

Auchernack Trust (SC043038)

Trustees' Report and Financial Statements

For the year ended 31 March 2017

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Trustees' Annual Report

The Trustees present their annual report and financial statements for the Trust for the year ended 31 March 2017. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the trust deed, 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 102 (FRS 102) applicable in the UK and Republic of Ireland which is effective for accounting periods beginning after 1 January 2015.

Objectives and Activities

The Trustees shall pay or apply the income of the Trust Fund and shall have power in their discretion at any time or times to pay or apply the whole or any part or parts of the capital thereof for the benefit of the elderly community (as hereinafter defined) in the Forres area (as hereinafter defined) and that solely for the relief of those in need by reason of advanced age.

The trust does not carry out any other activity apart from the awarding of grants.

Achievements and Performance

The Trustees met on 14 June 2016 and again on 6 December 2016 to discuss applications to the trust. During the year nine grants were awarded, totalling £30,207 (2015/16 £9,980).

The beneficiaries, along with the grants awarded, were:

Cathay Nursing Home Residents Fund £1,000
Forres Area Community Trust £17,300
Forres Golf Course £1,000
Forres Old Age Pensioners Association £1,401
Forres Victoria Indoor Bowling Club £750
ForWords £950
Hanover Housing - Varis Court £2,616
Rotary Club of Forres £1,000
The Newbold Trust £4,190

Financial Review

All funds are unrestricted.

The trust uses the Moray Council's bank account for financial transactions and the balance is invested in the Council's Loans Fund for which it earns interest on the balance. It was agreed by the Council's Policy and Resources Committee on 30 August 2016 that a two year fixed interest rate of 1.5% be applied for the years 2016/17 and 2017/18. Income received during the year was £18,024 (2015/16 £16,427). This was made up of £3,381 interest received on the trust's loans pool (2015/16 £3,531), Investment income of £14,643 (2015/16 £12,781) and other income of £0 (2015/16 £115).

Grants awarded in the year were £30,207 (2015/16 £9,980) and costs for the year were £1,739 (2015/16 £1,700). This resulted in a net loss for the year of £13,922 (2015/16 net surplus of £4,747).

The default policy for Council administered Trusts relating to the reinvestment of income in, and disbursement from, the Trust was amended on 8 October 2013. The policy was amended to allow disbursement of capital from the Trust in accordance with the trust deed, provided there is unanimity amongst the trustees. The whole annual income of the trust will be available for disbursement in accordance with the trust deed, provided sufficient funds are maintained to meet commitments.

The default policy is to only disburse grants from trusts where the cumulative disposable income is greater than £50.

The Trust has no specific reserves policy other than that noted above regarding disbursement of capital and annual income. At 31 March 2017 unrestricted funds totalled £751,975 (2016: £681,309).

Trustees' Annual Report (continued)

Risk Management

The Trustees implemented a risk management strategy which monitors and assesses the major risks to which they are exposed. This comprised of an annual review of the risks which the trust may face, the establishment of systems and processes to mitigate those risks identified in the risk assessment and the implementation of procedures designed to minimise any potential impact on the trust should any of those risks materialise.

Plans for Future Periods

The trustees meet biannually, generally in May and November each year, to consider applications for trust grants.

Structure, Governance and Management

The trustees are listed below. They are the Forres elected members of the Moray Council, or such committee or sub-committee or group of elected members of the Moray Council as it may determine from time to time, together with the chair of the Forres Community Council. The local councillors who are trustees are appointed at local government elections and were appointed at the election of 3 May 2012 and these were the trustees throughout the financial year 2016/17. The councillors elected at the most recent election of 4 May 2017 are also listed below.

The Chair of the Forres Community Council was elected in February 2017 following a short period of having a stand-in Chair.

The trust is governed using the same governance framework that is applicable to the Council. This framework includes the principles:

- taking informed and transparent decisions which are subject to effective scrutiny and managing risk
- engaging with local people and other stakeholders to ensure robust public accountability.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under that law the trustees must not approve the financial statements unless they are satisfied that they 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;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at anytime 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, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the trust deed. 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the Moray Council's website in so far as it relates to the charity. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Trustees' Annual Report (continued)

Structure, Governance and Management (continued)

Reference and Administrative Details

Auchernack Trust
Registered Charity No: SC043038

Principal Address of the Trust is:

The Moray Council
Council Offices
High Street
Elgin
IV30 1BX

Trustees

Name of Trustees in financial year 2016/17:

Councillor George Alexander
Councillor Lorna Creswell
Councillor Aaron McLean
Councillor Anne Skene
Mr Stewart Noble (resigned 24 October 2016)
Mr John Guthrie (17 November 2016 - 16 February 2017)
Mr Graham Hilditch (appointed 16 February 2017)

Names of Trustees on Date of Approval of Trustee's Annual Report:

Councillor George Alexander
Councillor Lorna Creswell
Councillor Claire Feaver
Councillor Aaron McLean
Mr Graham Hilditch

Approved and signed by one trustee on behalf of all the trustees:

**Councillor G. Alexander
18 December 2017**

Auchernack Trust**Statement of Financial Activities for the year ended 31 March 2017**

	Note	2016/17 Unrestricted £	2015/16 Unrestricted £
Income and endowments from:			
Investment Income	3	18,024	16,312
Other	4	-	115
Total		18,024	16,427
Expenditure on:			
Charitable Activities	5	31,946	11,680
Total		31,946	11,680
Net gains/(losses) on investment assets	6	84,588	(31,198)
Net movement in funds		70,666	(26,451)
Reconciliation of funds:			
Total funds brought forward at 1 April 2016		681,309	707,760
Total funds carried forward at 31 March 2017		751,975	681,309

All results derive from continuing operations.

There is no material difference between the funds carried forward for the financial year stated above and their historical cost equivalents, with the exception of Fixed Asset Investments which are carried at fair value.

All gains and losses recognised in the year are included in the statement of financial activities.

Balance Sheet as at 31 March 2017

	Note	2016/17 £	2015/16 £
Fixed assets:			
Investments	6	<u>536,452</u>	<u>451,864</u>
		536,452	451,864
Current assets:			
Loans Fund Balance		214,529	228,536
Debtors	7	<u>1,304</u>	<u>1,204</u>
		215,833	229,740
Liabilities:			
Creditors: amounts falling due within one year	8	<u>(310)</u>	<u>(295)</u>
Net current assets		215,523	229,445
Total assets less current liabilities		<u>751,975</u>	<u>681,309</u>
The funds of the charity:			
Unrestricted Funds		751,975	681,309
Total charity funds		<u>751,975</u>	<u>681,309</u>

The notes on page 6 to 8 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 18 December 2017 and were signed on its behalf by:

Councillor G. Alexander
18 December 2017

Notes to the Financial Statements

Note 1 General Information

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charity's transactions are denominated.

The principal activity of Auchernack Trust can be found in the Report of the Trustees.

Auchernack Trust is an unincorporated charity in the United Kingdom and registered in Scotland. It is recognised as a charity for tax purposes and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC043038. Details of the registered office can be found in the Report of the Trustees.

Note 2 Accounting Policies

Basis of Preparation and Assessment of Going Concern

The financial statements for the trust have been prepared in accordance with the Charities: Statement of Recommended Practice 2015, commonly referred to as the SORP, in accordance with the Financial Reporting Standard 102 (FRS 102), which is effective for accounting periods beginning after 1 January 2015. The financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at fair value, in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The financial statements are prepared on a going concern basis and in accordance with applicable United Kingdom accounting standards. The principal accounting policies have been applied consistently throughout the year.

An amendment to the Charities SORP (FRS 102) issued by the Financial Reporting Council and published in February 2016 states the requirement of larger charities to prepare a statement of cash flow. Auchernack Trust is not classed as a large charity and so a cash flow statement has not been prepared this year.

Incoming Resources

Investment income and other income is accounted for in the period in which the charity is entitled to the receipt and the amount can be measured with reasonable clarity.

Resources expended

Expenditure is included in the financial statements on an accruals basis and recognised when the activity takes place and not simply when the cash payment is made.

Governance Costs include the costs of the preparation and examination of statutory financial statements; legal advice to trustees on governance or constitutional matters and costs of administering grants.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. When a grant condition allows for the recovery of an unexpended grant, a liability is recognised when repayment becomes probable.

Investments

Investments are included at fair value at the balance sheet date in accordance with the principles of the SORP.

Investment gains and losses include any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the period.

Funds

Unrestricted funds are available to spend on activities that further any of the purposes of the trust.

Notes to the Financial Statements (continued)

Financial Instruments

The charity only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable. Debt instruments that are payable or receivable within one year are measured, initially and subsequently, at the undiscounted amount of the cash expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

Other Matters

The Trust is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The Trust is a Public benefit entity as defined by FRS 102 in that their primary objective is to make grants to the individuals or community groups rather than with a view to providing a financial return to trustees. The Charitable Activity of the trust is making grants in accordance with the trust deed and in agreement of the Trustees.

There are no judgements, apart from those involving estimations, that the trustees have made in the process of applying the entity's accounting policies that have a significant effect on the amounts recognised in the accounts.

There are no key assumptions concerning the future, or other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Note 3 Investment Income

	2016/17	2015/16
	£	£
Interest earned on loans pool income	3,381	3,531
Dividend Income	14,643	12,781
	<u>18,024</u>	<u>16,312</u>

Note 4 Other Income

	2016/17	2015/16
	£	£
Unspent grant award refunded by recipient	-	115
	<u>-</u>	<u>115</u>

Note 5 Awarding of Grants

	2016/17	2015/16
	£	£
Grants Paid	30,207	9,980
Governance Costs:		
Accountancy and Legal Costs	1,393	2,483
Independent Examination of the Accounts	310	310
Advertising	36	-
Reorganisation charge refunded	-	(1,093)
	<u>31,946</u>	<u>11,680</u>

Note 6 Movement on Investments

	2016/17	2015/16
	£	£
Market Value at 1 April	451,864	483,062
Net Gain/(Loss) on Revaluation	84,588	(31,198)
Market Value at 31 March	<u>536,452</u>	<u>451,864</u>

Note 7 Debtors

	2016/17	2015/16
	£	£
Investment Income	1,304	1,204
	<u>1,304</u>	<u>1,204</u>

Notes to the Financial Statements (continued)

Note 8 Creditors: amounts falling due within one year

	2016/17	2015/16
	£	£
Independent Examination Fee	310	295
	<u>310</u>	<u>295</u>

Note 9 Trustee Remuneration, Benefits and Expenses

Neither the trustees of the Trust nor any associated person connected with them have received any remuneration for their services. Further, no directly incurred expenses were reimbursed to the trustees during the year.

Note 10 Staff Costs and Emoluments

The Trust has no employees and has not incurred any staff costs or emoluments.

Note 11 Related Parties

The trust fund uses Moray Council's bank account for all transactions and the balance is invested in the Council's loans fund, for which it earns interest. There are no outstanding balances due to or from Moray Council at 31 March 2017.

Note 12 Analysis of Charitable Funds

Analysis of movements in unrestricted funds

	Balance at 1 April 16	Income	Expenditure	Gains and Losses	Balance at 31 March 17
	£	£	£	£	£
General Fund	681,309	18,024	(31,946)	84,588	751,975

The unrestricted funds are available to spend on activities that further any of the purposes of the trust.

Note 13 Transition to FRS102

The charity has adopted Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" for the year ended 31 March 2017.

The charity's date of transition to SORP FRS 102 is 1 April 2015. The charity's last financial statements were prepared in accordance with previous UK GAAP and the SORP FRSSE 2015.

The transition to FRS 102 has resulted in no changes in the charity's accounting policies or financial results compared to those used when applying previous UK GAAP. No restatements were required.