



Charitable Trusts

Annual Report and Financial Statements

For the year ended
31 March 2019

Registered Numbers:

Gildry - SC011857
Bridge of Don Fund - SC018551
Alexander MacDonald's Bequest - SC018568
Aberdeen Art Gallery Trusts - SC018575
Lands of Skene – SC018533
Lands of Torry – SC021299
Education Endowment Investment Funds (EEIF) – SC025063

Aberdeen City Council Charitable Trusts Trustees Annual Report 2018/19

Aberdeen City Council acts as the sole trustee for the charities in this report.

Aberdeen City Council administers the Charitable Trusts and separately accounts for them. They do not form part of the Council's single entity balance sheet. However, they are included in the Annual Accounts of the Council and its group.

Reference and administration details

At the end of the year the Council acts as the sole trustee for 7 trusts which have charitable status and are registered with the Office of the Scottish Charity Regulator (OSCR). The charity names, charity numbers, purposes of the charities, and where available details of governing document for the charities covered by this report are given in Appendix 1 of this document.

Principal Address

Aberdeen City Council,
Marischal College,
Broad Street,
Aberdeen
AB10 1AB

External Auditor

KPMG LLP,
Saltire Court,
20 Castle Street,
Edinburgh
EH1 2EG

Secretary

Fraser Bell
Chief Officer - Governance,
Aberdeen City Council

Treasurer

Jonathan Belford, CPFA
Chief Officer - Finance,
Aberdeen City Council.

Trustees

As per guidance provided by OSCR, “Trustees” of the Charitable Trusts are those who have “general control and management” of the charity. Decisions regarding the general control and management of the Charitable Trusts are made by the full Council. For the purposes of this report it is our interpretation of the aforementioned that all elected members are Charity Trustees.

The Trustees are the Councillors of Aberdeen City Council, and are as follows:-

Lord Provost Barney Crockett	Councillor Michael Hutchison
Councillor Yvonne Allan	Councillor Claire Imrie
Councillor Christian Allard	Councillor Freddie John
Councillor Alison Alphonse	Councillor Jenny Laing
Councillor Gillian Al-Samarai	Councillor Douglas Lumsden
Councillor Phillip Bell	Councillor Sandra MacDonald
Councillor Marie Boulton	Councillor Neil MacGregor
Councillor David Cameron	Councillor Avril MacKenzie
Councillor John Cooke	Councillor Catriona MacKenzie
Councillor Neil Copland	Councillor M. Tauqeer Malik
Councillor Bill Cormie	Councillor Tom Mason
Councillor Stephen Delaney	Councillor Alexander McLellan
Councillor Alan Donnelly	Councillor Ciaran McRae
Councillor Jackie Dunbar	Councillor Alex Nicol
Councillor Lesley Dunbar	Councillor Jim Noble
Councillor Sarah Duncan	Councillor John Reynolds
Councillor Stephen Flynn	Councillor Phillip Sellar
Councillor Gordon Graham	Councillor Jennifer Stewart
Councillor Ross Grant	Councillor Alexander Stuart
Councillor Martin Greig	Councillor Gordon Townson
Councillor Dell Henrickson	Councillor John Wheeler
Councillor Ryan Houghton	Councillor Ian Yuill
Councillor Brett Hunt	

All Trustees have served for the whole of the financial year to 31 March 2019.

All the Trustees are normally elected or re-elected at local government elections. By-elections are held when elected members vacate their positions, to elect new members, who automatically become Trustees. New members are supplied with training as part of their induction process.

Structure, governance and management

The Charitable Trusts are constituted in a variety of ways. The type of governing document is shown at Appendix 1, where they are available. Information regarding some of the trusts is not available owing to their antiquity and the fact that they have been administered by a number of government bodies since coming into public control.

The positions of Secretary and Treasurer are filled by professionally qualified officers of Aberdeen City Council.

Risk

The trustees have overall responsibility for the Charitable Trusts system of internal control, including financial reporting and compliance with laws and regulations. The trustees acknowledge that such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Objectives and activities

Information on the purpose and nature of the trusts is given below.

Bridge of Don Fund

The fund, more properly known as the Brig O' Balgownie Trust Fund, was set up in 1605 and its original purpose was for the "repair and upholding of the Brig O' Balgownie". Modern charity legislation does not include bridge maintenance as a charitable purpose and OSCR have deemed that the purpose of this trust is the advancement of heritage.

In August 2016 the trust adopted a new constitution. In August 2017 the trust agreed to provide a grant of £36,000 to digitise 1200 pages of a volume of medieval town records.

The Bridge of Don Fund has a 30% interest in the Lands of Skene with the remainder of its funds being invested in the Aberdeen City Council Loans Fund.

Alexander MacDonald's Bequest

This fund was established in 1882 for the purchase of works of art for the Aberdeen Art Gallery and Museum collection following the death of Mr. MacDonald.

Trust funds are invested in the Aberdeen City Council Loans Fund.

Aberdeen Art Gallery Trusts

This trust was reorganised in March 2014 by the adoption of a new trust deed and funds are used for the advancement of the arts by providing for the purchase of works of art for the collection of Aberdeen Art Gallery & Museum.

Trust funds are invested in the Aberdeen City Council Loans Fund.

Guildry

The Guildry was formed 800 years ago, giving merchants of Aberdeen considerable powers within the town of Aberdeen. Over time that power has diminished, and the membership is no longer restricted to merchants. Today the Guildry exists for the promotion of the City of Aberdeen. The governance of the Guildry was last updated by a Court of Session decision in 1996 which recognised the financial assistance scheme to Burgesses and their family members and a new scheme of educational bursaries. Educational bursaries have not been awarded for a number of years and the Dean of the Guild has been working with Aberdeen University, Robert Gordon University and the North East Scotland College to identify potential candidates for bursaries.

The Guildry is currently working on drafting a revised constitution to enable participation in a wider range of charitable activities.

Trust assets are a 40% share in the Lands of Skene and investments in the Aberdeen City Council Loans Fund.

Lands of Skene

The Lands of Skene goes back to 1710 when the east half of the Lands of Skene was purchased on behalf of certain accounts. This was followed in 1712 by the purchase of the west half. Two feuing schemes were carried out in 1789 and 1816 and the land now remaining is known as the Lands of Easter Carnie.

In recent years, a number of properties have been sold off and funds have been invested in the Aberdeen City Loans Fund.

The free revenue from the Lands of Skene is split between the following:

Guildry Funds – 40%
Bridge of Don Trust – 30%
Common Good Fund – 30%

This is believed to represent the share of investment in the original purchase of the lands.

Lands of Torry

The Lands of Torry goes back to at least 1704 when they were purchased on behalf of certain accounts:

Duncan Liddel's Mortification – Professor of Mathematics – 25%
Duncan Liddel's Mortification – Library of College – 2%
James Cargill's Mortification – Bursary Fund – 10%
Patrick Copland's Mortification – Professor of Divinity – 12%
Common Good Fund – 51%.

The annual surplus from this fund is now split between the following:
Common Good Fund – 51%
University of Aberdeen Bursary Fund – 49%.

Education Endowment Investment Funds (EEIF)

The EEIF comprises over 60 smaller trusts, bequests and legacies split over 3 general areas.

- Education – primarily concerned with prizes or awards at schools
- Social Work – largely to provide comforts at residential homes
- John Murdoch Henderson Bequest – to be used for the purchase of music of intrinsically Scottish interest for the Central Library, Aberdeen.

In general, the charities activities are limited to the accrual of income from investments for use as appropriate given the purposes of the charity.

While reviewing records as part of the Council's reorganisation of charitable trusts, OSCR advised that only a small number of trusts previously reported as part of the EEIF were registered as charities. Only accounts in relation to these registered charities are contained in this document. A review will take place of all trusts that were previously reported as part of the EEIF to consider a reorganisation in consultation with OSCR.

The charitable trust now comprises of the trusts listed in appendix 2, sixteen of these trusts relate to prizes or awards at school while the other trust is for the purchase of music.

The John Murdoch Henderson Trust adopted a new constitution in 2015 which allows for the purchase of a wider range of music. This trust has funded the subscription to on-line music services for Aberdeen City Library Service users. This trust will be wound up once its funds have been expended.

Financial Review

The Trusts' total income increased from £197k in 2017/18 to £227k in 2018/19. This is due to a £27k increase in interest and a £3k increase in Lands of Skene & Torry rents.

Total Expenditure reduced from £252k in 2017/18 to £224k in 2018/19. The Trusts made £42k less in donations, paid £4k less free revenue to the Common Good and Mortification Funds and administration costs fell by £18k. This was offset by Lands of Skene incurring £36k more in property costs.

The value of Investments fell by £23k in 2018/19 compared to an increase of £1.132 million in 2017/18. Lands of Torry was revalued upwards by £1.156 million last year, explaining the bulk of the movement. For 2018/19, Lands of Torry fell in value by £150k, Lands of Skene gained £130k value and the EEIF investments lost £3k in value.

Investments in the City of Aberdeen Loans Fund have decreased from £3.249 million in 2017/18 to £3.244 million in 2018/19.

This has resulted in an increase in Net Assets from £8.145 million in 2017/18 to £8.124 million in 2018/19.

The following financial statements for all the Charitable Trusts have been prepared using the connected charities provision. They show the income and expenditure for the individual charities along with the surplus or deficit for the year. None of the individual charities are carrying forward a deficit on their reserves.

Where Governance Costs are allocated to charities these are in proportion to the value of the sums invested with the Council and are based on time spent by officers of Aberdeen City Council providing financial and other support to the organisations.

The investment policy of the Trust is to invest any surplus monies in the Aberdeen City Council Loans Fund.

The charities have no fundraising activities, as such, their annual income is earned through rentals on land and buildings, interest on cash balances, or through investment income by holding assets from securities to holdings in investment trusts. Consequently, the trusts' annual income will reflect the current record low interest rates and the limitations on increasing rents on farm properties governed by agricultural tenancies.

Reserves Policy

The Charitable Trusts have no explicit reserves policy, but as a general principle the "capital" of the funds is held effectively as a permanent endowment with only the annual income available for disbursement in the year.

The exceptions to this rule are for charities with little funds and a governing document that specifically states that the capital can be expended. An example of this would be the John Murdoch Henderson Bequest, which as noted above adopted a new constitution to enable the expenditure of the entire capital.

Aberdeen City Council Charitable Trusts hold unrestricted reserves totalling £8.002 million which are made up of unrestricted funds of £4.125 million and designated funds of £3.877 million. There are no restricted funds. Designated funds are those funds which relate to Aberdeen City Council non-charitable trusts which have invested in the Lands of Skene and Torry and at present no plans exist to spend this money.

Achievements and performance

A number of trusts have limited activity pending re-organisation, namely the EEIF and Guildry. The main charitable expenditure is the transfer of funds to the Aberdeen City Common Good Fund which finances a variety of activities for the benefit of the population of Aberdeen and funding for the Aberdeen University Bursary Fund. Further details are shown in the accounts within note 3.

Future plans

The Guildry has been working with the University of Aberdeen, Robert Gordon University and North East Scotland College to find candidates for its bursary scheme. A new constitution for the Guildry is being drafted and it is hoped to have this ready for trustee approval in the Autumn.

The EEIF is currently being reviewed as a number of school prizes relate to schools that no longer exist.

The limited funds held by the Alexander MacDonald Bequest will be used to fund the purchase of a work of art which will be unveiled at the re-opening of the Aberdeen Art Gallery and Museum following its refurbishment. The future of this trust and the Aberdeen Art Gallery Trusts will be reviewed at that time as both trusts have minimal funds.

STATEMENT OF THE TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The Trustees are responsible for preparing the Trustees' report and accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Law applicable to charities in Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the Trust's financial activities during the year and of its financial position at the end of the year. In preparing financial statements, giving a true and fair view, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 Trust will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and which enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006 and the provisions of the Trust Deed. The Trustees are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention or detection of fraud and other irregularities.

Signed on behalf of the trustees on 26 June 2019.

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Douglas Lumsden

Appendix 1

Charity Name, Number and Purpose

Charity Name	Charity Number	Purpose	Governing Document
Guildry	SC011857	Support the Guildry activities including financial assistance scheme and educational bursaries	Court of Session decision 1996
Bridge of Don Fund	SC018551	The advancement of Heritage	Constitution dated August 2016
Alexander MacDonald's Bequest	SC018568	Purchase of Works of Art for Aberdeen Art Gallery	Trust Deed 11 December 1882
Aberdeen Art Gallery Trusts	SC018575	Purchase of Works of Art for Aberdeen Art Gallery	Trust Deed March 2014
Lands of Skene	SC018533		Unavailable
Lands of Torry	SC021299	The advancement of Education	Unavailable
Education Endowment Investment Funds	SC025063	The advancement of Education and the advancement of the Arts, Heritage, Culture and Science	Unavailable except for John Murdoch Henderson Trust Deed of May 2015

APPENDIX 2

EEIF Charitable Trusts

D M Andrew Bequest	For prizes in Classics at Aberdeen Grammar School
Miss Elizabeth H Bain Bequest	For music tuition and for instruments to pupils in city schools
Mrs Athol Benzie Prize Fund	For best all round pupil in fifth year at Aberdeen Academy
Edith and David R Bishop Prize Fund	For prizes to pupils at Aberdeen Grammar School selected by the rector
Mrs Mina Brooks Memorial Prize	For prizes for children's theatre
Miss Lucy Cruickshank Prize Fund	For prize to best pupil or pupils in French or German at High School for Girls
Jessie Durno Prize Fund	For prize in Mathematics at Aberdeen Academy
Mary Durno Prize Fund	For prize in English at Aberdeen Academy
Margaret Duthie Memorial Prize Fund	For pupil showing the greatest endeavour at Dyce School
Miss Margaret C Harper Prize Fund	For best pupil in German at Aberdeen Academy
Miss Bessie Heriot Prize Fund	For prize to best girl at Kaimhill Secondary School
John M Robertson Memorial Prize Fund	For prize to best pupil in commercial subjects at Aberdeen Grammar School
Kenneth MacIntosh Bequest	For paying or supplementing the expenses of pupils at Aberdeen Grammar School who might otherwise not be able to afford the cost of school trips
Dr Charles McLeod Trust	For purchase of books on Physical Science or Astronomy at Aberdeen Grammar School
William Meston Bursary Fund	For bursary to pupil of merit at Culter School taking a secondary course
Dr George MacKenzie Prize Fund	For prize to best pupil in German in Aberdeen Academy
John M Henderson Bequest	To purchase music of intrinsically Scottish interest for the Central Library, Aberdeen

Aberdeen City Council Charitable Trusts
Statement of Financial Activities
For the year ended 31 March 2019

		Unrestricted Funds 2018/19 £'000	Restricted Funds 2018/19 £'000	Endowment Funds 2018/19 £'000	Total Funds 2018/19 £'000	Total Funds 2017/18 £'000
	<u>Note</u>					
Income and endowments from:						
Incoming resources from generated funds						
Donations & Legacies		0	-	-	0	1
Investments	2	227	-	-	227	196
Total		<u>227</u>	<u>-</u>	<u>-</u>	<u>227</u>	<u>197</u>
Expenditure on:						
Charitable Activities	3,4	224	-	-	224	252
Total		<u>224</u>	<u>-</u>	<u>-</u>	<u>224</u>	<u>252</u>
Net income/expenditure		3	-	-	3	(55)
Other recognised gains/(losses):						
Gains/(losses) on investment assets		(20)	-	(4)	(24)	1,142
Net movement in funds		<u>(17)</u>	<u>-</u>	<u>(4)</u>	<u>(21)</u>	<u>1,087</u>
Reconciliation of funds						
Total funds brought forward		8,024	-	121	8,145	7,058
Total funds carried forward		<u>8,007</u>	<u>-</u>	<u>117</u>	<u>8,124</u>	<u>8,145</u>

**Aberdeen City Council Charitable Trusts
Balance Sheet as at 31 March 2019**

	<u>Note</u>	2019 £'000	2018 £'000
Fixed assets			
Investments	5	4,602	4,634
Total fixed assets		4,602	4,634
Current assets			
Stocks and work-in-progress		1	2
Debtors	6	48	48
Investments - City of Aberdeen Loans Fund	7	3,244	3,249
Cash at bank - Guildry Investment Account		400	400
Total current assets		3,693	3,699
Liabilities			
Creditors: Amounts falling due within one year	8	(171)	(188)
		(171)	(188)
Net current assets		3,522	3,511
Net assets		8,124	8,145
The funds of the charity			
Endowment funds		122	125
Restricted income funds		-	-
		122	125
Unrestricted income funds:			
Designated Funds:			
Common Good Fund		2,563	2,600
Dr Duncan Liddel's Mortification - Professor of Mathematics		675	713
Dr Duncan Liddel's Mortification - Library of College		34	36
James Cargill Mortification - Bursary Fund		275	290
Patrick Copland's Mortification - Professor of Divinity		330	349
Unrestricted funds		4,125	4,032
Total unrestricted funds		8,002	8,020
Total charity funds	9	8,124	8,145

These accounts have been prepared in accordance with the Financial Reporting Standard 102.

The financial statements were approved and authorised for issue by the trustees on 26 June 2019.

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Douglas Lumsden

Aberdeen City Council Charitable Trusts
Statement of Cash Flows
For the year ended 31 March 2019

	<u>Note</u>	Total Funds £'000	Prior Year Funds £'000
Net cash used in operating activities	12	(242)	(270)
Cash Flows from investing activities			
Dividends, interest and rents from investments		227	197
Proceeds from sale of investments		10	10
Net cash provided by investing activities		237	207
Change in cash and cash equivalents in the year		(5)	(63)
Cash and cash equivalents brought forward		3,649	3,712
Cash and cash equivalents carried forward	13	3,644	3,649

Aberdeen City Council Charitable Trusts
Notes to the Accounts
For the year ended 31 March 2019

1 - Accounting policies

Accounting convention

The accounts are prepared under the historical cost convention, and include the results of the Trusts' operations, all of which are continuing.

The accounts have been prepared in accordance with applicable accounting standards and comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 published September 2016.

In line with Regulation 7 of the 2006 Regulations, these financial statements have been prepared on the basis that the Trust funds for which Aberdeen City Council acts as sole Trustee are connected charities. As such, the accounts for the statements contain all relevant information that the individual accounts would have contained if they had been prepared on an individual basis.

Going concern

The accounts have been prepared under the going concern concept on the basis that Trustees have considered it and are satisfied that the going concern concept is appropriate.

The John Murdoch Henderson Trust, part of the EEIF, had funds of £31k at 31 March 2019 and plans to expend remaining trust funds on subscriptions to on-line music services. When funds have been expended the trust will be wound up.

Recognition of revenue and expenditure

All income and expenditure due to be paid or received in respect of the year ended 31 March 2019 has been provided for within these accounts. Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet.

Aberdeen City Council Charitable Trusts
Notes to the Accounts
For the year ended 31 March 2019

1 - Accounting policies (continued)

Incoming resources

Incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. All incoming resources are in relation to unrestricted funds.

Income from investments is included in the Statement of Financial Activities in the year in which it relates. Interest on invested funds is included when it is paid or when it is notified as being due.

Rent from properties is recognised as it is due.

Resources expended

Liabilities are recognised when the charity has an obligation to make payment to a third party.

Resources expended are included in the Statement of Financial Activities on an accruals basis inclusive of any irrecoverable VAT.

Expenditure is directly attributed to the relevant category in the Statement of Financial Activities where practical. Other expenditure is allocated on a pro-rata basis based on the size of the fund.

Governance costs include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Funds

Unrestricted funds include incoming resources receivable or generated for the objectives of the charity without specified purpose and are available as general funds. These funds can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the Trustees Annual Report.

Aberdeen City Council Charitable Trusts
Notes to the Accounts
For the year ended 31 March 2019

1 - Accounting policies (continued)

Funds (continued)

Endowment funds represent those Assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objectives of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. These funds are to be used in accordance with the specific restrictions imposed by donors.

Taxation

The Trusts are recognised by HM Revenue and Customs as charities and because of the tax reliefs available, income is not liable to taxation.

Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Trustee Remuneration and Staff Costs

The Trusts have no employees. None of the Trustees received any remuneration for their services, nor were they reimbursed for any expenses during the year.

Interest & Management Charges

Interest & Management Charges are not treated as Debtors/Creditors but are treated as adjustments within the balances held by the Aberdeen City Council Loans Fund.

Interest is applied to the charity accounts gross of income tax based on an annual interest rate received from banks on funds invested by Aberdeen City Council on behalf of the charities during the year.

Management charges are 1% of the loans fund held at the start of the year where the balance is over £500.

Aberdeen City Council Charitable Trusts
Notes to the Accounts
For the year ended 31 March 2019

	2019 £'000	2018 £'000
2 INVESTMENT INCOME		
Interest receivable	56	29
Rent from Investment Properties	171	167
	<u>227</u>	<u>196</u>
3 CHARITABLE ACTIVITIES		
Donations and expenditures	6	50
Payments to Beneficiaries:		
Common Good Fund	67	74
Dr Duncan Liddel's Mortification - Professor of Mathematics	36	34
Dr Duncan Liddel's Mortification - Library of College	2	2
James Cargill Mortification - Bursary Fund	15	14
Patrick Copland's Mortification - Professor of Divinity	17	17
Property costs	45	8
	<u>188</u>	<u>199</u>
4 GOVERNANCE COSTS		
Accounting and administration	27	44
Audit Fee	9	9
	<u>36</u>	<u>53</u>

Aberdeen City Council Charitable Trusts
Notes to the Accounts
For the year ended 31 March 2019

	2019	2018
	£'000	£'000
5 TANGIBLE FIXED ASSETS		
Market Value at 1 April	4,634	3,502
Net investment (losses)/gains	(22)	1,142
Disposals	(10)	(10)
Market Value at 31 March	<u>4,602</u>	<u>4,634</u>
Investments at market value Comprised:		
Investment Properties	4,502	4,522
Gilts	7	7
Equities	93	105
	<u>4,602</u>	<u>4,634</u>

The property portfolio was valued internally by Deborah Wylie, Bsc MRICS and Neil Strachan, BLE MRICS who are Registered Valuers in accordance with the Statement of Assets Valuation Practice and guidance notes of the Royal Institute of Chartered Surveyors (RICS).

Lands of Skene is a charity which owns an area of land known as the Lands of Skene. The Guildry Fund, Common Good Fund and Bridge of Don Fund each invested financially in the Lands of Skene and as a result are entitled to recognise a share of the total assets less current liabilities of this charity, being calculated in proportion to the initial amount invested by each, as an investment on their respective Balance Sheets.

6 DEBTORS		
Prepayments & accrued income	<u>48</u>	<u>48</u>
7 INVESTMENTS HELD AS CURRENT ASSETS		
City of Aberdeen Loan Funds	<u>3,244</u>	<u>3,249</u>

The trustees have invested the free reserves of each of the charities in the City of Aberdeen loan funds in order to earn interest for the benefit of each charity. The loan funds is a cash investment and is stated at market value at the Balance Sheet date.

8 CREDITORS: Amounts falling due within one year		
Accruals and deferred income	171	185
Short Term Loan - Aberdeen City Council	-	3
	<u>171</u>	<u>188</u>

	Tangible Current assets		Total	Total
	fixed assets	(liabilities)		
	£'000	£'000	£'000	£'000
Unrestricted funds	4,602	3,522	8,124	8,145

10 CONTROLLING INTEREST

Each charity is under the control of its trustees.

Aberdeen City Council Charitable Trusts
Notes to the Accounts
For the year ended 31 March 2019

	2019	2018
	£'000	£'000
11 RELATED PARTY TRANSACTIONS		
Aberdeen City Council provides the accounting services for the trust for which a management fee is charged.	<u>35</u>	<u>35</u>
The trust also has funds deposited with Aberdeen City Loans Fund as detailed in note 7.		
12 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES		
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(21)	1,088
Adjustments for:		
(Gains)/losses on investments	24	(1,143)
Dividends, interest and rents from investments	(227)	(197)
Decrease/(increase) in stocks	1	(2)
Decrease/(increase) in debtors	(0)	2
Increase/(decrease) in creditors	<u>(19)</u>	<u>(18)</u>
Net cash provided by (used in) operating activities	<u>(242)</u>	<u>(270)</u>
13 ANALYSIS OF CASH AND CASH EQUIVALENTS		
Investments - City of Aberdeen Loans Fund	3,244	3,249
Cash at bank - Guildry Investment Account	<u>400</u>	<u>400</u>
	<u>3,644</u>	<u>3,649</u>

Aberdeen City Council Charitable Trusts
Notes to the Accounts
For the year ended 31 March 2019

14 ANALYSIS OF CHARITABLE TRUSTS

		Individual Trust Balances					Balance
Charity	Number	Balance as at 1 April 2018	Transfer between Funds	Revaluation of Investments	Income	Expenditure	as at 31 March 2019
		£'000	£'000	£'000	£'000	£'000	£'000
EEIF	SC025063	(162)	-	5	(18)	2	(173)
Guildry	SC011857	(2,685)	-	(52)	(6)	13	(2,730)
Bridge of Don	SC018551	(1,252)	-	(39)	4	1	(1,286)
Alexander MacDonald Bequest	SC018568	(31)	-	-	(0)	(0)	(31)
Aberdeen Art Gallery Trust	SC018575	(27)	-	-	(0)	0	(27)
Lands of Skene	SC018533	(3,859)	-	(130)	(53)	53	(3,989)
Lands of Torry	SC021299	(2,830)	-	150	(142)	142	(2,680)
Total		(10,846)	-	(66)	(215)	211	(10,916)

The above table shows the balances of the individual trust fund before the removal of intra trust transactions as both the Guildry (40%) and the Bridge of Don Trust (30%) are invested in Lands of Skene. The table below shows the individual balances after the removal of these transactions.

		Individual Trust Balances after adjusting for intra trust transactions					Balance
Charity	Number	Balance as at 1 April 2018	Transfer between Funds	Revaluation of Investments	Income	Expenditure	as at 31 March 2019
		£'000	£'000	£'000	£'000	£'000	£'000
EEIF	SC025063	(162)	-	4	(18)	2	(174)
Guildry	SC011857	(1,018)	-	-	(13)	13	(1,018)
Bridge of Don	SC018551	(1)	-	-	(1)	1	(1)
Alexander MacDonald Bequest	SC018568	(31)	-	-	(0)	(0)	(31)
Aberdeen Art Gallery Trust	SC018575	(27)	-	-	(0)	0	(27)
Lands of Skene	SC018533	(4,076)	-	(130)	(53)	66	(4,193)
Lands of Torry	SC021299	(2,830)	-	150	(142)	142	(2,680)
Total		(8,145)	-	24	(227)	224	(8,124)

Aberdeen City Council Charitable Trusts

Notes to the Accounts

For the year ended 31 March 2019

15 ANALYSIS OF CHARITABLE TRUSTS BALANCE SHEETS

Charity Name	Charity Number	Individual Trust Balances											Total £'000
		Gilts £'000	Equities £'000	Investments £'000	Heritable Property £'000	Stock £'000	Investment Aberdeen City Council		Cash at			Provision £'000	
							Loans	Fund	Bank	Debtors	Creditors		
EEIF	SC025063	7	93	-	-	-	74	-	-	-	-	-	174
Guildry	SC011857	-	-	1,595	-	1	737	400	1	(3)	-	-	2,731
Bridge of Don	SC018551	-	-	1,197	-	-	239	-	-	-	(150)	-	1,286
Alexander McDonald Bequest	SC018568	-	-	-	-	-	31	-	-	-	-	-	31
Aberdeen Art Gallery Trust	SC018575	-	-	-	-	-	26	-	-	-	-	-	26
Lands of Skene	SC018533	-	-	-	1,847	-	2,137	-	6	(1)	-	-	3,989
Lands of Torry	SC021299	-	-	-	2,655	-	-	-	41	(17)	-	-	2,679
Total		7	93	2,792	4,502	1	3,244	400	48	(21)	(150)	(150)	10,916

The above table shows the balances of the individual trust fund before the removal of intra trust transactions as both the Guildry (40%) and the Bridge of Don Trust (30%) are invested in Lands of Skene. The table below shows the individual balances after the removal of these transactions.

Charity Name	Charity Number	Individual Trust Balances after adjusting for intra trust transactions											Total £'000
		Gilts £'000	Equities £'000	Investments £'000	Heritable Property £'000	Stock £'000	Investment Aberdeen City Council		Cash at			Provision £'000	
							Loans	Fund	Bank	Debtors	Creditors		
EEIF	SC025063	7	93	-	-	-	74	-	-	-	-	-	174
Guildry	SC011857	-	-	-	-	1	619	400	1	(3)	-	-	1,018
Bridge of Don	SC018551	-	-	-	-	-	151	-	-	-	(150)	-	1
Alexander McDonald Bequest	SC018568	-	-	-	-	-	31	-	-	-	-	-	31
Aberdeen Art Gallery Trust	SC018575	-	-	-	-	-	26	-	-	-	-	-	26
Lands of Skene	SC018533	-	-	-	1,847	-	2,343	-	6	(1)	-	-	4,195
Lands of Torry	SC021299	-	-	-	2,655	-	-	-	41	(17)	-	-	2,679
Total		7	93	-	4,502	1	3,244	400	48	(21)	(150)	(150)	8,124

Independent auditor's report to the trustees of Aberdeen City Council Charitable Trusts and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

We certify that we have audited the financial statements in the statement of accounts of Aberdeen City Council Charitable Trusts for the year ended 31 March 2019 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 Financial Activities, the Balance Sheet and the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the charities as at 31 March 2019 and of their incoming resources and application of resources for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of The Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern basis of accounting

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

Independent auditor's report to the trustees of Aberdeen City Council Charitable Trusts and the Accounts Commission (continued)

- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about ability of the charities to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charities' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

Our 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 our 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.

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 our auditor's report.

Other information in the statement of accounts

The trustees are responsible for the other information in the statement of accounts. The other information comprises the information other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission or required by applicable law to the extent explicitly stated later in this report.

In connection with our audit of the financial statements, our responsibility is to read all the other information in the statement of accounts and, in doing so, consider whether

Independent auditor's report to the trustees of Aberdeen City Council Charitable Trusts and the Accounts Commission (continued)

the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on other requirements

Opinion on matter prescribed by the Accounts Commission

In our 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 Charities SORP (FRS 102).

Matters on which we are required to report by exception

We are required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our 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 120 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Independent auditor's report to the trustees of Aberdeen City Council Charitable Trusts and the Accounts Commission (continued)

Andrew Shaw, for and on behalf of KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2 EG

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006