

HIGHLAND COUNCIL CHARITABLE TRUSTS
Scottish Charity Number SC025079

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the Year ended 31 March 2020

**HIGHLAND COUNCIL CHARITABLE TRUSTS
ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20**

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HIGHLAND COUNCIL CHARITABLE TRUSTS Annual Report and Financial Statements 2019/20

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

The Trustees present their annual report together with the financial statements for the year ended 31 March 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland (FRS 102).

OBJECTIVES AND ACTIVITIES

Charitable Purpose:

The charitable purpose of this charity is to hold funds for each Trust, Endowment or Bequest comprising the Charity.

The purposes of the trusts are:

- a) To advance the education of children the trustees may:
 - award prizes, bursaries and maintenance allowances;
 - assist with the cost of school trips, pupil exchanges and work experience;
 - assist with the cost of musical, sporting or other equipment within the designated area.

- b) For the poor of the parish of Wick.

ACHIEVEMENTS AND PERFORMANCE

In the year to 31 March 2020 the trustees continued to consider all applications for grant funding received in the year, and awarded a total of 57 grant payments which amounted to £49,572 (2018/19 £15,251), all of which were made in the form of grants or donations for educational or welfare purposes. These grants are analysed in note 6. All payments made were in line with the aims of the Trust.

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. A programme of modernisation has begun with a number of the constituent schemes being updated to reflect the current operating environment.

FINANCIAL REVIEW

Overview

Income during 2019/20 comprised income from interest and investments of £344,720 (2018/19 £41,700). This included one-off allocations to Inverness-shire Educational Trust (£90,230) and Ross & Cromarty Educational Trust (£199,456) from the redemption of a capital growth investment. This investment, which pre-dated the formation of the Highland Council Charitable Trusts charity, was not previously reflected within the Statement of Balances.

HIGHLAND COUNCIL CHARITABLE TRUSTS

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The expenditure of the Trusts included grants of £49,572 (2018/19 £15,251), an annual administration charge to the Highland Council of £6,147 (2018/19 £5,917), compensation payments to a former employee of Duncraig College of £1,961 (2018/19 £1,915) and a payment of £1,684 (2018/19 Nil) for mini-bus and coach hire to provide pupil transport to the 2019 Safe Highlander Event

The Trusts held investments with a market value of £2,108,956 (2018/19 £2,326,213), and deposits with Highland Council of £1,532,036 (2018/19 £1,246,681).

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, with the balance of the funds deposited in 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.

Risk Management

The Executive Officer for Finance and 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.

Reserves Policy

The unrestricted free reserves at the end of the financial period were £194,216 (2018/19 £236,365). This includes cash and bank balances only repayable on demand. The Trust deeds state that the "capital" is held as permanent endowments, with only the annual income available for disbursement in the year via the unrestricted reserve. The unrestricted reserves are available for the objectives of the trusts. Where annual income exceeds disbursements in a year, revenue surpluses can be added to unrestricted reserves up to the following limits:

| | |
|--|---------|
| Inverness-Shire Educational Trust Scheme | £500 |
| Ross & Cromarty Educational Trust Scheme | £5,000* |
| County of Sutherland Educational Trust | £400 |

*Increase from £1,000 following decision at Ross & Cromarty Committee on 30/01/2019

Any further surpluses are capitalised and transferred to permanent endowment 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. The trust will continue to seek to modernise each scheme in order to ensure maximum benefit to beneficiaries.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity combines a number of educational trusts for various areas within Highland and the funds are distributed during the year as agreed with the local councillors in consultation with the relevant schools.

The charity combines the following educational trusts as at 31/3/20:

- Inverness-Shire Educational Trust
- Ross & Cromarty Educational Trust
- Caithness Educational Trust
- Sutherland Educational Trust
- Duncraig College Fund
- Forbes Meteorological Trust
- A M Mackay's Bequest
- Duncraig Endowment

The charity also incorporates the following trust for the poor of the parish of Wick:

- John Kirk's Mortification Trust

The following four Trusts are also schemes under the Education (Scotland) Acts, 1939 to 1956 for the future government and management of certain educational endowments in these former counties -

- Caithness Educational Trust Scheme 1973
- Inverness-Shire Educational Trust Scheme 1960
- Ross & Cromarty Educational Trust Scheme 1961
- County of Sutherland Educational Trust 1960

Governing Documents

This is a charitable unincorporated trust. The objectives are described in the "Objectives and Activities" section on page 3.

As this Charity was formed as a holding charity for 9 individual funds there is no overall governance document.

In terms of the Trustees' governance of the fund, they have determined that this is in terms of the Corporate Governance of Highland Council, namely the code as comprises:-

- Financial Regulations
- Code of Corporate Governance
- Procedural Standing Orders Scheme of Administration, and
- Scheme of Delegation

When considering any action in connection with the Charity the Trustees have to act in the interest of the Charitable Trust.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

HIGHLAND COUNCIL CHARITABLE TRUSTS

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Trust Documents

Due to the age of some of the individual Trusts, the Trustees do not hold all Trust Deeds. In the absence of governance documentation the Trustees rely on custom and practice to inform any decisions in respect of the Trusts' expenditure and use of assets.

Appointment of Trustees

The trustees of the charity are the elected 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.

REFERENCE AND ADMINISTRATION INFORMATION

| | |
|--------------------------|--|
| Charity Name: | Highland Council Charitable Trusts |
| Charity Number: | SC025079 |
| Principal Office: | The Highland Council Finance Service Glenurquhart Road Inverness IV3 5NX |

HIGHLAND COUNCIL CHARITABLE TRUSTS Annual Report and Financial Statements 2019/20

Current Trustees:

Gordon Adam
Blair Allan
Roderick Balfour
Jennifer Barclay
Andrew Baxter
Bill Boyd
Raymond Bremner
Ian Brown
John Bruce
Caroline Caddick
Isabelle Campbell
Janet Campbell
Glynis Campbell-Sinclair
Helen Carmichael
Alasdair Christie
Ian Cockburn
Muriel Cockburn
Kirsteen Currie
Margaret Davidson
John Finlayson
Michael Finlayson
Craig Fraser
Laurie Fraser
Richard Gale
John Gordon
Ken Gowans
Alexander Graham

James Gray
Pippa Hadley
Tom Heggie
Allan Henderson
Andrew Jarvie
Emma Knox
Bill Lobban
Derek Louden
Liz MacDonald
Alexander MacInnes
Deirdre MacKay
Donald MacKay
William MacKay
Graham Mackenzie
Isabelle MacKenzie
Struan Mackie
Alister Mackinnon
Angela MacLean
Calum MacLeod
Derek MacLeod
Duncan MacPherson
Ron MacWilliam
Elizabeth McAllister
James McGillivray
Niall McLean
Maxine Morley-Smith
Hugh Morrison

Calum Munro
Linda Munro
Pauline Munro
Margaret Paterson
Ian Ramon
Matthew Reiss
Alasdair Rhind
Denis Rixon
Fiona Robertson
Patricia Robertson
Emma Roddick
Karl Rosie
Graham Ross
Peter Saggars
Andrew Sinclair
Nicola Sinclair
Callum Smith
Ben Thompson
Carolyn Wilson

Other Trustees who served during the year:

George Cruickshank
(Deceased 05/04/20)
Richard Laird
(Resigned 05/09/2019)
Ronald MacDonald
(Resigned 18/12/2019)

Honorary Treasurer:

Liz Denovan
Executive Chief Officer for Resources and Finance
The Highland Council

Independent Auditor:

Grant Thornton UK LLP
Level 8
110 Queen Street
Glasgow
G1 3BX

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TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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.

Margaret Davidson

Trustee
29 January 2021

HIGHLAND COUNCIL CHARITABLE TRUSTS Annual Report and Financial Statements 2019/20

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the trustees of Highland Council Charitable Trusts and the Accounts Commission

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 Council Charitable Trust for the year ended 31 March 2020 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 Financial Activities, the Balance Sheet, the Cash Flow Statement, 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 the United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 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)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. 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.

Conclusions relating to going concern basis of accounting

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about ability of the charity to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

HIGHLAND COUNCIL CHARITABLE TRUSTS Annual Report and Financial Statements 2019/20

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees 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.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

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

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 SORP (FRS 102).

HIGHLAND COUNCIL CHARITABLE TRUSTS Annual Report and Financial Statements 2019/20

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.

Use of our report

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, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.



John Boyd (for and on behalf of Grant Thornton UK LLP)
110 Queen Street
Glasgow
G1 3BX
Date: 29/1/2021

Grant Thornton UK LLP is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973.

HIGHLAND COUNCIL CHARITABLE TRUSTS
Statement of Financial Activities for year ended 31 March 2020

STATEMENT OF FINANCIAL ACTIVITIES

| | Note | Unrestricted Funds | Permanent Endowment | Total Funds 2019/20 | Total Funds 2018/19 (restated) |
|---|------|-----------------------|------------------------|------------------------|--------------------------------------|
| | | £ | £ | £ | £ |
| INCOME AND ENDOWMENTS FROM: | | | | | |
| Investments | 3 | 55,034 | 289,686 | 344,720 | 41,700 |
| Total Income | | 55,034 | 289,686 | 344,720 | 41,700 |
| EXPENDITURE ON: | | | | | |
| Charitable activities | 4,5 | 59,365 | - | 59,365 | 23,395 |
| Total Expenditure | | 59,365 | - | 59,365 | 23,395 |
| Net income/(expenditure) before transfers | | (4,331) | 289,686 | 285,355 | 18,305 |
| Transfers between funds | | (37,818) | 37,818 | - | - |
| Net gains/(losses) on investment assets | | - | (217,257) | (217,257) | 8,323 |
| Net movement in funds | | (42,149) | 110,247 | 68,098 | 26,628 |
| Total Funds brought forward | | 236,365 | 3,336,529 | 3,572,894 | 3,546,266 |
| Total Funds carried forward | | 194,216 | 3,446,776 | 3,640,992 | 3,572,894 |

The notes on pages 15-22 form an integral part of these accounts.

2019/20 was the first year that the Charity was required to adopt the requirements of the Charities SORP. This has included reporting Investments at Fair Value. The impact of the adoption is reflected in the restatement of prior period comparators as detailed in Notes 12 and 13.

HIGHLAND COUNCIL CHARITABLE TRUSTS

Balance Sheet as at 31 March 2020

BALANCE SHEET

| | Note | Unrestricted Funds | Permanent Endowment | Total Funds 2019-20 | Total Funds 2018-19 (restated) |
|----------------------------|-------|-----------------------|------------------------|---------------------------|---|
| | | £ | £ | £ | £ |
| Fixed Assets | | | | | |
| Investments | 12 | - | 2,108,956 | 2,108,956 | 2,326,213 |
| Total Fixed Assets | | - | 2,108,956 | 2,108,956 | 2,326,213 |
| Current Assets | | | | | |
| Cash at bank and in hand | 10 | 194,216 | 1,337,820 | 1,532,036 | 1,246,681 |
| Total Current Assets | | 194,216 | 1,337,820 | 1,532,036 | 1,246,681 |
| Total Assets | | 194,216 | 3,446,776 | 3,640,992 | 3,572,894 |
| The Funds of the Charity: | | | | | |
| Endowment funds | 13,14 | - | 3,446,776 | 3,446,776 | 3,336,529 |
| Unrestricted income funds | 14 | 194,216 | - | 194,216 | 236,365 |
| Total Charity Funds | | 194,216 | 3,446,776 | 3,640,992 | 3,572,894 |

HIGHLAND COUNCIL CHARITABLE TRUSTS

Cash Flow Statement at 31 March 2020

| | Note | 2019/20 £ | 2018/19 £ |
|---|------|------------------|------------------|
| Cash flows from operating activities | | | |
| Cash absorbed by operations | 17 | (59,364) | (23,395) |
| Investing activities | | | |
| Investment income received | | 333,009 | 32,231 |
| Interest received | | 11,710 | 9,469 |
| Net cash generated from investing activities | | 344,719 | 41,700 |
| Net cash used in financing activities | | - | - |
| Net increase in cash and cash equivalents | | 285,355 | 18,305 |
| Cash and cash equivalents at beginning of year | | 1,246,681 | 1,228,376 |
| Cash and cash equivalents at end of year | | 1,532,036 | 1,246,681 |

HIGHLAND COUNCIL CHARITABLE TRUSTS

Notes to the Accounts

NOTES TO THE ACCOUNTS

1. Accounting Policies

a) Basis of preparation and assessment of going concern

These accounts (financial statements) have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland (FRS 102).

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note (s) to these accounts.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. With respect to the next reporting period, 2020-21, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets (see the management of funds and investment policy section of the trustees' annual report for more information).

b) Fund Structure

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

Further details of each fund are disclosed in note 14.

c) Income recognition

Interest on funds held on deposit is included upon notification of the interest paid by the Highland Council. Dividends are recognised once the dividend has been declared and notification has been received of the dividends due.

d) Expenditure recognition

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure heading in the statement of financial activities. For more information on this allocation refer to note f) below.

e) 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.

HIGHLAND COUNCIL CHARITABLE TRUSTS

Notes to the Accounts

f) Allocation of support and governance costs

Support costs have been differentiated between governance costs and other support costs. Governance costs include costs related to statutory audit fees together with an apportionment of overhead and support costs relating to finance and legal services provided by the Highland Council.

g) Charitable activities

The expenditure on charitable activities includes grants made, governance costs and an apportionment of support costs as shown in note 4.

h) Fixed asset investments

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire or use put options, derivatives or other complex financial instruments.

i) Realised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

2. 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. The closing cash balances were £1,532,036 (2019/20) and £1,246,681 (2018/19). Interest on revenue balances of £11,710 was received from the Council (2018/19 - £9,469) and governance costs of £5,147 (2018/19 - £4,917) were paid to the Council for support services as detailed in note 4.

HIGHLAND COUNCIL CHARITABLE TRUSTS

Notes to the Accounts

3. Investment Income

| | 2019/20 | 2018/19 |
|---------------------------|----------------|---------------|
| | £ | £ |
| Dividends - equities | 333,010 | 32,231 |
| Interest on cash deposits | 11,710 | 9,469 |
| | <u>344,720</u> | <u>41,700</u> |

Investment income received consists of dividend income of £43,324 (2018/19 £32,231), Interest on Revenue balances £11,710 (2018/19 £9,469) and one-off allocations of £90,230 and £199,456 to Inverness-shire Educational Trust and Ross & Cromarty Education Trust respectively from the redemption of a capital growth investment.

4. Allocation of governance and other support costs

| Cost Type | Total Allocated £ | Governance related £ | Other Support costs £ |
|-----------------------|-------------------------|-------------------------|-----------------------------|
| Staff Costs | 5,147 | 5,147 | - |
| Compensation payments | 1,961 | - | 1,961 |
| Total | <u>7,108</u> | <u>5,147</u> | <u>1,961</u> |

All of the governance and support costs relate to the charitable activity of education.

Governance Costs

| | 1920 | 1819 |
|-----------------------|---------------------|---------------------|
| | £ | £ |
| Auditors remuneration | 1,000 | 1,000 |
| Support costs | 5,147 | 4,917 |
| | <u>6,147</u> | <u>5,917</u> |

5. Analysis of Charitable Expenditure

| | Grant Funded Activity | Support and Governance costs | Total 1920 | Total 1819 |
|------------------|-----------------------|---------------------------------|---------------|---------------|
| | £ | £ | £ | £ |
| Education | 51,256 | 8,109 | 59,365 | 23,395 |

Direct charitable expenditure of £1,684 (2018/19 Nil) was incurred on the hire of mini-buses and coaches to provide pupil transport to the 2019 Safe Highlander Event and this is included in grant funded activity.

HIGHLAND COUNCIL CHARITABLE TRUSTS

Notes to the Accounts

6. Analysis of Grants

| | Grants paid to Institutions | | Grants paid to Individuals | |
|--------------------------|-----------------------------|---------------|----------------------------|--------------|
| | 2019/20 | 2018/19 | 2019/20 | 2018/19 |
| | £ | £ | £ | £ |
| Educational Grants | 420 | 7,270 | 6,000 | 2,400 |
| Educational Travel Grant | 200 | 3,730 | 600 | - |
| Educational Allowances | - | - | 40,356 | 1,021 |
| School Prizes | 1,601 | 830 | - | - |
| Welfare Grants | - | - | 395 | - |
| Total | 2,221 | 11,830 | 47,351 | 3,421 |

Grants made to institutions

| Names of Institutions | Grant Purpose | Total Amount of Grant Paid | |
|---|---------------------------------|----------------------------|---------------|
| | | 2019/20 £ | 2018/19 £ |
| Ben Wyvis Primary School Comhairle nan Eilean Siar | School Prizes | 280 | - |
| | Educational Grants/Bursaries | - | 7,940 |
| Castletown Primary School | Educational Grants | 75 | - |
| Culbokie Primary School | Educational Travel | - | 200 |
| Culloden Academy | Educational Travel | 200 | 1,500 |
| Dingwall Academy | School Prizes | 340 | - |
| Fortrose Academy | Educational Travel | - | 330 |
| Golspie High School | School Prizes | 300 | 160 |
| High Life Highland | Educational Grants | 169 | - |
| Inverness High School | Educational Travel | - | 1,500 |
| Knockbreck Primary School | School Prizes | 13 | - |
| Lybster Primary School | Educational Grants | 86 | - |
| Miller Academy | Educational Grants | 90 | - |
| Newton Park Primary School | School Prizes | 67 | - |
| Plockton High School | Educational Travel | - | 200 |
| Tain Royal Academy | School Prizes | 310 | - |
| Tarbat Old Primary School | School Prizes | 50 | - |
| Wick High School | School Prizes | 241 | - |
| | | 2,221 | 11,830 |

Number of Grants Made

Of the 57 grants paid during the year these are further analysed as follows:

- 35 were paid to individuals as educational and welfare grants
- 22 were paid to the institutions listed above.

HIGHLAND COUNCIL CHARITABLE TRUSTS

Notes to the Accounts

7. Staff costs

Staff costs represent an allocation to the charity for finance and legal services provided by the Highland Council. During 2019/20 compensation payments of £1,961 (2018/19 £1,915) were made to a former employee of Duncraig College. All staff costs have been included within support costs.

8. Auditor's remuneration

The auditor's remuneration constituted an audit fee of £1,000 (2018/19 - £1,000).

9. Fixed Asset Investments

| | | |
|--|------------------|------------------|
| Movement in fixed asset investments | 19/20 | 18/19 |
| | £ | £ |
| Net Market Value brought forward at 1 April 2019 | 2,326,213 | 2,317,890 |
| Net (loss)/gain | -217,257 | 8,323 |
| Market Value as at 31 March 2020 | 2,108,956 | 2,326,213 |
| Investments at Market Value comprised: | 19/20 | 18/19 |
| | £ | £ |
| Equities | 1,315,607 | 1,532,864 |
| Cash held within the investment portfolio | 793,349 | 793,349 |
| Total | 2,108,956 | 2,326,213 |

The market value of equities is split between Inverness – Shire Educational Trust (19/20 - £398,407, 18/19 - £494,424) and Ross and Cromarty Educational Trust (19/20 - £917,200, 18/19 - £1,038,440). Cash held within the investment portfolio is held in the Duncraig Endowment Trust. All investments are carried at their market value. Investments in equities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds and unit trusts are at the bid price.

All investments were held within endowment funds.

HIGHLAND COUNCIL CHARITABLE TRUSTS

Notes to the Accounts

10. Analysis of current assets

| | 19/20 | 18/19 |
|---------------------|------------------|------------------|
| | £ | £ |
| Cash at bank | 1,532,036 | 1,246,681 |

During the year the trusts' cash 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.

11. Analysis of charitable funds

| Analysis of Funds Movements | Balance b/fwd £ | Income £ | Expenditure £ | Transfers £ | Gains and losses £ | Funds c/fwd £ |
|-----------------------------|--------------------|----------------|------------------|----------------|-----------------------|------------------|
| Unrestricted funds | 236,365 | 55,034 | (59,365) | (37,818) | | 194,216 |
| Permanent Endowment | 3,336,529 | 289,686 | - | 37,818 | - | 3,446,776 |
| Total | 3,572,894 | 344,720 | (59,365) | - | (217,257) | 3,640,992 |

- a) The unrestricted funds are available to be spend for any of the purposes 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.
- c) Balances brought forward have been restated due to transition to FRS 102. Please see note 13.

HIGHLAND COUNCIL CHARITABLE TRUSTS

Notes to the Accounts

12. Investments

The Trusts held the following investments:

| At 31/3/20 | Investments | |
|-----------------------------------|----------------|------------------|
| | Cost | Market Value |
| | £ | £ |
| Inverness-Shire Educational Trust | 28,323 | 398,407 |
| Ross & Cromarty Educational Trust | 36,996 | 917,200 |
| | 65,319 | 1,315,607 |
| Duncraig Endowment | 793,349 | 793,349 |
| | <u>858,668</u> | <u>2,108,956</u> |

| At 31/3/19 | Investments | |
|-----------------------------------|----------------|------------------|
| | Cost | Market Value |
| | £ | £ |
| Inverness-Shire Educational Trust | 28,323 | 494,424 |
| Ross & Cromarty Educational Trust | 36,996 | 1,038,440 |
| | 65,319 | 1,532,864 |
| Duncraig Endowment | 793,349 | 793,349 |
| | <u>858,668</u> | <u>2,326,213</u> |

Investments were restated at market value at 31st March 2020 in line with the Charities SORP (FRS 102) para 11.17 which states that “investments in shares which can be publicly traded must be measured at fair value (market value)”. The comparatives at 31st March 2019 were also restated. Please see note 13 for the impact of the restatement on the charity’s fund balances.

13. Restatement of prior year comparators on adoption of the SORP

Balance Sheet

| | 1 April 2019 | Restatement | 1 April 2019 (restated) |
|---------------------|-------------------------|-------------------------|----------------------------|
| | £ | | £ |
| Investments | 858,668 | 1,467,545 | 2,326,213 |
| Total Assets | <u>2,105,349</u> | <u>1,467,545</u> | <u>3,572,894</u> |
| Endowment Funds | 1,868,984 | 1,467,545 | 3,336,529 |
| Total Funds | <u>2,105,349</u> | <u>1,467,545</u> | <u>3,572,894</u> |

HIGHLAND COUNCIL CHARITABLE TRUSTS

Notes to the Accounts

Endowment Funds

| | 31 March 2019 | Restatement | 31 March 2019 (restated) |
|-------------------------------------|------------------|------------------|-----------------------------|
| | £ | | £ |
| Inverness-Shire Educational Trust | 305,504 | 466,101 | 771,605 |
| Duncraig Endowment | 793,349 | | 793,349 |
| Forbes Meteorological Trust | 200 | | 200 |
| Ross and Cromarty Educational Trust | 560,128 | 1,001,444 | 1,561,572 |
| Sutherland Educational Trust | 106,339 | | 106,339 |
| Caithness Educational Trust | 93,020 | | 93,020 |
| A M MacKay's Bequest | 100 | | 100 |
| John Kirk's Mortification | 10,344 | | 10,344 |
| Total Funds | 1,868,984 | 1,467,545 | 3,336,529 |

HIGHLAND COUNCIL CHARITABLE TRUSTS

Notes to the Accounts

14. Analysis of Charitable Trusts

| Endowment Funds | Permanent Endowment Fund Balance | |
|-------------------------------------|-------------------------------------|--------------------|
| | 31 March 2020 £ | 31 March 2019 £ |
| Inverness-Shire Educational Trust | 780,659 | 771,605 |
| Duncraig Endowment | 793,349 | 793,349 |
| Forbes Meteorological Trust | 200 | 200 |
| Ross and Cromarty Educational Trust | 1,662,093 | 1,561,572 |
| Sutherland Educational Trust | 107,011 | 106,339 |
| Caithness Educational Trust | 93,020 | 93,020 |
| A M MacKay's Bequest | 100 | 100 |
| John Kirk's Mortification | 10,344 | 10,344 |
| Total Funds | 3,446,776 | 3,336,529 |

| Unrestricted Funds | Unrestricted Fund Balance | |
|-------------------------------------|---------------------------|--------------------|
| | 31 March 2020 £ | 31 March 2019 £ |
| Inverness-shire Educational Trust | 500 | 500 |
| Duncraig Endowment | 7,806 | 4,949 |
| Duncraig College | 303 | 300 |
| Forbes Meteorological Trust | 117 | 117 |
| Ross and Cromarty Educational Trust | 5,000 | 5,000 |
| Sutherland Educational Trust | 400 | 400 |
| Caithness Educational Trust | 179,617 | 224,716 |
| A M Mackay's Bequest | 47 | 47 |
| John Kirk's Mortification | 426 | 336 |
| Total Funds | 194,216 | 236,365 |

15. Contingent Liabilities

We are not aware of any contingent liabilities at the balance sheet date.

16. Events after the reporting date

There were no events after the reporting date which require disclosure.

17. Cash absorbed by operations

| | 2019/20 £ | 2018/19 £ |
|------------------------------------|-----------------|-----------------|
| Net income for the year | 285,355 | 18,305 |
| Adjustments for | | |
| Investment income | (333,009) | (32,231) |
| Interest on revenue balances | (11,710) | (9,469) |
| Cash absorbed by operations | (59,364) | (23,395) |