

FINAL

Auchernack Trust (SC043038)

Trustees' Report and Financial Statements

For the year ended 31 March 2023

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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 2023. 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 2019.

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 20th September 2022 and 9th November 2022 to discuss applications to the trust. During the year, nine grants were awarded to eight recipients, totalling £9,507 (2021/22 £20,586).

The beneficiaries, along with the grants awarded, were:

Active Minds Moray £648
Forres House Carpet Bowls £648
Ray's Opportunities £986
Scots Entertain £1,500
Forres Rotary £3,700
Varis Court Residents Fund £1,350
North East Sensory Services £175
Leys Pensionnaires £500

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 Moray Council at the Committee meeting on 10 August 2022 that a two year fixed interest rate of 2.35% be applied for the years 2022/23 and 2023/24. Income received during the year was £23,359 (2021/22 £20,653). This was made up of £5,207 interest received on the trust's loans pool (2021/22 £4,800) and investment income of £18,152 (2021/22 £15,853).

Grants awarded in the year were £9,507 (2021/22 £20,586) and costs for charitable activities were £1,658 (2022/23 £1,287). A refund of £429 was received in 2022/23 for VAT that had been paid on purchases made for a beneficiary in 2021/22. This resulted in a net operating surplus for the year of £12,623 (2021/22 deficit of £1,220).

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 2023 unrestricted funds totalled £845,600 (2022 £849,276).

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.

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 and were appointed at the election on 5 May 2022 and these were the trustees from that date in the financial year 2022/23.

The Chair of the Forres Community Council during the financial year 2022/23 was in post since July 2022, and resigned on 18 May 2023. The next Chair took on the post on 18 May 2023.

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.

Trustees' Annual Report (continued)

Structure, Governance and Management (continued)

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.

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

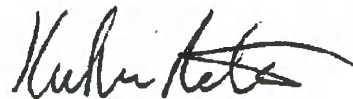
Name of Trustees in financial year 2022/23

Councillor George Alexander (until 5 May 2022)
Councillor Lorna Creswell (until 5 May 2022)
Councillor Claire Feaver (until 5 May 2022)
Councillor Aaron McLean (until 5 May 2022)
Councillor Scott Lawrence (elected 5 May 2022)
Councillor Paul McBain (elected 5 May 2022)
Councillor Kathleen Robertson (elected 5 May 2022)
Councillor Draeyk Van Der Horn (elected 5 May 2022)
Mr David Parker - Chair of Forres C.C. (21 July 2022 - 18 May 2023)

Names of Trustees on Date of Approval:

Councillor Scott Lawrence
Councillor Paul McBain
Councillor Kathleen Robertson
Councillor Draeyk Van Der Horn
Mr Steve Ferris - Chair of Forres C.C. (18 May 2023 - present)

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



**Councillor Kathleen Robertson
5 December 2023**

Auchernack Trust
Statement of Financial Activities for the year ended 31 March 2023

	Note	2022/23 Unrestricted £	2021/22 Unrestricted £
Income and endowments from:			
Investment Income	3	23,359	20,653
Total		<u>23,359</u>	<u>20,653</u>
Expenditure on:			
Charitable Activities	4	10,736	21,873
Total		<u>10,736</u>	<u>21,873</u>
Net gains/(losses) on investment assets	5	(16,299)	43,441
Net movement in funds		<u>(3,676)</u>	<u>42,221</u>
Reconciliation of funds:			
Total funds brought forward at 1 April 2022		849,276	807,055
Total funds carried forward at 31 March 2023		<u>845,600</u>	<u>849,276</u>

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 2023

	Note	2022/23 £	2021/22 £
Fixed assets:			
Investments	5	601,595	617,894
		<u>601,595</u>	<u>617,894</u>
Current assets:			
Loans Fund Balance		243,199	230,678
Debtors	6	1,706	1,304
		<u>244,905</u>	<u>231,982</u>
Liabilities:			
Creditors: amounts falling due within one year	7	(900)	(600)
Net current assets		244,005	231,382
Total assets less current liabilities		<u>845,600</u>	<u>849,276</u>
The funds of the charity:			
Unrestricted Funds	11	845,600	849,276
Total charity funds		<u>845,600</u>	<u>849,276</u>

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

The unaudited financial statements were issued by the Trustees on 1 October 2023.

The independently examined financial statements were authorised for issue on 5 December 2023 and were signed on its behalf by:



Councillor Kathleen Robertson

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

	2022/23	2021/22
	£	£
Interest earned on loans pool income	5,207	4,800
Dividend Income	18,152	15,853
	<u>23,359</u>	<u>20,653</u>

Note 4 Awarding of Grants

	2022/23	2021/22
	£	£
Grants Paid	9,507	20,586
Refund of VAT from prior year Grants Paid	(429)	-
Governance Costs:		
Accountancy and Legal Costs	758	687
Independent Examination of the Accounts	900	600
	<u>10,736</u>	<u>21,873</u>

Note 5 Movement on Investments

SoFA	2022/23	2021/22
	£	£
Add: Net gain/(loss) on revaluations	(16,299)	43,441
Net gain/(loss) on investments	(16,299)	43,441
	<u>(16,299)</u>	<u>43,441</u>
Balance Sheet	2022/23	2021/22
	£	£
Market Value at 1 April	617,894	574,453
Add: Net gain/(loss) on revaluation	(16,299)	43,441
Market Value at 31 March	<u>601,595</u>	<u>617,894</u>

Notes to the Financial Statements (continued)

Note 6 Debtors

	2022/23	2021/22
	£	£
Investment Income	1,706	1,304
	<u>1,706</u>	<u>1,304</u>

Note 7 Creditors: amounts falling due within one year

	2022/23	2021/22
	£	£
Independent Examination Fee	900	600
	<u>900</u>	<u>600</u>

Note 8 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 9 Staff Costs and Emoluments

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

Note 10 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 2022/23 was £758 (2021/22 £687).

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 2023.

Note 11 Analysis of Charitable Funds

Analysis of movements in unrestricted funds

	2022/23	2021/22
	£	£
Balance at 1 April	849,276	807,055
Income	23,359	20,653
Expenditure	(10,736)	(21,873)
Gains and (Losses)	(16,299)	43,441
Balance at 31 March	<u>845,600</u>	<u>849,276</u>

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

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 2023 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.



Neil Morrison CA
Azets Audit Services
5 Whitefriars Crescent
Perth
PH2 0PA

Dated: 11th December 2023