

Highland Council Charitable Trust Funds

Trustees' Annual Report and Financial Statements

For the year ended 31 March 2024

Maoinean Urras Carthannach

Chomhairle na Gàidhealtachd

Aithisg Bhliadhnail agus Aithrisean Ionmhasail nan

Urrasairean

Airson na bliadhna a' crìochnachadh 31 Màrt 2024

Highland Council Charitable Trust Funds Annual Report and Financial Statements 2023/24

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Trustees' Annual Report Aithisg Bhliadhna Urrasairean

The Trustees present their annual report together with the financial statements in respect of the following charitable trusts (together, the "Trusts"), registered with the Office of the Scottish Charity Regulator (OSCR) and administered on behalf of the Trustees by Highland Council (the "Council") for the year ended 31 March 2024.

Charity Name	Charity Number
Highland Council Charitable Trusts	SC025079
Highland Charities Trust	SC044714

In previous years, separate financial statements were prepared for each charity. However, for the year ended 31 March 2024, the Trusts have adopted the "connected charities" provision outlined in Section 7 of the [Charities Accounts \(Scotland\) Regulations 2006](#), whereby the accounts are collated into a single document.

Reference and Administration Information

Principal Office:	The Highland Council Finance Service Glenurquhart Road Inverness IV3 5NX
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Current Trustees:

Sarah Atkin	John Edmondson	Russell Jones
Michael Baird	(appointed 27 Sep 2024)	Sean Kennedy
Andrew Baldrey	Sarah Fanet	Emma Knox
Chris Ballance	John Finlayson	Liz Kraft
Andrew Baxter	David Fraser	Bill Lobban
(appointed 22 Nov 2024)	Laurie Fraser	Patrick Logue
Chris Birt	Richard Gale	Derek Loudon
Bill Boyd	Ken Gowans	Morven-May MacCallum
Raymond Bremner	John Grafton	William MacKay
Ian Brown	Alexander Graham	Graham MacKenzie
John Bruce	Michael Green	Isabelle MacKenzie
Michael Cameron	David Gregg	Struan Mackie
Isabelle Campbell	Michael Gregson	Andrew MacKintosh
Alasdair Christie	(appointed 27 Sep 2024)	Ryan MacKintosh
Muriel Cockburn	Ron Gunn	Angela MacLean
Sinclair Coghill	Jackie Hendry	Kate MacLean
(appointed 27 Sep 2024)	Marianne Hutchison	Thomas MacLennan
Tamala Collier	Andrew Jarvie	Duncan Macpherson
Helen Crawford	Barbara Jarvie	Duncan McDonald
Laura Dundas	Lyndsey Johnston	(appointed 12 Apr 2024)
(appointed 14 Jun 2024)		

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Jan McEwan	Margaret Paterson	Liz Sagers
Jim McGillivray	Morven Reid	Andrew Sinclair
Drew Millar	Matthew Reiss	Glynis Campbell-Sinclair
Hugh Morrison	Trish Robertson	Maxine Smith
Calum Munro	Karl Rosie	Ruraidh Stewart
Leslie-Anne Niven	Maureen Ross	Kate Willis
Paul Oldham	(appointed 29 Sep 2023)	

Other Trustees who served during the year:	Sarah Rawlings	Resigned 31 July 2023
	Colin Aitken	Resigned 12 February 2024
	Alasdair Rhind	Deceased 4 April 2024
	Elizabeth McAllister	Resigned 28 June 2024
	Pauline Munro	Resigned 31 July 2024
	Molly Nolan	Resigned 31 July 2024
	Angus MacDonald	Resigned 31 August 2024

Honorary Treasurer:	Brian Porter Chief Officer - Corporate Finance The Highland Council
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Independent Auditor:	Audit Scotland 4th Floor 102 West Port Edinburgh EH3 9DN
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The appointments of the following trustees were as a consequence of local government by-elections:

Trustee	Date of appointment	Ward
Maureen Ross	29 September 2023	Tain and Easter Ross
Duncan McDonald	12 April 2024	Inverness South
Laura Dundas	14 June 2024	Tain and Easter Ross
Sinclair Coghill	27 September 2024	Cromarty Firth
John Edmondson	27 September 2024	Cromarty Firth
Michael Gregson	27 September 2024	Inverness Central
Andrew Baxter	22 November 2024	Fort William and Ardnamurchan

Structure, Governance and Management

Highland Council Charitable Trusts

The Highland Council Charitable Trusts (HCCT) 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. These trusts are as follows:

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- 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; and
- Duncraig Endowment.

HCCT also incorporates the John Kirk's Mortification Trust for the poor of the parish of Wick.

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; and
- County of Sutherland Educational Trust 1960.

Highland Charities Trust

The Highland Charities Trust (HCT) was established on 6 March 2014 to amalgamate a number of small charitable trusts held by the Council. The funds from these charitable trusts were combined to enable them to be redirected to better serve the needs of the people of the Highland Council area.

Governing Documents

HCCT

HCCT is a charitable unincorporated trust. The objectives are described in the "Objectives and Activities" section on page 4.

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

In terms of the Trustees' governance of HCCT, they have determined that this is in terms of the Corporate Governance of the 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 HCCT, the Trustees have to act in the interest of the charitable trusts.

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Due to the age of some of the individual HCCT 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.

HCT

A Trust Deed was established for HCT in 2014 to hold the assets of existing public funds and all further donations, legacies and other monies and property heritable and moveable, real and personal wherever situated and of whatever kind which may hereinafter accrue, be paid, transferred or issued to or acquired by either the Council or HCT for HCT purposes.

Appointment of Trustees

The trustees of the charities are the members (councillors) of the Council. Trustees are appointed through their election to the 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 Trusts. 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 Trusts 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 Council. The Council provides administration services to the Trusts.

Objectives and Activities

Charitable Purpose:

HCCT

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;

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- 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 poor pensioners of the Parish of Wick to assist with the costs of living.

HCT

The purposes of the trust are as follows:

- a) For the prevention or relief of poverty;
- b) To provide relief, financial assistance or Welfare for those inhabitants of the Highland Council area who are in need by reason of age, ill-health, disease, invalidity, disability, infirmity, financial hardship or other disadvantage;
- c) Advancement of education;
- d) Advancement of health;
- e) Advancement of citizenship or community development;
- f) Advancement of art, heritage, culture or science;
- g) The provision of recreational facilities or the organisation of recreational activities with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended;
- h) To assist other charitable organisations with purposes similar to the Trust so as to further their charitable purposes within the Highland Council Area by the provision of financial and/or material assistance.

Achievements and Performance

In the year to 31 March 2024, the Trustees of HCCT continued to consider all applications for grant funding received in the year and awarded a total of 53 grant payments which amounted to £35,192 (2022/23 £37,255), 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.

No grant applications were received in relation to HCT in the year to 31 March 2024 or 31 March 2023.

Achievements and Future Plans

During the year, the Trusts continued to apply the income generated from its investments to meet its charitable objectives. The Trusts will review and consider its investment activities and future grant levels in light of fluctuating revenue from investment income.

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Financial Review

Overview

The balances available to the Trusts and the income and expenditure during the financial year are set out in the Statement of Balances as at 31 March 2024 and the Statement of Receipts and Payments for the year ended 31 March 2024 in the financial statements following.

HCCT

Income during 2023/24 comprised income from stock market investments of £20,617 (2022/23 £31,704) and interest from deposits held with the Council of £101,924 (2022/23 £28,263).

The expenditure of HCCT included grants of £35,192 (2022/23 £37,255), an annual administration charge from the Council of £8,010 (2021/22 £7,521), audit fees of £1,000 (2022/23 £1,000) and compensation payments to a former employee of Duncraig College of £2,271 (2022/23 £2,066).

HCCT held investments with a market value of £2,012,438 (2022/23 £1,785,401), and deposits with the Council of £2,355,477 (2022/23 £2,279,409).

HCT

Income during 2023/24 comprised income from stock market investments of £108 (2022/23 £91) and interest from deposits held with the Council of £6,030 (2022/23 £2,228). The expenditure of the Trusts included an annual administration charge from the Council of £3,066 (2022/23 £5,625) and audit fees of £1,000 (2022/23 £1,000).

The Trust held investments with a market value of £2,210 (2022/23 £2,036) and deposits with the Council of £136,606 (2022/23 £134,534).

Management of Funds and Investment Policy

The Trustees rely upon the expertise of the Council to manage the investments to ensure the maximum return at least risk to the Trusts. In this way, the income stream for the future benefit of the Trusts is protected.

The funds of the Trusts 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 Trusts receive interest at the average market rate for the Council's borrowing.

Highland Council Charitable Trust Funds

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Risk Management

The Treasurer, through the Corporate Audit and Performance Manager of Highland Council, has taken the steps required by Trustees to consider the major risks to which the Trusts are 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 for the Trusts at the end of the financial period, which includes cash and bank balances only repayable on demand, were as follows:

	2023/24	2022/23
Unrestricted free reserves	£	£
HCCT	108,704	88,099
HCT	102,892	100,820

HCCT

The Trust deeds of the HCCT trusts 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

Any further surpluses are capitalised and transferred to permanent endowment funds.

The permanent endowment funds of HCCT at the end of the financial period were £2,309,558 (2022/23 £2,254,095 restated).

HCT

The HCT trust deed states that payments can be made from income or capital of the trust fund and that income need not be fully paid out in any year but can be carried forward provided that it will be used for trust purposes and not accumulated with capital funds.

The permanent endowment funds of HCT at the end of the financial period were £34,938 (2022/23 £34,938).

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Plans for the Future

The Trusts will continue to utilise the income received each year in line with the charitable purpose of each fund. The Trusts will continue to seek to modernise each scheme in order to ensure maximum benefit to beneficiaries.

Raymond Bremner
Trustee

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Statement of Trustees' Responsibilities Aithris Dhleastanasan Urrasairean

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; 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 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.

Raymond Bremner
Trustee

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Independent Auditor's Report Aithisg Neach-Sgrùdaidh Neo-Eisimeilich

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

Reporting on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of Highland Council Charitable Trust Funds for the year ended 31 March 2024 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 Receipts and Payments, the Statement of Balances and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis

In my opinion the accompanying financial statements:

- properly present the receipts and payments of the Highland Council Charitable Trust Funds for the year ended 31 March 2024 and its statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1), (2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

I conducted my 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. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Highland Council Charities Trust Funds in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Responsibilities, the trustees are responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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Auditor's responsibilities for the audit of the financial statements

My 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 my 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using my understanding of the local government sector and charity sector to identify that the Local Government (Scotland) Act 1973, Charities and Trustee Investment (Scotland) Act 2005 and The Charities Accounts (Scotland) Regulations 2006 are significant in the context of the Highland Council Charities Trust Funds;
- inquiring of the Trustees as to other laws or regulations that may be expected to have a fundamental effect on the operations of the Highland Council Charitable Trust Funds;
- inquiring of the Trustees concerning the Highland Council Charitable Trust Funds' policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Highland Council Charitable Trust Funds' controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

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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 my auditor's report.

Reporting on other requirements

Other information

The trustees are responsible for the other information in the statement of accounts. The other information comprises the Trustees' Annual Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Trustees' Annual Report to the extent explicitly stated in the following opinion prescribed by the Accounts Commission.

Opinions prescribed by the Accounts Commission on the Trustees' Annual Report

In my 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 Charity Accounts (Scotland) Regulations 2006.

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

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Use of my 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 108 of the Code of Audit Practice, [I/we] do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Claire Gardiner CPFA
Audit Scotland
102 West Port
Edinburgh
EH3 9DN

Claire Gardiner is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973

**Highland Council Charitable Trust Funds
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**Statement of Receipts and Payments 2023/24
Aithris Chuidhtean agus Phàighidhean 2023/24**

	Note	Unrestricted Funds £	HCCT SC025079 Permanent Endowment £	Total £	Unrestricted Funds £	HCT SC044714 Permanent Endowment £	Total £	Total Funds £
RECEIPTS								
Investment income	5	122,541	-	122,541	6,138	-	6,138	128,679
Total Receipts		122,541	-	122,541	6,138	-	6,138	128,679
PAYMENTS								
Grants and donations	6	35,192	-	35,192	-	-	-	35,192
Governance costs	7	9,010	-	9,010	4,066	-	4,066	13,076
Other expenditure	8	2,271	-	2,271	-	-	-	2,271
Total Expenditure		46,473	-	46,473	4,066	-	4,066	50,539
(Deficit)/Surplus for the period		76,068	-	76,068	2,072	-	2,072	78,140
Transfers between funds		(55,463)	55,463	-	-	-	-	-
Net movement in funds		20,605	55,463	76,068	2,072	-	2,072	78,140

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**Statement of Receipts and Payments 2022/23
Aithris Chuidhtean agus Phàighidhean 2022/23**

	Note	HCCT SC025079			HCT SC044714			Total Funds £
		Unrestricted Funds £	Permanent Endowment £	Total £	Unrestricted Funds £	Permanent Endowment £	Total £	
RECEIPTS								
Investment income	5	59,967	-	59,967	2,319	-	2,319	62,286
Total Receipts		59,967	-	59,967	2,319	-	2,319	62,286
PAYMENTS								
Grants and donations	6	37,255	-	37,255	-	-	-	37,255
Governance costs	7	8,521	-	8,521	6,625	-	6,625	15,146
Other expenditure	8	2,066	-	2,066	-	-	-	2,066
Total Expenditure		47,842	-	47,842	6,625	-	6,625	54,467
(Deficit)/Surplus for the period		12,125	-	12,125	(4,306)	-	(4,306)	7,819
Transfers between funds		(41,581)	41,581	-	-	-	-	-
Net movement in funds		(29,456)	41,581	12,125	(4,306)	-	(4,306)	7,819

The notes on pages 18 – 23 form an integral part of these accounts.

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**Statement of Balances 2023/24
Aithris Chothromachaidhean 2023/24**

	Note	Unrestricted Funds £	HCCT SC025079 Permanent Endowment £	Total £	Unrestricted Funds £	HCT SC044714 Permanent Endowment £	Total £	Total Funds £
Cash and bank balances	9							
Opening Balances		88,099	2,191,310	2,279,409	100,820	33,714	134,534	2,413,943
Surplus/(Deficit) for Period		76,068	-	76,068	2,072	-	2,072	78,140
Transfers		(55,463)	55,463	-	-	-	-	-
Closing balances		108,704	2,246,773	2,355,477	102,892	33,714	136,606	2,492,083
Investments at cost		-	62,785	62,785	-	1,224	1,224	64,009
Total Funds		108,704	2,309,558	2,418,262	102,892	34,938	137,830	2,556,092
Market Value of Investments	10	-	2,012,438	2,012,438	-	2,210	2,210	2,014,648

**Highland Council Charitable Trust Funds
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**Statement of Balances 2022/23
Aithris Chothromachaidhean 2022/23**

	Note	HCCT SC025079			HCT SC044714			Total Funds
		Unrestricted Funds	Permanent Endowment	Total	Unrestricted Funds	Permanent Endowment	Total	
		£	£	£	£	£	£	
Cash and bank balances	9							
Opening Balances		117,555	1,356,380	1,473,935	105,126	33,714	138,840	1,612,775
Surplus/(Deficit) for Period		12,125	-	12,125	(4,306)	-	(4,306)	7,819
Redemption of fixed deposit		-	793,349	793,349	-	-	-	793,349
Transfers		(41,581)	41,581	-	-	-	-	-
Closing balances		88,099	2,191,310	2,279,409	100,820	33,714	134,534	2,413,943
Investments at cost (restated)		-	62,785	62,785	-	1,224	1,224	64,009
Total Funds		88,099	2,254,095	2,342,194	100,820	34,938	135,758	2,477,952
Market Value of Investments	10	-	1,785,401	1,785,401	-	2,036	2,036	1,787,437

The notes on pages 18 – 23 form an integral part of these accounts.

In 2019/20, there were investment disposals where the proceeds were treated as investment income in full, without accounting for the reduction in the cost of the investments. Investments at costs have therefore been reduced by £2,534, being the costs of the investments sold.

The draft financial statements were approved and authorised for issue on 27 June 2024.

Raymond Bremner
Trustee

Brian Porter CPFA
Treasurer

Highland Council Charitable Trust Funds Annual Report and Financial Statements 2023/24

Notes to the Financial Statements Notaichean air na h-Aithrisean Ionmhasail

1. Basis of Accounting

These accounts have been prepared on the Receipts and Payments basis in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

2. Fund Accounting

- (a) 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 Trusts.
- (b) The permanent endowment funds comprise donated investments, which are held in perpetuity to provide investment income to fund the charitable activities of the Trusts.

3. Taxation

The Trusts are not liable to income or capital gains tax on their charitable activities. Irrecoverable VAT is included in the expense to which it relates.

4. Trustee Remuneration, Expense and Related Party Transactions

- (a) No remuneration or expenses were paid to charity trustees or persons connected to the trustees during the period.
- (b) There were no other transactions between the charities and any trustee or any connected person during the period.
- (c) All incoming and outgoing transactions are made via the Council's bank accounts.

5. Investment Income Received

Investment income received consists of the following:

	2023/24		2022/23	
	£		£	
	HCCT	HCT	HCCT	HCT
Dividends	20,617	108	31,704	91
Interest on Revenue Balances	101,924	6,030	28,263	2,228
Total	122,541	6,138	59,967	2,319

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6. Grants

	2023/24	2022/23	2023/24	2022/23
	£	£	£	£
	HCCT	HCT	HCCT	HCT
Total Grants Paid	35,192	-	37,255	-

6.1. Total Value of Grants

HCCT

	Grants paid to Institutions		Grants paid to Individuals	
	2023/24	2022/23	2023/24	2022/23
	£	£	£	£
Educational Grants	-	-	11,450	3,600
Educational Allowances	-	-	7,900	32,500
Educational Travel Grants	-	-	1,800	-
Bursaries	12,037	-	-	-
School Prizes	2,005	1,155	-	-
Total	14,042	1,155	21,150	36,100

6.2. Grants made to Institutions

HCCT

Names of Institutions	Grant Purpose	Total Amount of Grant Paid	
		2023/24	2022/23
		£	£
Ben Wyvis Primary School	Educational Grants	280	280
Castletown Primary School	School Prizes	-	-
Comhairle Nan Eilean Siar	School Prizes/Bursaries	13,377	-
Craighill Primary School	School Prizes	-	-
Dingwall Academy	School Prizes	-	340
Golspie High School	School Prizes	-	150
Halkirk Primary School	School Prizes	-	-
Knockbreck Primary School	School Prizes	25	25
Pulteneytown Academy	School Prizes	-	-
Tain Royal Academy	School Prizes	310	310
Tarbat Old Primary School	School Prizes	50	50
Wick High School	School Prizes	-	-
		14,042	1,155

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6.3. Number of Grants Made

Of the 53 grants paid during the year, all from HCCT, these are further analysed as follows:

- 40 were paid to individuals as educational grants/allowances;
- 13 were paid to the institutions listed above.

7. Governance Costs

Governance costs consist of the fees for the external audits of the Trusts and administration fees paid to the Council to cover provision of accounting and legal services.

	2023/24		2022/23	
	HCCT	HCT	HCCT	HCT
	£	£	£	£
External audit fees	1,000	1,000	1,000	1,000
HC Central Support charges	8,010	3,066	7,521	5,625
	<u>9,010</u>	<u>4,066</u>	<u>8,521</u>	<u>6,625</u>

8. Other Resources Expended

HCCT

Spend of £2,271 relates to compensation payments made to a former employee of Duncraig College (2022/23 £2,066).

9. Cash and Bank Balances

During the year, the trusts' balances were held by the Council, which manages the administration of the funds on behalf of the Trustees. The Council also acts as the banker for the Trusts 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.

10. Investments

The Trusts held the following investments:

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HCCT

At 31/3/24

	Investments	
	Cost	Market Value
	£	£
HCCT Inverness Educational Trust	27,405	699,965
HCCT Ross & Cromarty Educational Trust	35,380	1,312,473
	<u>62,785</u>	<u>2,012,438</u>

At 31/3/23

	Investments	
	Cost (restated)	Market Value
	£	£
HCCT Inverness Educational Trust	27,405	622,730
HCCT Ross & Cromarty Educational Trust	35,380	1,162,671
	<u>62,785</u>	<u>1,785,401</u>

In 2019/20, there were investment disposals where the proceeds were treated as investment income in full, without accounting for the reduction in the cost of the investments. Investments at costs have therefore been reduced by £2,534, being the costs of the investments sold.

HCT

Investments comprise Lloyds Bank plc 10p ordinary shares, held by Grantown Poor Fund, which have a historical cost of £1,224 (2022/23 - £1,224) and a market value of £2,210 (2022/23 - £2,036).

11. Analysis of Charitable Trusts

HCCT

Endowment Funds	Permanent Endowment Fund Balance	
	31-Mar-24	31-Mar-23 (restated)
	£	£
HCCT Inverness-Shire Educational Trust	473,512	445,192
HCCT Duncraig Endowment	793,349	793,349
HCCT Forbes Meteorological Trust	200	200
HCCT Ross and Cromarty Educational Trust	825,360	802,623
HCCT Sutherland Educational Trust	113,673	109,267
HCCT Caithness Educational Trust	93,020	93,020
HCCT A M MacKay's Bequest	100	100
HCCT John Kirk's Mortification	10,344	10,344
	<u>2,309,558</u>	<u>2,254,095</u>

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As noted above, in 2019/20, there were investment disposals where the proceeds were treated as investment income, without accounting for the reduction in the cost of the investments. Investments at costs have been reduced by £2,534, with a corresponding reduction in the permanent endowment fund balances of the funds from which the investment disposals were made (HCCT Inverness-Shire Educational Trust £918; HCCT Ross and Cromarty Educational Trust £1,616).

Unrestricted Funds	Unrestricted Fund Balance	
	31-Mar-24	31-Mar-23
	£	£
HCCT Inverness-shire Educational Trust	500	500
HCCT Duncraig Endowment	26,139	2,609
HCCT Duncraig College	292	279
HCCT Forbes Meteorological Trust	123	108
HCCT Ross and Cromarty Educational Trust	5,000	5,000
HCCT Sutherland Educational Trust	400	400
HCCT Caithness Educational Trust	75,290	78,733
HCCT A M Mackay's Bequest	51	44
HCCT John Kirk's Mortification	909	426
	108,704	88,099

HCT

Endowment Funds	Permanent Endowment Fund Balance	
	31-Mar-24	31-Mar-23
	£	£
HCT Badenoch and Strathspey Poor Fund	2,614	2,614
HCT Black Isle Poor Fund	2,288	2,288
HCT Caol and Mallaig Poor Fund	1,496	1,496
HCT Cromarty Firth Poor Fund	100	100
HCT Daviot and Moy Poor Fund	591	591
HCT Dingwall and Conon Poor Fund	274	274
HCT Fort William Poor Fund	100	100
HCT Grantown Heritage Fund	150	150
HCT Grantown Poor Fund	3,997	3,997
HCT Inverness Poor Fund	1,553	1,553
HCT Landward Caithness Poor Fund	2,224	2,224
HCT Nairn and Auldearn Poor Fund	10,641	10,641
HCT Nairn Children's Fund	1,000	1,000
HCT Skye Poor Fund	510	510
HCT Tain and Easter Ross Poor Fund	1,610	1,610
HCT Wick Education & Heritage Fund	283	283
HCT Wick Poor Fund	5,507	5,507
Total Funds	34,938	34,938

**Highland Council Charitable Trust Funds
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Unrestricted Funds	Unrestricted Fund Balance	
	31-Mar-24	31-Mar-23
	£	£
HCT Badenoch& Strathspey Poor Fund	3,006	2,885
HCT Black Isle Poor Fund	746	616
HCT Caol & Mallaig Poor Fund	2,949	2,876
HCT Cawdor Poor Fund	2,189	2,183
HCT Cromarty Firth Poor Fund	(4)	(8)
HCT Daviot & Moy Poor Fund	1,307	1,278
HCT Dingwall and Conon Poor Fund	135	118
HCT Dores Poor Fund	2,010	2,003
HCT Durness Poor Fund	64	61
HCT East Sutherland & Edderton Poor Fund	1,725	1,719
HCT Fort William Poor Fund	482	457
HCT Gairloch High School Fund	24,083	24,008
HCT Glenelg Heritage Fund	925	885
HCT Grantown Heritage Fund	641	607
HCT Grantown Poor Fund	20,611	20,320
HCT Highland Education Fund (all)	8,139	8,114
HCT Highland Health Fund (all)	13,597	13,555
HCT Inverness Poor Fund	159	85
HCT Landward Caithness Poor Fund	182	79
HCT Lochaber Education Fund	26	25
HCT Nairn and Auldearn Poor Fund	9,032	8,548
HCT Nairn Children's Fund	613	544
HCT Skye Poor Fund	783	727
HCT Tain & Easter Ross Poor Fund	159	83
HCT Wester Ross Poor Fund	5,253	5,236
HCT Wick Education & Heritage	85	69
HCT Wick Poor Fund	3,995	3,747
Total Funds	102,892	100,820