

Auchernack Trust (SC043038)

Trustees' Report and Financial Statements

For the year ended 31 March 2016

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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 2016. 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 main objective of the trust is to benefit the elderly community in the Forres area 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 9 June, 2015 and again on 16 December, 2015 to discuss applications to the trust. During the year three grants were awarded, totalling £9,980 (2014/15 £13,122). Another grant award of £7,750 was committed by the Trustees to be paid only when other funding has been raised and evidenced by the applicant. One other application was deferred until the trustees had an opportunity to visit the premises and see who would benefit from the grant.

The beneficiaries, along with the grants awarded, were:
Hanover (Scotland) Housing Association Ltd £2,000
Forres Heritage Trust Ltd £7,500
Rotary Club of Forres £480

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 10 June 2014 that a two year fixed interest rate of 1.6% be applied for the years 2014/15 and 2015/16. Income received during the year was £16,427 (2014/15 £17,809). This was made up of £3,531 interest received on the trust's loans pool (2014/15 £3,562), Investment income of £12,781 (2014/15 £14,247) and other income of £115.

Grants awarded in the year were £9,980 (2014/15 £13,122) and governance costs for the year were £1,700 (2014/15 £5,630). This resulted in a net gain for the year of £4,747 (2014/15 net loss of £943).

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.

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 legal and administrative arrangements associated with the trust reorganisation are now complete and the trustees plan to 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 most recent election of 3 May 2012. The next election is scheduled for 4 May 2017.

The Chair of the Forres Community Council was elected in July 2014 for the period of office July 2014 to September 2017.

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

The trustees serving during the year and since the year end were as follows:

Councillor George Alexander
Councillor Lorna Creswell
Councillor Aaron McLean
Councillor Anne Skene
Mr Stewart Noble (resigned 24 October 2016)
Mr John Guthrie (appointed 17 November 2016)

Signed by one trustee on behalf of all the trustees:

Councillor Lorna Creswell

16 December 2016

Statement of Financial Activities for the year ended 31 March 2016

	Note	2015/16 Unrestricted £	2014/15 Unrestricted £
Income and endowments from:			
Investment Income	2	16,312	17,809
Other	3	115	-
Total		16,427	17,809
Expenditure on:			
Awarding of Grants	4	11,680	18,752
Total		11,680	18,752
Net (losses)/gains on investment assets	5	(31,198)	28,844
Net movement in funds		(26,451)	27,901
Reconciliation of funds:			
Total funds brought forward at 1 April 2015		707,760	679,859
Total funds carried forward at 31 March 2016		681,309	707,760

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.

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

Balance Sheet as at 31 March 2016

	Note	2015/16 £	2014/15 £
Fixed assets:			
Investments	5	<u>451,864</u>	<u>483,062</u>
		451,864	483,062
Current assets:			
Loans Fund Balance		228,536	222,830
Debtors	6	<u>1,204</u>	<u>2,408</u>
		229,740	225,238
Liabilities:			
Creditors: amounts falling due within one year	7	(295)	(540)
Net current assets		229,445	224,698
Total assets less current liabilities		<u>681,309</u>	<u>707,760</u>
The funds of the charity:			
Unrestricted Funds		681,309	707,760
Total charity funds		<u>681,309</u>	<u>707,760</u>

The notes on page 7 to 9 form part of these financial statements.

Approved by the Trustees on 16 December 2016 and signed on their behalf by

Councillor Lorna Creswell

16 December 2016

Statement of Cash Flows for the year ended 31 March 2016

	Note	2015/16 £	2014/15 £
Cash flows from operating activities:			
<i>Net cash (used by) operating activities</i>	8	(11,810)	(18,482)
Cash flows from investing activities:			
Income from investments	8	<u>17,516</u>	<u>17,301</u>
<i>Net cash provided by investing activities</i>		<u>17,516</u>	<u>17,301</u>
<i>Change in cash and cash equivalents in the reporting period</i>		5,706	(1,181)
<i>Cash and cash equivalents at the beginning of the reporting period</i>		<u>222,830</u>	<u>224,011</u>
<i>Cash and cash equivalents at the end of the reporting period</i>		<u>228,536</u>	<u>222,830</u>

Notes to the Financial Statements

Note 1 Accounting Policies

Basis of Preparation

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.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. No restatements were required.

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.

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.

Financial Instruments

The trust only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Notes to the Financial Statements (continued)

Other Matters

The Charity 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 charity 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 2 Investment Income

	2015/16	2014/15
	£	£
Interest earned on loans pool income	3,531	3,562
Dividend Income	12,781	14,247
	<u>16,312</u>	<u>17,809</u>

Note 3 Other Income

	2015/16	2014/15
	£	£
Unspent grant award refunded by recipient	115	-
	<u>115</u>	<u>-</u>

Note 4 Awarding of Grants

	2015/16	2014/15
	£	£
Grants Paid	9,980	13,122
Governance Costs:		
Accountancy and Legal Costs	2,483	5,360
Independent Examination of the Accounts	310	270
Reorganisation charge refunded	(1,093)	-
	<u>11,680</u>	<u>18,752</u>

Note 5 Movement on Investments

	2015/16	2014/15
	£	£
Market Value at 1 April	483,062	454,218
Net (Loss)/Gain on Revaluation	(31,198)	28,844
Market Value at 31 March	<u>451,864</u>	<u>483,062</u>

Note 6 Debtors

	2015/16	2014/15
	£	£
Investment Income	1,204	2,408
	<u>1,204</u>	<u>2,408</u>

Notes to the Financial Statements (continued)

Note 7 Creditors: amounts falling due within one year

	2015/16	2014/15
	£	£
Independent Examination Fee	295	540
	<u>295</u>	<u>540</u>

Note 8 Statement of cash flows

	2015/16	2014/15
	£	£
Net income/(expenditure) for the reporting period (per the SoFA)	(26,451)	27,901
Adjustments for:		
(Gains)/losses on investments	31,198	(28,844)
Dividends, interest and rents from investments	(16,312)	(17,809)
Increase/(decrease) in creditors	(245)	270
Net cash (used by) operating activities	<u>(11,810)</u>	<u>(18,482)</u>
Cash flows from investing activities:		
(Increase)/decrease in debtors	1,204	(508)
Interest on Loans Pool	3,531	3,562
Investment Fund income	12,781	14,247
Net cash provided by investing activities	<u>17,516</u>	<u>17,301</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 Analysis of Charitable Funds

Analysis of movements in unrestricted funds

	Balance at 1 April 15	Income	Expenditure	Gains and Losses	Balance at 31 March 16
	£	£	£	£	£
General Fund	707,760	16,427	(11,680)	(31,198)	681,309

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