading activities	56,222	-	56,222
Investment income	75,756	17	75,773
	141,365	2,507	143,872
<b>Total</b>	141,365	2,507	143,872
<b>EXPENDITURE ON</b>			
Raising funds	56,219	-	56,219
<b>Charitable activities</b>			
Profile Raising	23,661	-	23,661
Awards and Grants	111,615	4,600	116,215
Governance Costs	4,200	-	4,200
	195,695	4,600	200,295
<b>Total</b>	195,695	4,600	200,295
<b>NET INCOME/(EXPENDITURE)</b>	(54,330)	(2,093)	(56,423)
<b>Transfers between funds</b>	4,253	(4,253)	-
<b>Other recognised gains/(losses)</b>	96,385	-	96,385
Gains/(losses) on investment assets	96,385	-	96,385
<b>Net movement in funds</b>	46,308	(6,346)	39,962

**Crichton Foundation**

**Notes to the Financial Statements - continued  
for the Year Ended 31st March 2016**

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted funds £	Restricted funds £	Total funds £
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	2,045,139	39,827	2,084,966
<b>TOTAL FUNDS CARRIED FORWARD</b>	2,091,447	33,481	2,124,928

**13. TANGIBLE FIXED ASSETS**

	Tenants improvements £	Office equipment £	Computer equipment £	Totals £
<b>COST</b>				
At 1st April 2015 and 31st March 2016	18,334	6,119	1,442	25,895
<b>DEPRECIATION</b>				
At 1st April 2015	15,475	6,110	926	22,511
Charge for year	2,859	-	255	3,114
At 31st March 2016	18,334	6,110	1,181	25,625
<b>NET BOOK VALUE</b>				
At 31st March 2016	-	9	261	270
At 31st March 2015	2,859	9	516	3,384

**14. FIXED ASSET INVESTMENTS**

	Listed investments £
<b>MARKET VALUE</b>	
At 1st April 2015	2,000,443
Additions	194,503
Disposals	(180,144)
Revaluations	(89,835)
At 31st March 2016	1,924,967
<b>NET BOOK VALUE</b>	
At 31st March 2016	1,924,967
At 31st March 2015	2,000,443

There were no investment assets managed outside the UK.

**Crichton Foundation**

**Notes to the Financial Statements - continued  
for the Year Ended 31st March 2016**

**15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	2015
	£	£
Other debtors	2,941	-
Prepayments and accrued income	5,142	5,144
	8,083	5,144
	8,083	5,144

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	2015
	£	£
Trade creditors	7,210	9,208
Social security and other taxes	750	627
Accruals and deferred income	18,611	17,242
Awards and donations committed but unpaid	26,724	29,340
	53,295	56,417
	53,295	56,417

**17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2016	2015
	£	£
Awards and donations committed	25,000	50,000
	25,000	50,000

**18. OPERATING LEASE COMMITMENTS**

At 31 March 2016 the company had annual commitments under non-cancellable operating leases as follows:

	2016	2015
	£	£
Expiring: Between one and five years	460	460
	460	460

**19. MOVEMENT IN FUNDS**

	At 1.4.15	Net movement in funds	Transfers between funds	At 31.3.16
	£	£	£	£
<b>Unrestricted funds</b>				
General fund	2,069,580	(61,556)	(1,752)	2,006,272
Friends of Crichton Foundation	19,147	5,248	(5,248)	19,147
Hardship Fund	2,720	(5,550)	7,000	4,170
	2,091,447	(61,858)	-	2,029,589
<b>Restricted funds</b>				
Lloyds Henry Duncan Fund	2,489	(328)	-	2,161
Carson Reserve Fund	30,992	(5,600)	-	25,392
	33,481	(5,928)	-	27,553
<b>TOTAL FUNDS</b>	2,124,928	(67,786)	-	2,057,142

**Crichton Foundation**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31st March 2016**

**19. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	144,933	(116,653)	(89,836)	(61,556)
Friends of Crichton Foundation	5,248	-	-	5,248
Hardship Fund	-	(5,550)	-	(5,550)
	<u>150,181</u>	<u>(122,203)</u>	<u>(89,836)</u>	<u>(61,858)</u>
<b>Restricted funds</b>				
Lloyds Henry Duncan Fund	-	(328)	-	(328)
Carson Reserve Fund	-	(5,600)	-	(5,600)
	<u>-</u>	<u>(5,928)</u>	<u>-</u>	<u>(5,928)</u>
<b>TOTAL FUNDS</b>	<u><u>150,181</u></u>	<u><u>(128,131)</u></u>	<u><u>(89,836)</u></u>	<u><u>(67,786)</u></u>

**Transfers between funds**

During the year there was a transfer of £5,248 from the Friends of Crichton Fund to the General Fund which represents the surplus for the year from Friends memberships. Also £7,000 was transferred from the General Fund to the designated Hardship Fund.

The Friends of Crichton Foundation is an opportunity for individuals to become members of the Foundation and pay an annual subscription. Such income is accounted for within the Designated Fund and the surplus in each year is usually transferred to the General Fund for use as grant awards.

The designated Hardship Fund represents funds set aside by the Trustees for use in making Hardship Grants to qualifying students who are able to demonstrate a need.

The Carson Reserve Fund represents specific funding donated to the Foundation for the restricted purpose of providing bursaries of up to £500 per student to students who have completed one year at Dumfries & Galloway College and are then enrolled on an undergraduate course at Crichton University Campus.

The Lloyds Henry Duncan Fund represents a donation made by Lloyds toward covering the cost of an event in 2012. The event in question actually ran at a profit but Lloyds did not require a refund of the donation, merely asking that it be retained and used against future loss making events, of which there was a £328 loss on the Founders Day Lunch during the year. This fund therefore remains as restricted for use against such an event in the future.

**Crichton Foundation**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31st March 2016**

**20. RELATED PARTY DISCLOSURES**

During the year ended 31 March 2003, £40,000 was paid to Crichton Development Company Ltd to provide office space in Browne House for the Crichton Foundation which was at that time unincorporated. On incorporation the outstanding net book value at that point was capitalised as an addition in Tenants Improvements where it remains at a cost of £18,334. The lease expired on 25 June 2016 and a peppercorn rental of £1 is payable per annum.

In addition, during the year under review £21,073 (2015 - £21,360) was paid for event hire at the Easterbrook Hall. The Easterbrook Hall is run by the Crichton Development Company Ltd. Furthermore, £687 (2015 - £899) was paid to Crichton Development Company for telephone rental and charges. Crichton Development Company is a related party as it is owned by the Crichton Trust and both Evelyn Hastings and Delia Holland were Trustees of both during the year under review.

During the year under review £12,500 (2015 - £78,000) was awarded to University of Glasgow in awards. However, an award of £10,000 was returned as the project did not proceed. Trustee Anne Anderson is Vice Principal and Head of the College of Social Sciences and Gender Champion of University of Glasgow.

During the year under review £10,500 (2015 - £10,500) was awarded to Dumfries & Galloway College in awards. Trustee John Henderson is a Board member of Dumfries & Galloway College.

During the year under review £2,160 (2015 - £3,394) was awarded to Crichton University Campus Students Association in awards. Trustee Tina Laurie is a Student Support Administrator for CUCSA.

During the year under review £9,817 (2015 - £750) was awarded to University of West of Scotland in awards. However, £5,485 of this was also returned as the project did not proceed. Trustee Anne Anderson also represents the University of West of Scotland on the Crichton Foundation board.

During the previous financial year, £1,500 was paid to Crichton Campus Leadership Group in awards. Trustee Andrew Walls attends CCLG meetings.

**21. PENSION COMMITMENTS**

The charity pays contributions in to the personal pension plans of its employees. The pension cost charge represents contributions due by the charity to the fund and amount to £1,630 (2015 - £1,583). There was £2,955 (2015 - £2,111) outstanding at the year end.