

**HIGHLAND CHARITIES TRUST**  
**Scottish Charity Number SC044714**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the period 6 March 2014 to 31 March 2015**



**HIGHLAND CHARITIES TRUST  
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6 MARCH 2014 - 31 MARCH 2015**

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**TRUSTEES ANNUAL REPORT**

The Trustees present their annual report together with the financial statements and the Independent Auditor's report for the period from 6 March 2014 to 31 March 2015.

**REFERENCE AND ADMINISTRATION INFORMATION**

<b>Charity Name:</b>	Highland Charities Trust	
<b>Charity Number:</b>	SC044714	
<b>Principal Office:</b>	The Highland Council Finance Service Glenurquhart Road Inverness IV3 5NX	
<b>Current Trustees:</b>	David Alston Roderick Balfour Jennifer Barclay Andrew Baxter David Bremner Ian Brown Caroline Caddick Isabelle Campbell Janet Campbell Helen Carmichael Alasdair Christie Bill Clark Ian Cockburn Gillian Coghill Jim Crawford Margaret Davidson Norrie Donald Jaci Douglas Allan Duffy Dave Fallows George Farlow Bill Fernie Mike Finlayson John Ford Craig Fraser Hamish Fraser Laurie Fraser John Gordon Bren Gormley Ken Gowans Alex Graham Jimmy Gray Michael Green Richard Greene Allan Henderson Drew Henry	Liz Macdonald Neil MacDonald Deidre Mackay Donald Mackay Willie Mackay Graham Mackenzie Alister Mackinnon Angela MacLean Thomas MacLennan Kenneth MacLeod Bet McAllister Isobel McCallum Jim McGillivray Drew Millar Hugh Morrison Linda Munro Brian Murphy Fraser Parr Margaret Paterson Graham Philips Thomas Prag Martin Rattray Matthew Reiss Ian Renwick Alasdair Rhind Gregor Rimmell Fiona Robertson John Rosie Gail Ross Graham Ross Roger Saxon Audrey Sinclair Glynis Sinclair Jean Slater Maxine Smith Catriona Stephen

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	Donnie Kerr	Jamie Stone Ben Thompson (elected 1.5.14)
	Richard Laird Bill Lobban Colin MacAulay	Carolyn Wilson Hamish Wood
<b>Other Trustees who served during the year:</b>	Colin MacAulay (resigned 15.3.15)	Stephen Fuller (elected 7.5.15)
<b>Honorary Treasurer:</b>	Derek Yule Director of Finance The Highland Council	
<b>Independent Auditor:</b>	Stephen Boyle Assistant Director Audit Scotland 4 <sup>th</sup> 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.

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**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 funds of the charity are made up of stock market investments in various companies, Government Stocks with the balance of the funds deposited with The Highland Council Loans Fund.

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

**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

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**ACHIEVEMENTS AND PERFORMANCE**

The Highland Charities Trust was established on 6 March 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.

The trust comprises all the former charitable trust funds as disclosed in the Highland Council accounts at 31 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
- 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

**Achievements and Future Plans**

During the year, the Trust continued to apply the income generated from its investments to meet its charitable objectives. The Trust will review and consider its investment activities and future grant levels in light of reducing revenue from investment income.



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**FINANCIAL REVIEW**

**Overview**

Income during the period of £3,171 comprised income from stock market investments of £1,571, and interest from deposits held with Highland Council of £1,600. The redemption of Treasury Stocks also realised £24,516.

The expenditure of the Trusts included an annual administration charge to the Highland Council of £14,872. A number of the funds have also made donations to eligible beneficiaries during the year to 31 March 2015.

The Trusts held investments with a market value of £12,650 and deposits with Highland Council of £187,493.

**Reserves Policy**

The unrestricted free reserves at the end of the financial period were £162,977. This includes cash and bank only repayable on demand. The Trust has no explicit reserves policy, but Reserves are held in order to fund future charitable activities as determined by the Trustees in accordance with the objectives of the Charity. 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.

**Plans for the Future**

The Trust will continue to utilise the income received each year in line with the charitable purpose of each fund.

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**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 are properly presented in accordance with charities legislation. 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.

**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  
30 September 2015

**HIGHLAND CHARITIES TRUST**  
**Statement of Receipts and Payments**  
**For the period 6 March 2014 - 31 March 2015**

**INDEPENDENT AUDITOR'S REPORT**

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

I certify that I have audited the financial statements of Highland Charities Trust for the year ended 31 March 2015 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 Statement of Receipts and Payments, the 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 Statement of Trustees' Responsibilities, 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 and Financial Statements 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.

**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 2015 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.

**HIGHLAND CHARITIES TRUST**  
**Statement of Receipts and Payments**  
**For the period 6 March 2014 - 31 March 2015**

**Opinion on other prescribed matter**

In my opinion the information given in the Annual Report and Financial Statements for the financial year for which the Annual Report and 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 Services)  
Audit Scotland  
4th Floor, South Suite  
The Athenaeum Building  
8 Nelson Mandela Place  
Glasgow  
G2 1BT

30 September 2015

Stephen Boyle 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 period 6 March 2014 - 31 March 2015**

**STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	Unrestricted Funds £	Permanent Endowment £	Total Funds 6 March 2014 - 31 March 2015 £
<b>RECEIPTS</b>				
Donations – amounts transferred on reorganisation		176,400	-	176,400
Income from investments other than land and buildings		3,171	-	3,171
		<u>179,571</u>	<u>-</u>	<u>179,571</u>
<b>RECEIPTS FROM ASSET AND INVESTMENT SALES</b>				
Redemption from investments	8	-	24,516	24,516
<b>Total Receipts</b>		<b>179,571</b>	<b>24,516</b>	<b>204,087</b>
<b>PAYMENTS</b>				
Charitable activities – grants and donations	5	1,722	-	1,722
Governance costs	7	14,872	-	14,872
<b>Total Payments</b>		<b>16,594</b>	<b>-</b>	<b>16,594</b>
Surplus for the period		<u><b>162,977</b></u>	<u><b>24,516</b></u>	<u><b>187,493</b></u>

Income in the period relates to unrestricted funds, and the redemption of investments.

The notes on page 11-12 form an integral part of these accounts.

**HIGHLAND CHARITIES TRUST**  
**Notes to the Accounts**

**STATEMENT OF BALANCES**

		<b>Unrestricted Funds</b>	<b>Permanent Endowment</b>	<b>Total Funds as at 31 March 2015 £</b>
	Note	£	£	
<b>Cash and bank balances</b>				
Opening Balances		-	-	-
Surplus for period		162,977	24,516	187,493
Closing Balances		162,977	24,516	187,493
<b>Investments</b>				
<b>Cost</b>				
HMT Stocks		-	5,335	5,335
<b>Total Funds</b>		<u>162,977</u>	<u>29,851</u>	<u>192,828</u>
<b>Market Value</b>				
HMT Stocks	8		9,309	
HBOS 25p Ordinary Shares	8		3,341	
<b>Total Investments</b>			<u>12,650</u>	

The notes on page 11-12 form an integral part of these accounts.

The financial statements were approved and authorised for issue on 30 September 2015 and approved by the trustees and signed on their behalf.

Trustee

Derek Yule B.Com, CPFA, IRRV(Hons)  
Treasurer

30 September 2015

# 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 unspent funds from previous years, and may be used at the discretion of the Trustees in furtherance of the objectives of the charity.

(b) The permanent endowment funds comprise donated investments, which are held in perpetuity to provide investment income to fund the charitable activities of the Trust.

#### 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 period.

(b) There were no other transactions between the charity and any trustee or any connected person during the period.

#### 5. Grants

Type of Activity or Project supported	Individual/ Institution	Number of grants made	Value £
Wick High School Youth Room	Institution	2	1,000
Christmas donations for older people	Institution	9	333
Christmas donations to older people	Individuals	11	389
Total		<u>22</u>	<u>1,722</u>

#### 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. Governance Costs

Governance costs include the fee for the external audit of the charity of £1,000, and administration fees paid to Highland Council to cover provision of accounting and legal services.

## HIGHLAND CHARITIES TRUST

### Notes to the Accounts

#### 8. Investments

The fund holds a number of Treasury stocks, the current market value of which is £12,650.

During the period under review the undernoted Treasury Stocks were redeemed by HM Government. The capital from these has been reinvested with the Highland Council Loans Fund.

Stock	Capital Redeemed	Date repaid
4% Consolidated Stock	£100	1.2.15
3.5% War Stock	£24,416	9.3.15