

HIGHLAND CHARITIES TRUST
Scottish Charity Number SC044714

ANNUAL REPORT AND FINANCIAL STATEMENTS
2013-14

For the year ended 31 March 2014

**HIGHLAND CHARITIES TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS 2013-14**

CONTENTS

TRUSTEES ANNUAL REPORT	1
INDEPENDENT AUDITOR'S REPORT	7
STATEMENT OF RECEIPTS AND PAYMENTS	9
STATEMENT OF BALANCES	10
NOTES TO THE ACCOUNTS	11

HIGHLAND CHARITIES TRUST
Trustees Annual Report - For the year ended 31 March 2014

TRUSTEES ANNUAL REPORT

The Trustees present their annual report together with the financial statements and the Independent Auditor's report for the year ended 31 March 2014.

REFERENCE AND ADMINISTRATION INFORMATION

Charity Name:	Highland Charities Trust
Charity Number:	SC044714
Principal Office:	The Highland Council Finance Service Glenurquhart Road Inverness IV3 5NX
Current Trustees:	Councillor David Alston
	Councillor Roderick Balfour
	Councillor Jennifer Barclay (elected 19.12.13)
	Councillor Andrew Baxter
	Councillor David Bremner
	Councillor Ian Brown
	Councillor Caroline Caddick
	Councillor Isabelle Campbell
	Councillor Janet Campbell
	Councillor Helen Carmichael
	Councillor Alasdair Christie
	Councillor Bill Clark
	Councillor Ian Cockburn
	Councillor Gillian Coghill (elected 2.5.13)
	Councillor Jim Crawford
	Councillor Margaret Davidson
	Councillor Norrie Donald
	Councillor Jaci Douglas
	Councillor Allan Duffy
	Councillor Dave Fallows
	Councillor George Farlow
	Councillor Bill Fernie
	Councillor Mike Finlayson
	Councillor John Ford
	Councillor Craig Fraser
	Councillor Hamish Fraser
	Councillor Laurie Fraser
	Councillor John Gordon
	Councillor Bren Gormley
	Councillor Ken Gowans
	Councillor Alex Graham
	Councillor Jimmy Gray
	Councillor Michael Green
	Councillor Richard Greene
	Councillor Allan Henderson
	Councillor Drew Henry

HIGHLAND CHARITIES TRUST

Trustees Annual Report - For the year ended 31 March 2014

	Councillor Donnie Kerr
	Councillor Richard Laird
	Councillor Bill Lobban
	Councillor Colin MacAulay
	Councillor Liz Macdonald
	Councillor Neil MacDonald
	Councillor Deidre Mackay
	Councillor Donald Mackay
	Councillor Willie Mackay
	Councillor Graham Mackenzie
	Councillor Alister Mackinnon
	Councillor Angela MacLean
	Councillor Thomas MacLennan
	Councillor Kenneth MacLeod
	Councillor Bet McAllister
	Councillor Isobel McCallum
	Councillor Jim McGillivray
	Councillor Drew Millar
	Councillor Hugh Morrison
	Councillor Linda Munro
	Councillor Brian Murphy
	Councillor Fraser Parr
	Councillor Margaret Paterson
	Councillor Graham Philips
	Councillor Thomas Prag
	Councillor Martin Rattray
	Councillor Matthew Reiss (elected 28.11.13)
	Councillor Ian Renwick
	Councillor Alasdair Rhind
	Councillor Gregor Rimmell
	Councillor Fiona Robertson
	Councillor John Rosie
	Councillor Gail Ross
	Councillor Graham Ross
	Councillor Roger Saxon
	Councillor Audrey Sinclair
	Councillor Glynis Sinclair
	Councillor Jean Slater
	Councillor Maxine Smith
	Councillor Catriona Stephen
	Councillor Jamie Stone
	Councillor Ben Thompson (elected 1.5.14)
	Councillor Carolyn Wilson
	Councillor Hamish Wood
Other Trustees who served during the year:	Councillor Billy Barclay (deceased 23.10.13)
	Councillor Alex MacLeod (resigned 24.9.13)
	Councillor Eddie Hunter (resigned 27.2.14)
Honorary Treasurer:	Derek Yule Director of Finance The Highland Council

HIGHLAND CHARITIES TRUST

Trustees Annual Report - For the year ended 31 March 2014

Independent Auditor:	Stephen Boyle Assistant Director of Audit Audit Scotland 4 th Floor South Suite 8 Nelson Mandela Place GLASGOW G2 1BT
-----------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

A Trust Deed was established in 2014 to hold the assets of existing public funds and all further donations, legacies and other monies and property heritable and moveable, real and personal wherever situated and of whatever kind which may hereinafter accrue, be paid, transferred or issued to or acquired by either the Council or the Trust for the Trust.

Appointment of Trustees

The trustees of the charity are the elected members (councillors) of The Highland Council. Trustees are appointed through their election to The Highland Council.

Organisational Structure

The Trustees (as the elected members of the council) shall meet as often as expedient for the convenient despatch of the business of the Trust. A Trustee may at any time summon a meeting of the Trustees by notice served upon all Trustees, to take place at a reasonably convenient time and date. The Trustees delegate the day to day administration of the charity to the officers of the Council. The Council has established a range of committees with delegated powers to allow it to discharge its business effectively. This includes the management of charities. The Council has an approved constitution that governs the conduct of business by the Council and covers standing orders for meetings, a scheme of administration and delegation, financial and security regulations, contract standing orders and an ethical framework.

Related Parties

Trustees hold this position because they are elected members of The Highland Council. The Highland Council provides administration services to the Trust.

Risk Management

The Director of Finance of The Highland Council, through the Head of Internal Audit and Risk Management, has taken the steps required by trustees to consider the major risks to which the charity is exposed, in particular those related to its operation and finance, and to be satisfied that the systems are in place to mitigate the exposure to the major risks.

Management of Funds and Investment Policy

The Trustees rely upon the expertise of The Highland Council to manage the investments to ensure the maximum return at least risk to the charity. In this way, the income stream for the future benefit of the charity is protected.

The fund holds a number of Treasury stocks, the current market value of which is £29,776 and shares in HBOS which have a current market value of £3,188.

For the balance of the funds the charity receives interest at the average market rate for the Council's borrowing.

HIGHLAND CHARITIES TRUST

Trustees Annual Report - For the year ended 31 March 2014

OBJECTIVES AND ACTIVITIES

Charitable Purpose:

The purposes of the Trust are as follows:-

- (a) For the prevention or relief of poverty
- (b) To provide relief, financial assistance or Welfare for those inhabitants of the Highland Council area who are in need by reason of age, ill-health, disease, invalidity, disability, infirmity, financial hardship or other disadvantage.
- (c) Advancement of education
- (d) Advancement of health
- (e) Advancement of citizenship or community development
- (f) Advancement of art, heritage, culture or science
- (g) The provision of recreational facilities or the organisation of recreational activities with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended
- (h) To assist other charitable organisations with purposes similar to the Trust so as to further their charitable purposes within the Highland Council Area by the provision of financial and/or material assistance

ACHIEVEMENTS AND PERFORMANCE

The Highland Charities Trust was established in 2014 to amalgamate a number of small charitable trusts held by The Highland Council. The funds from these charitable trusts were combined to enable them to be redirected to better serve the needs of the people of the Highland Council area.

FINANCIAL REVIEW

Overview

The trust comprises all the former charitable trust funds as disclosed in the Highland Council accounts at 31st March 2013, as well as the following funds which were disclosed as other trust funds in the Highland Council accounts:

- A M Macdonald Trust Fund
- Alex Maclean's Trust - Cromarty
- Alex Ross Fund – Tain
- Burnside Bequest Cromdale Poor
- Castle Commando Trust
- D Duff Bequest – Tain
- D Fraser Bequest – Tain
- Dr A A C Grant Bequest
- G Murray Westfield Fund - Tain
- G Urquhart Bequest – Conon Bridge
- Glenelg War Memorial
- J Ross Bequest – Tain
- Kynoch Bequest – Invergordon
- Macbean Bequest Daviot & Dunn
- Mccrone Bequest
- Miss I Munro Bequest - Tain
- Miss M A Ross Fund - Tain
- Miss Macleod Bequest – Fearn & Seaboard

HIGHLAND CHARITIES TRUST

Trustees Annual Report - For the year ended 31 March 2014

- R G Fraser Mackenzie Bequest - Saltburn
- Ross Bequest
- Skye Patriotic Fund
- Thomson Bequest Fund
- Viscount Tarbert Barley Trust – Fearn & Seaboard
- W Simpson Bequest - Dingwall
- Wm Murray Bequest - Tain

Income during 2013/14 of £2,132 comprised income from stock market investments of £1,253 and interest from deposits held with Highland Council of £879.

The expenditure of the Trusts comprised grants of £9,746 and an annual administration charge to the Highland Council of £158.

The Trusts held investments with market value £32,964 and deposits with Highland Council of £177,137.

Reserves Policy

The unrestricted free reserves at the financial year end were £177,137. This includes cash and bank only repayable on demand. The Trust has no explicit reserves policy, however the trust deed states that payments can be made from income or capital of the trust fund and that income need not be fully paid out in any year but can be carried forward provided that it will be used for trust purposes and not accumulated with capital funds.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- Select suitable accounting policies and then apply them consistently
- 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 charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HIGHLAND CHARITIES TRUST
Trustees Annual Report - For the year ended 31 March 2014

Statement of disclosure of information to the auditor

In so far as the trustees are aware:

- there is no relevant information of which the auditor is unaware, and
- the trustees have taken all the steps they ought to have taken to make themselves aware of all relevant audit information, and to establish that the auditor is aware of the information.

Declaration

Approved by the trustees and signed on their behalf.

Trustee

Date 29 September 2014

HIGHLAND CHARITIES TRUST

Independent Auditor's Report on the Accounts

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the trustees of Highland Charities Trust and the Accounts Commission for Scotland

I have audited the financial statements of Highland Charities Trust for the year ended 31 March 2014 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the receipts and payments account, statement of balances, and the related notes. The financial reporting framework that has been applied in their preparation is a receipts and payments basis.

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice approved by the Accounts Commission for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of the trustees and auditor

As explained more fully in the Trustees' Annual Report, the trustees are responsible for the preparation of the financial statements which properly present the receipts and payments of the charity. My 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) as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Those standards require me 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 or 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 charity'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, I read all the financial and non-financial information in the annual report 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 me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

HIGHLAND CHARITIES TRUST

Independent Auditor's Report on the Accounts

Opinion on financial statements

In my opinion the financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2014 and its statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1),(2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

Opinion on other prescribed matter

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

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Stephen Boyle CPFA
Assistant Director
Audit Scotland
4th Floor South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow G2 1BT

29 September 2014

Stephen Boyle CPFA is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973.

HIGHLAND CHARITIES TRUST

Statement of Receipts and Payments – For the Year ended 31 March 2014

STATEMENT OF RECEIPTS AND PAYMENTS

	Unrestricted Funds £	Total Funds 2014 £
RECEIPTS		
Donations – amounts transferred on reorganisation	184,909	184,909
Income from investments other than land and buildings	2,132	2,132
Total Receipts	187,041	187,041
PAYMENTS		
Charitable activities – grants and donations	9,746	9,746
Governance costs	158	158
Total Payments	9,904	9,904
Surplus/(Deficit) for year	177,137	177,137

All income in 2013/14 relates to unrestricted funds.

The notes on page 11 form an integral part of these accounts.

HIGHLAND CHARITIES TRUST
Statement of Balances as at 31 March 2014

STATEMENT OF BALANCES

	Note	Unrestricted Funds £	Permanent Endowment £	Total Funds 2014 £
Cash and bank balances				
Opening Balances		-	-	-
Surplus for year		177,137	-	177,137
Closing Balances		<u>177,137</u>	-	<u>177,137</u>
Investments				
Cost				
HMT Stocks		-	26,260	26,260
HBOS 25p Ordinary Shares		-	-	-
Total Funds		<u>177,137</u>	<u>26,260</u>	<u>203,397</u>
Market Value				
HMT Stocks			29,776	
HBOS 25p Ordinary Shares			3,188	
Total Investments			<u>32,964</u>	

The notes on page 11 form an integral part of these accounts.

The unaudited accounts were issued on 13 June 2014 and the audited accounts were authorised for issue on 29 September 2014.

Approved by the trustees and signed on their behalf.

Trustee

Date 29 September 2014

Treasurer

Date 29 September 2014

HIGHLAND CHARITIES TRUST

Notes to the Accounts

NOTES TO THE ACCOUNTS

1. Basis of Accounting

These accounts have been prepared on the Receipts and Payments basis in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

2. Fund Accounting

- (a) Unrestricted funds are those that may be used at the discretion of the Trustees in furtherance of the objectives of the charity.
- (b) The permanent endowment funds are invested in perpetuity and derive an annual investment income which is available for distribution.

3. Taxation

The charity is not liable to income or capital gains tax on its charitable activities. Irrecoverable VAT is included in the expense to which it relates.

4. Trustee Remuneration, Expense and Related Party Transactions

- (a) No remuneration or expenses were paid to charity trustees or person connected to the trustee during the year.
- (b) There were no other transactions between the charity and any trustee or any connected person during the year.

5. Grants

Type of Activity or Project supported	Individual/ Institution	Number of grants made	Value £
School Trip to Malawi	Institution	1	9000
Christmas donations for older people	Institution	5	360
Christmas donations to older people	Individuals	34	386
Total		40	9,746

6. Cash and Bank Balances

During the year the trust's balances were held by The Highland Council, which manages the administration of the funds on behalf of the Trustees. The Council also acts as the banker for the charity and, as detailed above, all transactions incoming and outgoing are made via the Council's accounts. The balances are repayable on demand. Interest is payable on the balances.

7. Investments

The fund holds a number of Treasury stocks, the current market value of which is £29,776 and shares in HBOS which have a current market value of £3,188.