

The Highland Council

29th October 2015

Agenda Item	13
Report No	HC/47/15

Highland Charities Trust and Highland Council Charitable Trusts

Report by Director of Finance

Summary

The report asks for the Audited Accounts of the Highland Charities Trust and the Highland Council Charitable Trusts to be agreed and for approval to undertake a review of the operation of the individual trusts within the umbrella trusts.

1. Background

- 1.1 Members agreed¹ to create a Highland Charities Trust into which over 40 separate small trusts were transferred. All Councillors are Trustees. This would operate as an umbrella trust. A chronology of actions and decisions in creating the Trust is attached at Appendix 1. The regulator (OSCR²) approved the creation of the Highland Charities Trust on the condition that the original purposes and geographies of the smaller trusts were retained. This led to grouping the smaller trusts by type, purpose and geography within the Highland Charities Trust for the funds to be administered. This is shown in Appendix 2.
- 1.2 This Trust has been in operation for one full financial year 2014/15. It is administered locally through the Ward Management Team. The audited accounts to 31.3.15 show the total funds in the Highland Charities Trust to be £192,828.
- 1.3 At the Council meeting in September 2015 (item 18) Members were advised that the Audited Accounts and the Independent Auditors Report for the Highland Charitable Trust along with the longer established umbrella trust named the Highland Council Charitable Trusts (incorporates mainly Educational Trusts) would be reported to the Highland Council in October 2015. The annual accounts are provided for Members to agree.
- 1.4 The Audit and Scrutiny Committee in September 2015 (item 10) considered the Annual Audit Report 2014/15 to Members of the Highland Council and Controller of Audit from Audit Scotland on both umbrella trusts. The findings and proposed action is set out below.

2. The 2014/15 Audit

- 2.1 The Independent Auditor's Reports on the Highland Charities Trust and

¹ See Council minutes and agendas for December 2013 (item 20) and September 2014 (item 12).

² The Office of the Scottish Charity Regulator

Highland Council Charitable Trusts are unqualified.

2.2 Audit Scotland's annual report raised an issue with governance documentation. This highlighted:

1. A lack of documentation on three of the original smaller trusts given their age;
2. Consequent inability to verify the nature of the funds and whether spend was in line with the original purpose.

The Council has acknowledged that the age of some of the original trusts means there is a lack of documentation. In these cases the Council treats them as endowments and relies on custom and practice to inform decisions by trustees.

2.3 The management action proposed in the annual audit report proposes that work is carried out in 2015/16 to look at the operation of the individual trusts to ensure the governance arrangements remain robust. The target date for this work is September 2016 with the responsible Officer the Director of Finance. This will be completed with support from the Head of Policy and Reform and the Head of Resources (Care and Learning) It aims to clarify:

1. The amount available for allocation within each grouping and area;
2. Whether there are distinctions between capital and revenue funding for investment and for distribution;
3. Whether current governance arrangements need to change (e.g. where decisions must be taken by Trustees and not be delegated and to clarify whether there is a role for any external trustees);
4. Any changes required to the process to make the Trust funding more accessible for those eligible.

2.4 As Trustees, for the umbrella trusts, Members are asked to consider and agree the terms of the review in light of the audit recommendations.

3. Implications

3.1 Resource implications: One of the reasons for creating the Highland Charities Trust was to avoid a new audit burden and the associated costs involved.

Legal implications: Legal advice was taken in the creation of the Trusts, in preparing the Deed of the Trusts and in the governance arrangements required.

Equalities implications: The purpose of many of the original trusts is to reduce poverty or to support particular disadvantaged groups or young people in the community. The people they aim to help are likely to have protected characteristics related to age and disability. Good management of the Trusts can help the Council to comply with its duties under the Equality Act (2010).

Climate Change/Carbon Clever implications: Some of the funds can be used to help people with heating costs.

Risk implications: The review will help improve the operation of the Trusts. It is recommended that the outcome of the review and the scrutiny of the annual accounts are considered at the Audit and Scrutiny Committee where the external audit reports are considered.

Gaelic implications: None are identified

Rural implications: The funding within the umbrella Trusts apply across Highland and rural communities can benefit.

4. Recommendation

4.1 Members as Trustees are asked to:

1. Note the development of the Highland Charities Trust to date;
2. Note the review of both umbrella Trusts required following the Audit issue identified and agree the aims of the review as set out in paragraph 2.3;
3. Agree the annual accounts of the Highland Charities Trust and Highland Council Charitable Trusts circulated separately.
4. Agree that the outcome of the review is reported to the Audit and Scrutiny Committee and that annual accounts in future are considered there.

Designation: Director of Finance

Date: 15th October 2015

Authors: Carron McDiarmid, Head of Policy and Reform, David Robertson, Head of Corporate Finance

Background Papers: None

Chronology of Actions/Decisions in Creating the Highland Charities Trust

Audit and Scrutiny meeting September 2013

Members advised of the implications of compliance with the Charities Accounts (Scotland) Regulations 2006.

Council meeting December 2013

Report presented (item 20) to Council on the need to change arrangements for the trusts to comply with regulations. At that time Councillors were Trustees of 70 separate and small charitable trusts. The total value of the trusts was reported as £75k revenue and £59k capital. Only Ward 2 and Ward 20 had no coverage. A change in arrangements was required because:

1. Legally, charities were no longer permitted to remain inactive and 24 charitable trusts were found to have nil balances; and
2. Through regulation new financial reporting and audit requirements from The Office of the Scottish Charity Regulator (OSCR) would mean full external audits required on all trusts from 1.4.14.

To avoid an increased audit burden and associated costs and to improve awareness of the trust funds locally, Members agreed:

1. To create the Highland Charities Trust and the Deed of the Trust, subject to the approval of (OSCR) and the Trust being registered as a Scottish charity;
2. To transfer into the Trust the assets of any small charitable trusts administered by the Council where their purpose equated to the purposes of the new Trust;
3. To wind up the small trusts once funds were transferred, noting that OSCR has acknowledged the winding up of the 24 Trusts with nil balances; and
4. For governance, authority was delegated to the Corporate Manager to consider applications for funding of up to £10k, in consultation with Ward members, to agree the distribution of funds within Wards. Any request in excess of £10k or for an area covering 4 wards or more would be decided through Resources Committee. This delegated authority was aligned to delegated authority for the Council's Ward Discretionary Grant.

Council meeting September 2014

In September 2014 an up-date was reported to Council (item 12). This confirmed:

1. The Highland Charities Trust was awarded charitable status in March 2014.
2. The reorganisation of trusts was approved by OSCR in March 2014 subject to the original trusts purpose and geography being retained. This led to grouping the smaller trusts by type and purpose for the funds to be

administered. These smaller trusts transferred into the Highland Charities Trust.

3. Governance changed for delegated authority to pass to the Head of Policy and Reform following the deletion of the Corporate Manager post and for the Audit and Scrutiny Committee to approve the audited annual accounts of the Trust.
4. The option of registering Common Good Funds with OSCR would be explored.

HIGHLAND CHARITIES TRUST

New Cost Centre Name	Current Charitable Title	Purpose	Ring Fencing
HCT Highland Education Fund (all)	Highland Regional Childrens Panel 20th Anniversary Trust Fund	a) Advancement of Education b) Advancement of citizenship or community development c) 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 d) 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.	for the benefit of persons under the age of 18 years.
HCT Highland Health Fund (all)	Highland Heart Fund	a) Advancement of health b) 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.	No identified ring fencing.
HCT Durness Poor Fund (Ward 1)	Mcculloch Bequest For The Poor Of Durness	a) for the prevention or relief of poverty and 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	For the benefit of Ward 1 area
HCT Wick Poor Fund (Ward 3)	William Davidson Bequest William Murray Bequest For Poor Of Wick George Swanson Trust James Cormack Bequest John Jacobus Harper Trust Thomas L Rettie Bequest For Poor Jane Cormack Bequest Miss Adeleine Florence Henderson Bequests Alexander Wares Bequest For Poor John Sutherland (Fish Curer) Poor Fund John Sutherland Poor Cooper's Fund Sir Josiah H Symon Poor Fund Total	a) for the prevention or relief of poverty and 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	For the benefit of Ward 3 area
HCT Wick Education and Heritage Fund (Ward 3)	William Murray Bequest For Wick Library	a) Advancement of education b) Advancement of art, heritage, culture or science c) 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	For the benefit of Ward 3 area
HCT Landward Caithness Poor Fund (Ward 4)	Oswald (Bower) Mortification Oswald (Dunnet) Bequest Davidson - Cumming Bequest Murray (Olig) Bequest Total	for the prevention or relief of poverty and 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	For the benefit of Ward 4 area

New Cost Centre Name	Current Charitable Title	Purpose	Ring Fencing
HCT East Sutherland and Edderton Poor Fund (Ward 5)	John Rutherford Trust For Poor Of Kildonan Mccrone Bequest Ross Bequest John Couper Bequest For Poor Of Helmsdale Total	for the prevention or relief of poverty and 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	For the benefit of Ward 5 area
HCT Dores Poor Fund (Ward 13)	Knockie Trust Fund	a) for the prevention or relief of poverty and 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	For the benefit of Ward 13 area
HCT Daviot & Moy Poor Fund (Ward 13 & 16)	Duncan Macbean Bequest Macbean Bequest Daviot & Dunn Total	a) for the prevention or relief of poverty and 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	For the benefit of Ward 13 and 16 areas
HCT Cawdor Poor Fund (Wards 18 & 19)	Grigor Bequest For Poor Of Parish Of Cawdor	a) for the prevention or relief of poverty and 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	For the benefit of Ward 18 & 19 areas
HCT Inverness Poor Fund (Wards 14, 15, 16 & 17)	Mrs Jane Masson Bequest Frederick Klein Mortification Total	a) for the prevention or relief of poverty and 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	For the benefit of Wards 14,15,16 & 17 areas
HCT Fort William Poor Fund (Ward 12)	Kennedy Trust For Poor	a) for the prevention or relief of poverty and 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	For the benefit of Ward 12 area
HCT Caol & Mallaig Poor Fund (Ward 22)	Donald Cameron Of Erracht Bequest For Poor Of Kilmallie	a) for the prevention or relief of poverty and 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	For the benefit of Ward 22 area
HCT Lochaber Education Fund (Ward 12 & 22)	Castle Commando Trust	a) Advancement of Education b) 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 c) 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.	For the benefit of Wards 12 & 22 area

New Cost Centre Name	Current Charitable Title	Purpose	Ring Fencing
HCT Nairn and Auldearn Poor Fund (Ward 19)	Miss Emma M Fraser Bequest For The Poor Of Nairn John Rose Troup Charitable Trust Thomson Bequest Fund Miss L E M Rose Bequest Total	a) for the prevention or relief of poverty and 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	For the benefit of Ward 19 area
HCT Nairn Children's Fund (Ward 19)	Nairnshire Boot Fund Grigor Bequest For Confirmed Invalids Total	a) for the prevention or relief of poverty and 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.	For the benefit of young people under the age of 18 in the Ward 19 area.
HCT Badenoch and Strathspey Poor Fund (Ward 21)	Dr Donald Grant Legacy Burnside Bequest Cromdale Poor Duncan Cameron Trust For Poor Of Abernethy George Harvey Trust Dr A A C Grant Bequest Total	a) for the prevention or relief of poverty and 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	For the benefit of Ward 21 area
HCT Grantown Poor Fund (Ward 21)	Miss Margaret Charlotte Stuart Legacy	a) for the prevention or relief of poverty and 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	For the benefit of the Town of Grantown.
HCT Grantown Heritage Fund (Ward 21)	Grantown War Memorial Fund	a) Advancement of art, heritage and culture or science b) 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	For the benefit of Ward 21 area
HCT Wester Ross Poor Fund (Ward 6)	West Coast Of Ross-Shire (Mainland) Distress Fund	a) for the prevention or relief of poverty and 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	For the benefit of Ward 6 area.
HCT Cromarty Firth poor Fund (Ward 7)	John Martin Trust To Give Christmas Dinner To The Poor Of Invergordon Kynoch Bequest - Invergordon Miss M A Ross Fund - Invergordon R G Fraser MacKenzie Bequest - Saltburn Total	a) for the prevention or relief of poverty and 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	For the benefit of Ward 7 area

New Cost Centre Name	Current Charitable Title	Purpose	Ring Fencing
HCT Tain & Easter Ross Poor Fund (Ward 8)	Hugh Leslie Bequest George Murray Senr Coal Fund Ronald Ross Gift George Macleod Bequest Viscount Tarbat Barley Trust - Fearn & Seaboard Miss MacLeod Bequest - Fearn & Seaboard Wm Murray Bequest - Tain D Fraser Bequest - Tain Donald Duff Bequest for poor of Tain J Ross Bequest - Tain Miss I Munro Bequest - Tain G Murray Westfield Fund - Tain Alex Ross Fund - Tain David Thomson Bequest For Poor Alex Thomson Bequest For Poor David Thomson Bequest For Ex-Seaforth Highlanders Tain War Memorial Fund Total	a) for the prevention or relief of poverty and 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	For the benefit of Ward 8 area
HCT Dingwall and Conon Poor Fund (Ward 9)	G Urquhart Bequest - Conon Bridge W Simpson Bequest - Dingwall Total	a) for the prevention or relief of poverty and 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	For the benefit of Ward 9 area
HCT Black Isle Poor Fund (Ward 10)	F W Grant Bequest Alex MacLean's Trust - Cromarty Coull Mortification John Fraser Bequest Miss E Kemp Bequest For Poor Of Rosemarkie Total	a) for the prevention or relief of poverty and 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	For the benefit of Ward 10 area
HCT Glenelg Heritage Fund (Ward 6)	Glenelg War Memorial	a) Advancement of art, heritage and culture or science b) 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	For the benefit of Ward 6 area
HCT Skye Poor Fund (Ward 11)	Skye Patriotic Fund A M Macdonald Trust Fund Total	a) for the prevention or relief of poverty and 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	For the benefit of Ward 11 area
HCT Gairloch Children's Fund (Ward 6)	Gairloch High School Howard Dorisfund	a) Advancement of Education b) Advancement of citizenship or community development c) Advancement of art, heritage, culture or science d) 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 e) 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.	For the benefit of young persons under the age of 18 years within Ward 6 area.

HIGHLAND CHARITIES TRUST
Scottish Charity Number SC044714

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the period 6 March 2014 to 31 March 2015

**HIGHLAND CHARITIES TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
6 MARCH 2014 - 31 MARCH 2015**

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**HIGHLAND CHARITIES TRUST
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TRUSTEES ANNUAL REPORT

The Trustees present their annual report together with the financial statements and the Independent Auditor's report for the period from 6 March 2014 to 31 March 2015.

REFERENCE AND ADMINISTRATION INFORMATION

Charity Name: Highland Charities Trust

Charity Number: SC044714

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

Current Trustees:

David Alston	Liz Macdonald
Roderick Balfour	Neil MacDonald
Jennifer Barclay	Deidre Mackay
Andrew Baxter	Donald Mackay
David Bremner	Willie Mackay
Ian Brown	Graham Mackenzie
Caroline Caddick	Alister Mackinnon
Isabelle Campbell	Angela MacLean
Janet Campbell	Thomas MacLennan
Helen Carmichael	Kenneth MacLeod
Alasdair Christie	Bet McAllister
Bill Clark	Isobel McCallum
Ian Cockburn	Jim McGillivray
Gillian Coghill	Drew Millar
Jim Crawford	Hugh Morrison
Margaret Davidson	Linda Munro
Norrie Donald	Brian Murphy
Jaci Douglas	Fraser Parr
Allan Duffy	Margaret Paterson
Dave Fallows	Graham Philips
George Farlow	Thomas Prag
Bill Fernie	Martin Rattray
Mike Finlayson	Matthew Reiss
John Ford	Ian Renwick
Craig Fraser	Alasdair Rhind
Hamish Fraser	Gregor Rimmell
Laurie Fraser	Fiona Robertson
John Gordon	John Rosie
Bren Gormley	Gail Ross
Ken Gowans	Graham Ross
Alex Graham	Roger Saxon
Jimmy Gray	Audrey Sinclair
Michael Green	Glynis Sinclair
Richard Greene	Jean Slater
Allan Henderson	Maxine Smith
Drew Henry	Catriona Stephen

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	Donnie Kerr	Jamie Stone Ben Thompson (elected 1.5.14)
	Richard Laird Bill Lobban Colin MacAulay	Carolyn Wilson Hamish Wood
Other Trustees who served during the year:	Colin MacAulay (resigned 15.3.15)	Stephen Fuller (elected 7.5.15)
Honorary Treasurer:	Derek Yule Director of Finance The Highland Council	
Independent Auditor:	Stephen Boyle Assistant Director Audit Scotland 4 th Floor South Suite 8 Nelson Mandela Place GLASGOW G2 1BT	

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

A Trust Deed was established 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 the Trust for the Trust.

Appointment of Trustees

The trustees of the charity are the elected members (councillors) of The Highland Council. Trustees are appointed through their election to The Highland 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 Trust. 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 charity 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.

HIGHLAND CHARITIES TRUST ANNUAL REPORT AND FINANCIAL STATEMENTS 6 MARCH 2014 - 31 MARCH 2015

Related Parties

Trustees hold this position because they are elected members of The Highland Council. The Highland Council provides administration services to the Trust.

Risk Management

The Director of Finance of The Highland Council, through the Head of Internal Audit and Risk Management, has taken the steps required by trustees to consider the major risks to which the charity is 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.

Management of Funds and Investment Policy

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

The funds of the charity are made up of stock market investments in various companies, Government Stocks with the balance of the funds deposited with The Highland Council Loans Fund.

For the balance of the funds the charity receives interest at the average market rate for the Council's borrowing.

OBJECTIVES AND ACTIVITIES

Charitable Purpose:

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

HIGHLAND CHARITIES TRUST ANNUAL REPORT AND FINANCIAL STATEMENTS 6 MARCH 2014 - 31 MARCH 2015

ACHIEVEMENTS AND PERFORMANCE

The Highland Charities Trust was established on 6 March 2014 to amalgamate a number of small charitable trusts held by The Highland 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.

The trust comprises all the former charitable trust funds as disclosed in the Highland Council accounts at 31 March 2013, as well as the following funds which were disclosed as other trust funds in the Highland Council accounts:

- A M Macdonald Trust Fund
- Alex Maclean's Trust - Cromarty
- Alex Ross Fund – Tain
- Burnside Bequest Cromdale Poor
- Castle Commando Trust
- D Duff Bequest – Tain
- D Fraser Bequest – Tain
- Dr A A C Grant Bequest
- G Murray Westfield Fund - Tain
- G Urquhart Bequest – Conon Bridge
- Glenelg War Memorial
- J Ross Bequest – Tain
- Kynoch Bequest – Invergordon
- Macbean Bequest Daviot & Dunn
- Mccrone Bequest
- Miss I Munro Bequest - Tain
- Miss M A Ross Fund - Tain
- Miss Macleod Bequest – Fearn & Seaboard
- R G Fraser Mackenzie Bequest - Saltburn
- Ross Bequest
- Skye Patriotic Fund
- Thomson Bequest Fund
- Viscount Tarbert Barley Trust – Fearn & Seaboard
- W Simpson Bequest - Dingwall
- Wm Murray Bequest - Tain

Achievements and Future Plans

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

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FINANCIAL REVIEW

Overview

Income during the period of £3,171 comprised income from stock market investments of £1,571, and interest from deposits held with Highland Council of £1,600. The redemption of Treasury Stocks also realised £24,516.

The expenditure of the Trusts included an annual administration charge to the Highland Council of £14,872. A number of the funds have also made donations to eligible beneficiaries during the year to 31 March 2015.

The Trusts held investments with a market value of £12,650 and deposits with Highland Council of £187,493.

Reserves Policy

The unrestricted free reserves at the end of the financial period were £162,977. This includes cash and bank only repayable on demand. The Trust has no explicit reserves policy, but Reserves are held in order to fund future charitable activities as determined by the Trustees in accordance with the objectives of the Charity. The 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.

Plans for the Future

The Trust will continue to utilise the income received each year in line with the charitable purpose of each fund.

**HIGHLAND CHARITIES TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES

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
- 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.

Trustee
30 September 2015

HIGHLAND CHARITIES TRUST
Statement of Receipts and Payments
For the period 6 March 2014 - 31 March 2015

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the trustees of Highland Charities Trust and the Accounts Commission for Scotland

I certify that I have audited the financial statements of Highland Charities Trust for the year ended 31 March 2015 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 the related notes. The financial reporting framework that has been applied in their preparation is a receipts and payments basis.

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 125 of the Code of Audit Practice approved by the Accounts Commission for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of the trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which properly present the receipts and payments of the charity. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts or disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on financial statements

In my opinion the financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2015 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.

HIGHLAND CHARITIES TRUST
Statement of Receipts and Payments
For the period 6 March 2014 - 31 March 2015

Opinion on other prescribed matter

In my opinion the information given in the Annual Report and Financial Statements for the financial year for which the Annual Report and Financial Statements are prepared is consistent with the financial statements.

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.

Stephen Boyle CPFA
Assistant Director (Audit Services)
Audit Scotland
4th Floor, South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT

30 September 2015

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

HIGHLAND CHARITIES TRUST
Statement of Receipts and Payments
For the period 6 March 2014 - 31 March 2015

STATEMENT OF RECEIPTS AND PAYMENTS

	Note	Unrestricted Funds £	Permanent Endowment £	Total Funds 6 March 2014 - 31 March 2015 £
RECEIPTS				
Donations – amounts transferred on reorganisation		176,400	-	176,400
Income from investments other than land and buildings		3,171	-	3,171
		<u>179,571</u>	<u>-</u>	<u>179,571</u>
RECEIPTS FROM ASSET AND INVESTMENT SALES				
Redemption from investments	8	-	24,516	24,516
Total Receipts		179,571	24,516	204,087
PAYMENTS				
Charitable activities – grants and donations	5	1,722	-	1,722
Governance costs	7	14,872	-	14,872
Total Payments		16,594	-	16,594
Surplus for the period		<u>162,977</u>	<u>24,516</u>	<u>187,493</u>

Income in the period relates to unrestricted funds, and the redemption of investments.

The notes on page 11-12 form an integral part of these accounts.

HIGHLAND CHARITIES TRUST
Notes to the Accounts

STATEMENT OF BALANCES

		Unrestricted Funds	Permanent Endowment	Total Funds as at 31 March 2015 £
	Note	£	£	
Cash and bank balances				
Opening Balances		-	-	-
Surplus for period		162,977	24,516	187,493
Closing Balances		162,977	24,516	187,493
Investments				
Cost				
HMT Stocks		-	5,335	5,335
Total Funds		<u>162,977</u>	<u>29,851</u>	<u>192,828</u>
Market Value				
HMT Stocks	8		9,309	
HBOS 25p Ordinary Shares	8		3,341	
Total Investments			<u>12,650</u>	

The notes on page 11-12 form an integral part of these accounts.

The financial statements were approved and authorised for issue on 30 September 2015 and approved by the trustees and signed on their behalf.

Trustee

Derek Yule B.Com, CPFA, IRRV(Hons)
Treasurer

30 September 2015

HIGHLAND CHARITIES TRUST

Notes to the Accounts

NOTES TO THE ACCOUNTS

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 charity.

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

3. Taxation

The charity is not liable to income or capital gains tax on its 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 person connected to the trustee during the period.

(b) There were no other transactions between the charity and any trustee or any connected person during the period.

5. Grants

Type of Activity or Project supported	Individual/ Institution	Number of grants made	Value £
Wick High School Youth Room	Institution	2	1,000
Christmas donations for older people	Institution	9	333
Christmas donations to older people	Individuals	11	389
Total		<u>22</u>	<u>1,722</u>

6. Cash and Bank Balances

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

7. Governance Costs

Governance costs include the fee for the external audit of the charity of £1,000, and administration fees paid to Highland Council to cover provision of accounting and legal services.

HIGHLAND CHARITIES TRUST

Notes to the Accounts

8. Investments

The fund holds a number of Treasury stocks, the current market value of which is £12,650.

During the period under review the undernoted Treasury Stocks were redeemed by HM Government. The capital from these has been reinvested with the Highland Council Loans Fund.

Stock	Capital Redeemed	Date repaid
4% Consolidated Stock	£100	1.2.15
3.5% War Stock	£24,416	9.3.15

HIGHLAND COUNCIL CHARITABLE TRUSTS
Scottish Charity Number SC025079

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the Year ended 31 March 2015

**HIGHLAND COUNCIL CHARITABLE TRUSTS
ANNUAL REPORT AND FINANCIAL STATEMENTS 2014/15**

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HIGHLAND COUNCIL CHARITABLE TRUSTS ANNUAL REPORT AND FINANCIAL STATEMENTS 2014/15

TRUSTEES ANNUAL REPORT

The Trustees present their annual report together with the financial statements and the Independent Auditor's report for the year ended 31 March 2015.

REFERENCE AND ADMINISTRATION INFORMATION

Charity Name:	Highland Council Charitable Trusts	
Charity Number:	SC025079	
Principal Office:	The Highland Council Finance Service Glenurquhart Road Inverness IV3 5NX	
Current Trustees:	David Alston Roderick Balfour Jennifer Barclay Andrew Baxter David Bremner Ian Brown Caroline Caddick Isabelle Campbell Janet Campbell Helen Carmichael Alasdair Christie Bill Clark Ian Cockburn Gillian Coghill Jim Crawford Margaret Davidson Norrie Donald Jaci Douglas Allan Duffy Dave Fallows George Farlow Bill Fernie Mike Finlayson John Ford Craig Fraser Hamish Fraser Laurie Fraser John Gordon Bren Gormley Ken Gowans Alex Graham Jimmy Gray Michael Green Richard Greene Allan Henderson Drew Henry Donnie Kerr	Liz Macdonald Neil MacDonald Deidre Mackay Donald Mackay Willie Mackay Graham Mackenzie Alister Mackinnon Angela MacLean Thomas MacLennan Kenneth MacLeod Bet McAllister Isobel McCallum Jim McGillivray Drew Millar Hugh Morrison Linda Munro Brian Murphy Fraser Parr Margaret Paterson Graham Philips Thomas Prag Martin Rattray Matthew Reiss Ian Renwick Alasdair Rhind Gregor Rimmell Fiona Robertson John Rosie Gail Ross Graham Ross Roger Saxon Audrey Sinclair Glynis Sinclair Jean Slater Maxine Smith Catriona Stephen Jamie Stone

HIGHLAND COUNCIL CHARITABLE TRUSTS ANNUAL REPORT AND FINANCIAL STATEMENTS 2014/15

	Richard Laird Bill Lobban	Ben Thompson (elected 1.5.14) Carolyn Wilson Hamish Wood
Other Trustees who served during the year:	Colin MacAulay (resigned 15.3.15)	Stephen Fuller (elected 7.5.15)
Honorary Treasurer:	Derek Yule Director of Finance The Highland Council	
Independent Auditor:	Stephen Boyle Assistant Director Audit Scotland 4 th Floor South Suite 8 Nelson Mandela Place GLASGOW G2 1BT	

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Educational Endowments (Highland Region) Transfer Scheme Order 1996 transferred interests in educational endowments vested in Highland Regional Council to the Highland Council. The Educational Trust Schemes administered by the council are:

- Caithness Educational Trust Scheme 1973
- Inverness-Shire Educational Trust Scheme 1960
- Ross & Cromarty Educational Trust Scheme 1961
- County of Sutherland Educational Trust 1960

These trusts are schemes under the Education (Scotland) Acts, 1939 to 1956 for the future government and management of certain educational endowments in these former counties.

Governing Documents

This is a charitable unincorporated trust. The objectives are described in the "Objectives and Activities" section of the following page.

Since this Charity was formed as a holding charity for 9 individual funds there is no overall governance document.

In terms of the Trustees' governance of the fund, they have determined that this is in terms of the Corporate Governance of Highland 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 the Charity the Trustees have to act in the interest of the Charitable Trust.

HIGHLAND COUNCIL CHARITABLE TRUSTS ANNUAL REPORT AND FINANCIAL STATEMENTS 2014/15

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Trust Documents

As a consequence of the age of some of the Trusts, copies of not all Trust Deeds are held. 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.

Appointment of Trustees

The trustees of the charity are the elected councillors of The Highland Council. Trustees are appointed through their election to The Highland 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 Trust. 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 charity 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 Highland Council. The Highland Council provides administration services to the Trust.

Risk Management

The Director of Finance of The Highland Council, through the Head of Internal Audit and Risk Management, has taken the steps required by trustees to consider the major risks to which the charity is 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.

Management of Funds and Investment Policy

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

The funds of the charity are made up of stock market investments in various companies, and Government Stocks, with the balance of the funds deposited with The Highland Council Loans Fund.

For the balance of the funds the charity receives interest at the average market rate for the Council's borrowing.

HIGHLAND COUNCIL CHARITABLE TRUSTS ANNUAL REPORT AND FINANCIAL STATEMENTS 2014/15

OBJECTIVES AND ACTIVITIES

Charitable Purpose:

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 to:

- a) Advance the education of children, the trustees may award prizes, bursaries, maintenance allowances, assist with school trips, pupil exchanges and work experience and assist with cost of musical, sporting or other equipment within the designated area, and
- b) For the poor of the parish of Wick.

In respect of those funds which have land and property, the Trustees recognise their obligations to ensure that these assets are maintained.

ACHIEVEMENTS AND PERFORMANCE

In the year to 31 March 2015 the trustees continued to consider all applications for grant funding received in the year, and awarded a total of 82 grant payments which amounted to £24,020 (2013/14 £14,389). Annual "Christmas Bonus" payments totalling £400 (2013/14 £400) were made to 20 elderly people from the town of Wick with the remaining 62 grants being made in the form of grants or donations for educational purposes. These grants are analysed in note 6. All payments made were in line with the aims of the Trust.

Achievements and Future Plans

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

FINANCIAL REVIEW

Overview

The charity 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.

In late 2013/14 the charitable status of 8 various funds was formally recognised under a single Charity registration.

The number of funds included was increased to 9 in 2014/15 with the addition of Duncraig Endowment.

The charity combines the following educational trusts as at 31/3/2015:

- Inverness-Shire Educational Trust
- Ross & Cromarty Educational Trust
- Caithness Educational Trust
- Sutherland Educational Trust

HIGHLAND COUNCIL CHARITABLE TRUSTS ANNUAL REPORT AND FINANCIAL STATEMENTS 2014/15

- Duncraig College Fund
- Forbes Meteorological Trust
- A M Mackay's Bequest
- Duncraig Endowment

The charity also incorporates the following trust for the poor of the parish of Wick:

- John Kirk's Mortification Trust

Income during 2014/15 comprised income on interest and investments of £30,739 (2013/14 £40,295), rental income of £13,950 (2013/14 £13,950), and proceeds from sale of investments of £69,795.

The expenditure of the Trusts included grants of £24,020 (2013/14 £14,389), an annual administration charge to the Highland Council of £7,902 (2013/14 £8,355), and compensation payments to a former employee of Duncraig College of £1,820 (2013/14 nil).

The Trusts held investments with market value £2,296,970 (2013/14 £1,500,730), and deposits with Highland Council of £1,012,061 (2013/14 £914,273).

Reserves Policy

The unrestricted free reserves at the end of the financial period were £106,299 (2013/14 £92,347). This includes cash and bank balances only repayable on demand. The Trust deeds 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 £1,000
- County of Sutherland Educational Trust - £400

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

Plans for the Future

The Trust will continue to utilise the income received each year in line with the charitable purpose of each fund.

HIGHLAND COUNCIL CHARITABLE TRUSTS ANNUAL REPORT AND FINANCIAL STATEMENTS 2014/15

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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
- 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.

Trustee
30 September 2015

HIGHLAND COUNCIL CHARITABLE TRUSTS

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the trustees of Highland Council Charitable Trusts and the Accounts Commission for Scotland

I certify that I have audited the financial statements of Highland Council Charitable Trusts for the year ended 31 March 2015 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 the related notes. The financial reporting framework that has been applied in their preparation is a receipts and payments basis.

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 125 of the Code of Audit Practice approved by the Accounts Commission for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of the trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which properly present the receipts and payments of the charity. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts or disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on financial statements

In my opinion the financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2015 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.

HIGHLAND COUNCIL CHARITABLE TRUSTS

Opinion on other prescribed matter

In my opinion the information given in the Annual Report and Financial Statements for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

Stephen Boyle CPFA
Assistant Director (Audit Services)
Audit Scotland
4th Floor, South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT

30 September 2015

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

HIGHLAND COUNCIL CHARITABLE TRUSTS
Notes to the Accounts

STATEMENT OF RECEIPTS AND PAYMENTS

	Note	Unrestricted Funds £	Permanent Endowment £	Total Funds 2014/15 £	Total Funds 2013/14
RECEIPTS					
Donations – amounts transferred on reorganisation		17,047	-	17,047	109,242
Income from investments other than land and buildings		30,739	-	30,739	40,295
Rent from land and buildings		13,950	-	13,950	13,950
		61,736	-	61,736	163,487
RECEIPTS FROM ASSET AND INVESTMENT SALES					
Redemption of investments	10	-	69,795	69,795	17,606
Total Receipts		61,736	69,795	131,531	181,093
PAYMENTS					
Charitable activities:					
Grants and donations	6	24,020	-	24,020	14,389
Governance costs	8	7,902	-	7,902	8,355
Other resources expended	9	1,820	-	1,820	-
Total Payments		33,742	-	33,742	22,744
Surplus for the period		27,994	69,795	97,789	158,349
Transfers between funds		(14,042)	14,042	-	-
Net movement in funds		13,952	83,837	97,789	158,349

Income in the period relates to unrestricted funds, and the redemption of investments.
The notes on page 11-14 form an integral part of these accounts.

HIGHLAND COUNCIL CHARITABLE TRUSTS
Notes to the Accounts

STATEMENT OF BALANCES

	Note	Unrestricted Funds £	Permanent Endowment £	Total Funds as at 31 March 2015 £	Total Funds 2013/14
Cash and bank balances					
Opening Balances		92,347	821,925	914,272	755,923
Surplus for period		27,994	69,795	97,789	158,349
Transfers		(14,042)	14,042	-	-
Closing Balances		106,299	905,762	1,012,061	914,272
Investments					
Cost		-	861,752	861,752	120,854
Market Value	10	-	2,296,970	2,296,970	1,500,730
Investment Properties					
Market Value	11		100,000	100,000	100,000

The notes on page 11-14 form an integral part of these accounts.

The financial statements were approved and authorised for issue on 30 September 2015 and approved by the trustees and signed on their behalf.

Trustee _____
 30 September 2015

Derek Yule B.Com, CPFA, IRRV(Hons) _____
 Treasurer

HIGHLAND COUNCIL CHARITABLE TRUSTS

Notes to the Accounts

NOTES TO THE ACCOUNTS

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 charity.

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

3. Taxation

The charity is not liable to income or capital gains tax on its 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 person connected to the trustee during the period.

(b) There were no other transactions between the charity 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. Balances Transferred on Reorganisation of Trusts

The balances transferred have been included in the financial statements as follows:

	Unrestricted	Permanent Endowment	Total
	£	£	£
Statement of Receipts and Payments			
Donations – amounts transferred on reorganisation	17,047	-	17,047
Statement of Balances			
Cash	17,047	-	17,047
Investments at Cost		793,349	793,349

HIGHLAND COUNCIL CHARITABLE TRUSTS
Notes to the Accounts

6. Grants

6.1 Total Value of Grants

	Grants to institutions		Grants to Individuals	
	2014/15	2013/14	2014/15	2013/14
	£	£	£	£
Christmas Payments	-	-	400	400
Educational Grants	5,788	1,000	14,035	5,783
Educational Music Grant	600	100	800	-
Educational Travel Grant	1,995	4,215	100	-
Educational Volunteering	150	-	-	-
School Prizes	152	141	-	-
Support of Clubs	-	2,750	-	-
Total	8,685	8,206	15,335	6,183

6.2 Grants made to institutions

2014/15

Names of Institutions	Grant Purpose	Total Amount of Grant Paid £
Comhairle nan Eilean Siar	Educational Grants	5,788
Golspie High School	Educational Music	400
Milton Primary School	Educational Music	200
Culloden Academy	Educational Travel	1,200
Ferintosh Primary School	Educational Travel	125
Invergordon Academy	Educational Travel	200
Mallaig High School	Educational Travel	280
Plockton High School	Educational Travel	190
Project Trust	Educational Volunteering	150
Golspie High School	School Prizes	125
Keiss Primary School	School Prizes	17
Rogart Primary School	School Prizes	10
		8,685

HIGHLAND COUNCIL CHARITABLE TRUSTS

Notes to the Accounts

2013/14

Names of Institutions	Grant Purpose	Total Amount of Grant Paid £
Comhairle nan Eilean Siar	Educational Grants	5,800
Mulbuie Primary School Fund	Educational Travel	170
Fortrose Academy School Fund	Educational Travel	160
Avoch Primary School Fund	Educational Travel	185
Alness Academy School Fund	Educational Travel	500
Golspie High School	Educational Travel	415
Keiss Primary	Educational Travel	316
Caithness Schools Wind Band	Educational Travel	500
Ullapool High School	Educational Travel	150
Rogart Primary	Prizes	10
		8,206

7. Cash and Bank Balances

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

8. Governance Costs

Governance costs include the fee for the external audit of the charity of £1,000, and administration fees paid to Highland Council to cover provision of accounting and legal services.

9. Other Resources Expended

Spend of £1,820 relates to compensation payments made to a former employee of Duncraig College.

10. Investments

The Trusts held the following investments:

	Investment Properties £	Cost £	Market Value £
Inverness Educational Trust	-	28,323	557,076
Ross & Cromarty Educational Trust	-	36,997	942,928
Caithness Educational Trust	100,000	3,083	3,617
		68,403	1,503,621
Duncraig Endowment	-	793,349	793,349
	100,000	861,752	2,296,970

HIGHLAND COUNCIL CHARITABLE TRUSTS

Notes to the Accounts

During the period under review the undernoted Treasury Stocks were redeemed by HM Government. The capital from these has been reinvested with the Highland Council Loans Fund.

Stock	Capital Redeemed	Date repaid
3.5% War Stock	£52,450	9.3.15

Investment gains of £17,345 were generated in the year.

11. Investment Property

Caithness Educational Trust owns an investment property called Rhind House for which an annual rental of £13,950 is received from Highland Council. The property has been independently valued at 31 March 2015 at £100,000 (2013/14 £100,000).

12. Analysis of Charitable Trusts

Endowment Funds	Permanent Endowment Fund Balance	
	31 March 2015	31 March 2014
Fund name	£	£
Inverness-Shire Educational Trust	263,478	242,764
Duncraig Endowment	793,349	-
Forbes Meteorological Trust	200	200
Ross & Cromarty Educational Trust	505,908	501,086
Sutherland Educational Trust	101,640	100,370
Caithness Educational Trust	192,495	188,292
A M MacKay's Bequest	100	100
John Kirk's Mortification	10,344	9,966
Total Funds	1,867,514	1,042,778

Unrestricted Funds	Unrestricted Fund Balance	
	31 March 2015	31 March 2014
	£	£
Inverness-shire Educational Trust	500	500
Duncraig Endowment	8,333	-
Duncraig College	500	543
Forbes Meteorological Trust	116	117
Ross and Cromarty Educational Trust	1,000	1,000
Sutherland Educational Trust	400	400
Caithness Educational Trust	94,808	88,842
A M Mackay's Bequest	47	50
John Kirk's Mortification	595	895
Total Funds	106,299	92,347

HIGHLAND COUNCIL CHARITABLE TRUSTS
Notes to the Accounts