

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

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

**For the year ended 31 March 2018**

## CONTENTS

TRUSTEES' ANNUAL REPORT .....	1
STATEMENT OF TRUSTEES' RESPONSIBILITIES .....	5
INDEPENDENT AUDITOR'S REPORT.....	6
STATEMENT OF RECEIPTS AND PAYMENTS.....	6
STATEMENT OF BALANCES .....	10
NOTES TO THE ACCOUNTS.....	11

# HIGHLAND CHARITIES TRUST

## Annual Report and Financial Statements

### TRUSTEES' ANNUAL REPORT

The Trustees present their annual report together with the financial statements for the period to 31 March 2018.

### 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:

Gordon Adam	James Gray	Linda Munro
Blair Allan	Pippa Hadley	Pauline Munro
Roderick Balfour	Tom Heggie	Margaret Paterson
Jennifer Barclay	Allan Henderson	Ian Ramon
Andrew Baxter	Andrew Jarvie	Matthew Reiss
Bill Boyd	Emma Knox	Patricia Robertson
Raymond Bremner	Richard Laird	Fiona Robertson
Ian Brown	Bill Lobban	Karl Rosie
John Bruce	Derek Loudon	Graham Ross
Caroline Caddick	Liz MacDonald	Peter Saggars
Isabelle Campbell	Ronald MacDonald	Glynis Sinclair
Janet Campbell	Deirdre MacKay	Andrew Sinclair
Helen Carmichael	Donald MacKay	Nicola Sinclair
Alasdair Christie	William MacKay	Maxine Smith
Ian Cockburn	Graham Mackenzie	Callum Smith
Muriel Cockburn	Isabelle MacKenzie	Catriona Stephen
George Cruickshank	Struan Mackie	Jamie Stone
Kirsteen Currie	Alister Mackinnon	Ben Thompson
Margaret Davidson	Angela MacLean	Carolyn Wilson
Michael Finlayson	Calum MacLeod	
John Finlayson	Derek MacLeod	
Craig Fraser	Duncan MacPherson	
Laurie Fraser	Ron MacWilliam	
Richard Gale	Elizabeth McAllister	
John Gordon	James McGillivray	
Ken Gowans	Niall McLean	
Alexander Graham	Hugh Morrison	

**Other Trustees who served during the year:** Billy MacLachlan  
(Deceased 18/01/2018)

## **HIGHLAND CHARITIES TRUST**

### **Annual Report and Financial Statements**

**Honorary Treasurer:** Derek Yule  
Depute Chief Executive and Director of Corporate Resources  
The Highland Council

**Independent Auditor:** Grant Thornton UK LLP  
Level 8  
110 Queen Street  
Glasgow  
G1 3BX

## **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 purposes.

### **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 Depute Chief Executive and Director of Corporate Resources of The Highland Council, through the Corporate Audit and Performance Manager, 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.

## **HIGHLAND CHARITIES TRUST**

### **Annual Report and Financial Statements**

#### **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 a small number of stock market investments with the majority 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 deposits.

#### **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

# **HIGHLAND CHARITIES TRUST**

## **Annual Report and Financial Statements**

### **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.

In the year to 31 March 2018 the trustees continued to consider all applications for grant funding received in the year, and awarded 10 grant payments which amounted to £8,217 (2016/17 £9,960). Christmas/winter donations of £1,016 (2016/17 £360) were made, with the remaining grant of £7,201 was made to Lochaber Rural Education Trust. All grants are analysed in note 5. All payments made were in line with the aims of the Trusts.

#### **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.

### **FINANCIAL REVIEW**

#### **Overview**

Income during 2017/18 comprised income from stock market investments of £137 (2016/17 £154) and interest from deposits held with Highland Council of £712 (2016/17 £754).

The expenditure of the Trusts included Grants and Donations of £8,217 (2016/17 £9,951) and an annual administration charge to the Highland Council of £3,512 (2016/17 £1,295).

The Trust held investments with a market value of £2,761 (2016/17 £2,843) and deposits with Highland Council of £129,908 (2016/17 £140,788).

#### **Reserves Policy**

The unrestricted free reserves at the end of the financial period were £129,908 (2016/17 £140,788). 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 purposes.

## **HIGHLAND CHARITIES TRUST**

### **Annual Report and Financial Statements**

#### **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  
20 September 2018

# **HIGHLAND CHARITIES TRUST**

## **Statement of Receipts and Payments**

### **INDEPENDENT AUDITOR'S REPORT**

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

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 120 of the Code of Audit Practice approved by the Accounts Commission, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

#### **Report on the audit of the financial statements**

##### **Opinion on financial statements**

We certify that we have audited the financial statements in the statement of accounts of Highland Charities Trust for the year ended 31 March 2018 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 notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis.

In our opinion the accompanying financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2018 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.

- 

##### **Basis for opinion**

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



# **HIGHLAND CHARITIES TRUST**

## **Statement of Receipts and Payments**

### **Responsibilities of the trustees for the financial statements**

As explained more fully in the Statement of Responsibilities the trustees are responsible for the preparation of financial statements which properly present the receipts and payments of the charity, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

### **Other information in the statement of accounts**

The trustees are responsible for the other information in the statement of accounts. The other information comprises the information other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission or required by applicable law to the extent explicitly stated later in this report.

In connection with our audit of the financial statements, our responsibility is to read all the other information in the statement of accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# **HIGHLAND CHARITIES TRUST**

## **Statement of Receipts and Payments**

### **Report on other requirements**

#### **Opinion on matter prescribed by the Accounts Commission**

In our opinion, based on the work undertaken in the course of the audit 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 and that report has been prepared in accordance with The Charities Accounts (Scotland) Regulations 2006.

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

We are required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.
- We have nothing to report in respect of these matters.

Joanne Brown, for and on behalf of Grant Thornton UK LLP

110 Queen Street

Glasgow

G1 3BX

September 2018

Joanne Brown 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**

**STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	Unrestricted Funds £	Permanent Endowment £	Total Funds 2017/18 £	Total Funds 2016/17 £
<b>RECEIPTS</b>					
Investment Income		849	-	849	908
<b>Total Receipts</b>		<b>849</b>	<b>-</b>	<b>849</b>	<b>908</b>
<b>PAYMENTS</b>					
Grants and donations	5	8,217	-	8,217	9,951
Governance costs	7	3,512	-	3,512	1,295
<b>Total Payments</b>		<b>11,729</b>	<b>-</b>	<b>11,729</b>	<b>11,246</b>
(Deficit)/Surplus for the period		<b>(10,880)</b>	<b>-</b>	<b>(10,880)</b>	<b>(10,338)</b>

The notes on pages 11 to 13 form an integral part of these accounts.

**HIGHLAND CHARITIES TRUST**  
**Statement of Balances**

**STATEMENT OF BALANCES**

	Note	Unrestricted Funds £	Permanent Endowment £	Total Funds 31/3/18 £	Total Funds 31/3/17 £
<b>Cash and bank balances</b>					
Opening Balances	6	140,788	34,938	175,726	184,840
Surplus/(Deficit) for period		(10,880)	-	(10,880)	(10,338)
Lloyds 25p ordinary shares		-	-	-	1,224
Closing Balances		<u>129,908</u>	<u>34,938</u>	<u>164,846</u>	<u>175,726</u>
<b>Investments at cost</b>					
Lloyds 25p Ordinary Shares				<u>1,224</u>	<u>1,224</u>
				<u>1,224</u>	<u>-</u>
<b>Investments at Market Value</b>					
Lloyds 25p Ordinary Shares	8			<u>2,761</u>	<u>2,843</u>
<b>Total Investments</b>				<u>2,761</u>	<u>2,843</u>

The notes on pages 11 to 13 form an integral part of these accounts.

Trustee

Derek Yule B.Com, FCPFA, IRRV(Hons)  
Treasurer  
20 September 2018

# 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.
- (c) All incoming and outgoing transactions are made via the council's bank accounts.

#### 5. Grants

2017/18	Individual/ Institution	Number of grants made	Value £
Award of funds to support winter heating costs	Individual	3	900
Funding to support Lochaber Rural Education Trust	Institution	1	7,201
Christmas Donations for Older People	Individual	5	56
Christmas Donations for Older People	Institution	1	60
Total		10	8,217

2016/17	Individual/ Institution	Number of grants made	Value £
Donations for School Books	Institution	2	3,600
Funding towards Youth Club	Institution	1	3,000
Donation/Funding towards Blytheswood Care	Institution	1	3,000
Christmas Donations for Older People	Institution	1	60
Christmas Donations for Older People	Institution	3	300
Total		8	9,960

# HIGHLAND CHARITIES TRUST

## Notes to the Accounts

### 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 (2016/17 £1,000), and administration fees paid to Highland Council to cover provision of accounting and legal services.

### 8. Investments

The Lloyds 25p ordinary shares, held by Grantown Poor Fund have a market value of £2,761.

### 9. Analysis of Funds

#### Unrestricted Funds

	31 March 2018 £	31 March 2017 £
HCT Wick Poor Fund	14,417	15,680
HCT Wick Education & Heritage	68	68
HCT Wester Ross Poor Fund	6,105	6,245
HCT Tain & Easter Ross Poor	3,037	3,100
HCT Skye Poor Fund	825	842
HCT Nairn Children's Fund	589	598
HCT Nairn and Auldearn Poor	9,489	9,662
HCT Lochaber Education Fund	27	7,201
HCT Landward Caithness Poor	45	36
HCT Inverness Poor Fund	29	23
HCT Highland Health Fund (all)	15,803	16,165
HCT Highland Educat Fund (all)	9,460	9,676
HCT Grantown Poor Fund	23,137	23,517
HCT Grantown Heritage Fund	701	717
HCT Glenelg Heritage Fund	1,032	1,056
HCT Gairloch High School Fund	27,989	28,629
HCT Fort William Poor Fund	528	540
HCT East Sutherl & Edder Poor	1,987	2,088
HCT Durness Poor Fund	71	73
HCT Dores Poor Fund	2,336	2,389
HCT Dingwall and Conon Poor	125	127
HCT Daviot & Moy Poor Fund	1,463	1,494
HCT Cromarty Firth Poor Fund	952	974
HCT Cawdor Poor Fund	2,545	2,603
HCT Caol & Mallaig Poor Fund	3,286	3,355
HCT Black Isle Poor	616	621
HCT Badenoch & Strathspey Poor	3,246	3,309
	<b>129,908</b>	<b>140,788</b>

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

**Permanent Endowment**

	<b>31 March 2018</b>	<b>31 March 2017</b>
	<b>£</b>	<b>£</b>
HCT Badenoch and Strathspey Poor Fund	2,614	2,614
HCT Black Isle Poor Fund	2,288	2,288
HCT Caol and Mallaig Poor Fund	1,496	1,496
HCT Cromarty Firth Poor Fund	100	100
HCT Daviot and Moy Poor Fund	591	591
HCT Dingwall and Conon Poor Fund	274	274
HCT Fort William Poor Fund	100	100
HCT Grantown Heritage Fund	150	150
HCT Grantown Poor Fund	3,996	3,996
HCT Inverness Poor Fund	1,553	1,553
HCT Landward Caithness Poor Fund	2,224	2,224
HCT Nairn and Auldearn Poor Fund	10,641	10,641
HCT Nairn Children's Fund	1,000	1,000
HCT Skye Poor Fund	510	510
HCT Tain and Easter Ross Poor Fund	1,610	1,610
HCT Wick Education & Heritage Fund	283	283
HCT Wick Poor Fund	5,508	5,507
	<b>34,938</b>	<b>34,938</b>