

Auchernack Trust (SC043038)

Trustees' Report and Financial Statements

For the year ended 31 March 2020

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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 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 2 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 30 April 2019, 29 May 2019 and 16 December 2019 to discuss applications to the trust. Applications were also discussed via email during the year when they were received outwith the scheduled face to face meetings. During the year, twelve grants were awarded to ten recipients, totalling £17,865 (2018/19 £20,350).

The beneficiaries, along with the grants awarded, were:

Cameron Court Housing £6,240
Forres Victoria Indoor Bowling Club £3,750
Varis Court Housing £2,495
Active Minds Moray £1,700
Wild Things! Environmental Education in Action £1,000
Film Forres £960
Forres Rotary £500
Leys Pensionnaires £500
Never Too Late to Shine £400
Helen Janousek 50+ Gym Classes £320

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. It was agreed by the Council's Policy and Resources Committee on 28 June 2018 that a two year fixed interest rate of 1.57% be applied for the years 2018/19 and 2019/20. Income received during the year was £22,272 (2018/19 £24,929). This was made up of £3,304 interest received on the trust's loans pool (2018/19 £3,297) and investment income of £18,968 (2018/19 £16,667). There was no other income during the year (2018/19 £4,965 for the gain on redemption of an investment.)

Grants awarded in the year were £17,865 (2018/19 £20,350) and costs for charitable activities were £1,659 (2018/19 £1,394). Other costs were £nil (2018/19 £10,034 for the purchase of a new investment, with the proceeds of the investment that was redeemed.) This resulted in a net operating surplus for the year of £2,748 (2018/19 net loss of £6,849).

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 2020 unrestricted funds totalled £676,420 (2019 £760,516).

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 generally meet biannually, around May and November each year, to consider applications for trust grants. They may also have additional meetings during the year if the number and timing of applications necessitate it. Due to the ongoing Covid-19 pandemic, meetings may be held remotely, or via email, to discuss applications. These temporary measures are intended to ensure that such meetings can still be held but in a manner recommended to restrict the spread of Covid-19.

Structure, Governance and Management

Moray Council inherited its interest in the Auchernack Trust following reorganisation of local government in 1996. It is considered that the trust is a subsidiary of the local authority as the Council has a controlling interest in the trust. Auchernack trust is included in the Group accounts of the Council, its parent company, and these consolidated accounts can be obtained from the same principal address as the Auchernack trust on page 3.

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. Those appointed at the most recent election of 4 May 2017 are listed below.

The Chair of the Forres Community Council during the financial year 2019/20 was in post since February 2017, and resigned on 15 June 2020. A current Forres Community Council member was voted in as Chair on 19 June 2020.

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 2019/20:

Councillor George Alexander
Councillor Lorna Creswell
Councillor Claire Feaver
Councillor Aaron McLean
Mr Graham Hilditch (16 February 2017 - 15 June 2020)

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 Shaun Moat (appointed 19 June 2020)

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

**Councillor G. Alexander
15 December 2020**

Auchernack Trust

Statement of Financial Activities for the year ended 31 March 2020

	Note	2019/20 Unrestricted £	2018/19 Unrestricted £
Income and endowments from:			
Investment Income	3	22,272	19,964
Other Income	4	-	4,965
Total		22,272	24,929
Expenditure on:			
Charitable Activities	5	19,524	21,744
Other Costs		-	10,034
Total		19,524	31,778
Net gains/(losses) on investment assets	6	(86,844)	17,459
Net movement in funds		(84,096)	10,610
Reconciliation of funds:			
Total funds brought forward at 1 April 2019		760,516	749,906
Total funds carried forward at 31 March 2020		676,420	760,516

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.

Auchernack Trust
Balance Sheet as at 31 March 2020

	Note	2019/20 £	2018/19 £
Fixed assets:			
Investments	6	456,927	543,771
		<u>456,927</u>	<u>543,771</u>
Current assets:			
Loans Fund Balance		218,686	215,991
Debtors	7	1,357	1,104
		<u>220,043</u>	<u>217,095</u>
Liabilities:			
Creditors: amounts falling due within one year	8	(550)	(350)
		<u>(550)</u>	<u>(350)</u>
Net current assets		219,493	216,745
Total assets less current liabilities		<u>676,420</u>	<u>760,516</u>
The funds of the charity:			
Unrestricted Funds	12	676,420	760,516
Total charity funds		<u>676,420</u>	<u>760,516</u>

The notes on page 6 to 9 form part of these financial statements.

The unaudited financial statements were issued by the Trustees on 23 September 2020.

The audited financial statements were authorised for issue on 15 December 2020 and were signed on its behalf by:

Councillor G. Alexander
15 December 2020

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 2019, 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 2019. 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.

Notes to the Financial Statements (continued)

Funds

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

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

	2019/20	2018/19
	£	£
Interest earned on loans pool income	3,304	3,297
Dividend Income	18,968	16,667
	<u>22,272</u>	<u>19,964</u>

Note 4 Other Income

<u>Gain/Loss on Investment redemption</u>	2019/20	2018/19
	£	£
Redemption proceeds	-	10,205
Write out investment from BS	-	(9,755)
Write out Available for Sale Reserve balance	-	4,515
Gain/(Loss) on redemption	<u>-</u>	<u>4,965</u>

Notes to the Financial Statements (continued)

Note 5 Awarding of Grants

	2019/20	2018/19
	£	£
Grants Paid	17,865	20,350
Governance Costs:		
Accountancy and Legal Costs	1,109	1,039
Independent Examination of the Accounts	550	355
	<u>19,524</u>	<u>21,744</u>

Note 6 Movement on Investments

SoFA	2019/20	2018/19
	£	£
Write out AFS reserve balance of redeemed investment	-	(4,515)
Add: Net gain/(loss) on revaluations	(86,844)	11,940
Add: Additions to investment at cost	-	10,034
	<u>(86,844)</u>	<u>17,459</u>

Balance Sheet

	2019/20	2018/19
	£	£
Market Value at 1 April	543,771	531,552
Add: Net gain/(loss) on revaluation	(86,844)	11,940
Less: Disposals at carrying value	-	(9,755)
Add: Additions to investment at cost	-	10,034
Market Value at 31 March	<u>456,927</u>	<u>543,771</u>

Note 7 Debtors

	2019/20	2018/19
	£	£
Investment Income	<u>1,357</u>	<u>1,104</u>
	<u>1,357</u>	<u>1,104</u>

Notes to the Financial Statements (continued)

Note 8 Creditors: amounts falling due within one year

	2019/20	2018/19
	£	£
Independent Examination Fee	550	350
	<u>550</u>	<u>350</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 trustees are required by the Charities SORP to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Trust Fund, or to be controlled or influenced by the Trust Fund. The amounts paid by the Trust to Moray Council for support services, including Legal and Finance costs, in 2018/19 was £1,039 (2017/18 £1,826).

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 other outstanding balances due to or from Moray Council at 31 March 2019.

Note 12 Analysis of Charitable Funds

Analysis of movements in unrestricted funds

	Balance at 1 April 2019	Income	Expenditure	Gains and (Losses)	Balance at 31 March 2020
	£	£	£	£	£
General Fund	760,516	22,272	(19,524)	(86,844)	676,420

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

	Balance at 1 April 2018	Income	Expenditure	Gains and (Losses)	Balance at 31 March 2019
	£	£	£	£	£
General Fund	749,906	24,929	(31,778)	17,459	760,516

Independent Examiner's Report to the Trustees of Auchernack Trust – SC043048

I report on the financial statements of the charity for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes.

This report is made solely to the charity's trustees, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005. My examination has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body for my examination, for this report or for the opinions I have formed.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations;have not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Allison Gibson CA
Azets Audit Services
10 Ardross Street
Inverness
IV3 5NS

Dated: