



## **Charitable Trusts**

Annual Report and Financial Statements

For the year ended  
31 March 2022

Registered Numbers:

Guldry & Mortification Funds - SC011857  
Bridges of Aberdeen Heritage Trust - 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 2021/22**

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,  
319 St Vincent Street,  
Glasgow  
G2 5AS

### **Secretary**

Jenni Lawson  
Chief Officer – Governance Interim  
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 David Cameron LP	Councillor Martin Greig
Councillor Gillian Al-Samarai	Councillor Dell Henrickson
Councillor Nurul Hoque Ali - Appointed 5th May 2022	Councillor Ryan Houghton
Councillor Christian Allard	Councillor Michael Hutchison
Councillor Alison Alphonse	Councillor Michael Kusznir - Appointed 5th May 2022
Councillor Kate Blake - Appointed 5th May 2022	Councillor Sandra Macdonald
Councillor Jennifer Bonsell - Appointed 5th May 2022	Councillor Neil MacGregor
Councillor Marie Boulton	Councillor Avril MacKenzie
Councillor Desmond Bouse - Appointed 5th May 2022	Councillor M. Tauqeer Malik
Councillor Richard Brooks - Appointed 5th May 2022	Councillor Duncan Massey - Appointed 5th May 2022
Councillor Hazel Cameron - Appointed 5th May 2022	Councillor Alexander McLellan
Councillor Donna Clark - Appointed 5th May 2022	Councillor Ken McLeod - Appointed 5th May 2022
Councillor John Cooke	Councillor Ciaran McRae
Councillor Neil Copland	Councillor Jessica Mennie
Councillor Bill Cormie	Councillor Alex Nicoll
Councillor Barney Crockett	Councillor Miranda Radley
Councillor Sarah Cross	Councillor Jennifer Stewart
Councillor Derek Davidson - Appointed 5th May 2022	Councillor Kairin van Sweden - Appointed 5th May 2022
Councillor Steve Delaney	Councillor Lynn Thomson - Appointed 5th May 2022
Councillor Lee Fairfull - Appointed 5th May 2022	Councillor Deena Tissera - Appointed 5th May 2022
Councillor Emma Farquhar - Appointed 5th May 2022	Councillor Simon Watson- Appointed 5th May 2022
Councillor Gordon Graham	Councillor Ian Yuill
Councillor Ross Grant	

All Trustees have served for the whole of the financial year to 31 March 2022 unless otherwise stated.

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.

Following the Local government elections on 5<sup>th</sup> May 2022 the following councillors resigned as trustees:

Councillor Yvonne Allan	Councillor Douglas Lumsden
Councillor Phillip Bell	Councillor Tom Mason
Councillor Alan Donnelly	Councillor Audrey Nicol
Councillor Jackie Dunbar	Councillor Jim Noble
Councillor Lesley Dunbar	Councillor John Reynolds
Councillor Sarah Duncan	Councillor Phillip Sellar
Councillor Claire Imrie	Councillor Gordon Townson
Councillor Freddie John	Councillor John Wheeler
Councillor Jenny Laing	

## **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.

### Bridges of Aberdeen Heritage Trust

The fund formerly known as Bridge of Don Trust changed its name with agreement of OSCR before that it was known as the Brig O' Balgownie Trust Fund. It 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.

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 and Mortification Funds

The Guildry has a history that goes back 800 years ago, when merchants of Aberdeen were given considerable powers within the town of Aberdeen, those merchants were Burgesses of the Guild. Over time that power has diminished, and the trusteeship of the Guildry switched to a predecessor of Aberdeen City Council.

The Burgesses of Guild of the City and Royal Burgh of Aberdeen remain a membership-based group of people where membership is no longer restricted to merchants and admission is carried out in presence of the Council. Today the Burgesses exist for 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 scheme of educational bursaries.

The Lord Dean of the Guild of the City and Royal Burgh of Aberdeen provides recommendations on expenditure proposals, from the Burgesses to the Guildry and Mortifications Board of the Council, maintaining that link between the Burgesses and the Guildry and Mortifications Funds charity. As trustees for the charity, the Council, must approve any decisions.

Educational bursaries have not been awarded for a number of years and the Lord 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.

Recently, work on drafting a revised constitution to enable participation in a wider range of charitable activities has been carried out and an application to OSCR aims to be ready soon.

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%

Bridges of Aberdeen Heritage 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 decreased from £333k in 2020/21 to £220k in 2021/22.

Total Expenditure increased from £231k in 2020/21 to £235k in 2021/22.

The value of Investments decreased by £361k in 2021/22 compared to an increase of £270k in 2020/21.

Investments in the City of Aberdeen Loans Fund have increased from £3.631 million in 2020/21 to £4.113 million in 2021/22.

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 £7,919 million which are made up of unrestricted funds of £4.038 million and designated funds of £3.880 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 and Mortification Funds. 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 and Mortification Funds 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 initial conversations have taken place with OSCR. Work continues to have this ready for trustee approval as soon as possible.

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. The future of this trust and the Aberdeen Art Gallery Trusts will be reviewed in due course 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

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Councillor A McLellan  
Trustee

## Appendix 1

### Charity Name, Number and Purpose

<b>Charity Name</b>	<b>Charity Number</b>	<b>Purpose</b>	<b>Governing Document</b>
Guildry	SC011857	Support the Guildry activities including financial assistance scheme and educational bursaries	Court of Session decision 1996
Bridges of Aberdeen Heritage Trust	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 2022**

	<u>Note</u>	Unrestricted Funds 2021/22 £'000	Restricted Funds 2021/22 £'000	Endowment Funds 2021/22 £'000	Total Funds 2021/22 £'000	Total Funds 2020/21 £'000
<b>Income and endowments from:</b>						
Incoming resources from generated funds						
Donations & Legacies		-	-	-	-	129
Other Trading Activities		-	-	-	-	-
Investments	2	220	-	-	220	204
Total		<u>220</u>	<u>-</u>	<u>-</u>	<u>220</u>	<u>333</u>
<b>Expenditure on:</b>						
Raising Funds						
Charitable Activities	3,4	235	-	-	235	231
Other		-	-	-	-	-
Total		<u>235</u>	<u>-</u>	<u>-</u>	<u>235</u>	<u>231</u>
Net income/expenditure		(15)	-	-	(15)	102
<b>Other recognised gains/(losses):</b>						
Debtor writeoff		(15)	-	-	(15)	-
Gains/(losses) on investment assets		21	-	9	30	270
Net movement in funds		<u>(9)</u>	<u>-</u>	<u>9</u>	<u>(0)</u>	<u>372</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		7,928	-	145	8,073	7,701
Total funds carried forward		<u>7,919</u>	<u>-</u>	<u>154</u>	<u>8,073</u>	<u>8,073</u>

**Aberdeen City Council Charitable Trusts  
Balance Sheet as at 31 March 2022**

	<u>Note</u>	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
<b>Fixed assets</b>			
Investments	5	<b>4,093</b>	<b>4,454</b>
<b>Total fixed assets</b>		<b>4,093</b>	<b>4,454</b>
<b>Current assets</b>			
Debtors	6	53	67
Investments - City of Aberdeen Loans Fund	7	4,113	3,631
Cash at bank - Guildry Investment Account		-	100
<b>Total current assets</b>		<b>4,166</b>	<b>3,798</b>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	8	(186)	(179)
		<b>(186)</b>	<b>(179)</b>
Net current assets/(liabilities)		<b>3,980</b>	<b>3,619</b>
<b>Net asset/(liabilities )</b>		<b>8,073</b>	<b>8,073</b>
<b>The funds of the charity</b>			
Endowment funds		154	145
		<b>154</b>	<b>145</b>
Unrestricted income funds:			
Designated Funds:			
Common Good Fund		2,533	2,526
Dr Duncan Liddel's Mortification - Professor of Mathematics		693	692
Dr Duncan Liddel's Mortification - Library of College		35	35
James Cargill Mortification - Bursary Fund		282	282
Patrick Copland's Mortification - Professor of Divinity		338	338
Unrestricted funds		4,038	4,055
<b>Total unrestricted funds</b>		<b>7,919</b>	<b>7,928</b>
<b>Total charity funds</b>	9	<b>8,073</b>	<b>8,073</b>

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

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Councillor A McLellan  
Trustee

**Aberdeen City Council Charitable Trusts**  
**Statement of Cash Flows**  
**For the year ended 31 March 2022**

	<u>Note</u>	Total Funds £'000	Prior Year Funds £'000
<b>Net cash used in operating activities</b>	12	<u>(229)</u>	<u>(110)</u>
<b>Cash Flows from investing activities</b>			
Dividends, interest and rents from investments		220	204
Purchase of investments		-	-
Proceeds from sale of investments		391	-
<b>Net cash provided by investing activities</b>		<u>611</u>	<u>204</u>
<i>Net cash provided by (used in) financing activities</i>			
<b>Change in cash and cash equivalents in the year</b>		<b>382</b>	<b>94</b>
Cash and cash equivalents brought forward		3,731	3,637
<b>Cash and cash equivalents carried forward</b>	13	<u><b>4,113</b></u>	<u><b>3,731</b></u>

**Aberdeen City Council Charitable Trusts**  
**Notes to the Accounts**  
**For the year ended 31 March 2022**  
**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.

**Recognition of revenue and expenditure**

All income and expenditure due to be paid or received in respect of the year ended 31 March 2022 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 2022**

**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.

**Cash Balances**

It is the policy of the Council to apportion the cash balances of the Aberdeen Common Good and Guildry Investment Account, based on the sums invested from the outset, which was a ratio of 95% Common Good and 5% Guildry Trust.

**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 2022**

**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 2022**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>2 INVESTMENT INCOME</b>		
Interest receivable	23	11
Rent from Investment Properties	197	193
Share of lands free revenue	-	-
	<u>220</u>	<u>204</u>
<b>3 CHARITABLE ACTIVITIES</b>		
Donations and expenditures	13	11
Payments to Beneficiaries:		
Common Good Fund	88	84
Dr Duncan Liddel's Mortification - Professor of Mathematics	43	42
Dr Duncan Liddel's Mortification - Library of College	2	2
James Cargill Mortification - Bursary Fund	18	17
Patrick Copland's Mortification - Professor of Divinity	21	21
Property costs	5	13
	<u>190</u>	<u>190</u>
<b>4 GOVERNANCE COSTS</b>		
Accounting and administration	37	33
Audit Fee	8	8
	<u>45</u>	<u>41</u>

**Aberdeen City Council Charitable Trusts**  
**Notes to the Accounts**  
**For the year ended 31 March 2022**

	2022 £'000	2021 £'000
5 TANGIBLE FIXED ASSETS		
Market Value at 1 April	4,454	4,184
Net investment gains/(losses)	39	270
Purchases	-	-
Disposals	(400)	-
Market Value at 31 March	<u>4,093</u>	<u>4,454</u>
Investments at market value Comprised:		
Investment Properties	3,961	4,332
Gilts	5	5
Equities	127	118
	<u>4,093</u>	<u>4,454</u>

The property portfolio was valued internally by Deborah Wylie, Bsc MRICS and Cate Armstrong 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>53</u>	<u>67</u>
7 INVESTMENTS HELD AS CURRENT ASSETS		
City of Aberdeen Loan Funds	<u>4,113</u>	<u>3,631</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	186	179
Short Term Loan - Aberdeen City Council	-	-
	<u>186</u>	<u>179</u>

9 ANALYSIS OF NET ASSETS IN FUNDS	Tangible fixed assets £'000	Current assets (liabilities) £'000	Total £'000	Total £'000
Unrestricted funds	4,093	3,980	8,073	8,073

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 2022**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>11 RELATED PARTY TRANSACTIONS</b>		
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.		
<b>12 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	-	372
Adjustments for:		
(Gains)/losses on investments	(39)	(270)
Dividends, interest and rents from investments	(220)	(204)
Loss/(profit) on the sale of fixed assets	9	-
Decrease/(increase) in stocks	-	1
Decrease/(increase) in debtors	14	(14)
Increase/(decrease) in creditors	7	5
Net cash provided by (used in) operating activities	<u>(229)</u>	<u>(110)</u>
<b>13 ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Investments - City of Aberdeen Loans Fund	4,113	3,631
Cash at bank - Guildry Investment Account	-	100
	<u>4,113</u>	<u>3,731</u>

**Aberdeen City Council Charitable Trusts**  
**Notes to the Accounts**  
**For the year ended 31 March 2022**

14 ANALYSIS OF CHARITABLE TRUSTS

	Charity Number	Individual Trust Balances					Balance as at 31 March 2022 £'000
		Balance as at 1 April 2021 £'000	Transfer between Funds £'000	Revaluation of Investments £'000	Income £'000	Expenditure £'000	
		EEIF	SC025063	(321)	-	6	
Guildry	SC011857	(2,611)	-	(8)	(11)	19	(2,611)
Bridges of Aberdeen Heritage Trust	SC018551	(1,215)	-	(6)	(2)	1	(1,222)
Alexander MacDonald Bequest	SC018568	(29)	-	-	-	1	(28)
Aberdeen Art Gallery Trust	SC018575	(22)	-	-	-	7	(15)
Lands of Skene	SC018533	(3,753)	-	(19)	(35)	35	(3,772)
Lands of Torry	SC021299	(2,748)	-	(2)	(173)	173	(2,750)
<b>Total</b>		<b>(10,699)</b>	<b>-</b>	<b>(29)</b>	<b>(224)</b>	<b>239</b>	<b>(10,713)</b>

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 Bridges of Aberdeen Heritage Trust (30%) are invested in Lands of Skene. The table below shows the individual balances after the removal of these transactions.

	Charity Number	Individual Trust Balances after adjusting for intra trust transactions					Balance as at 31 March 2022 £'000
		Balance as at 1 April 2021 £'000	Transfer between Funds £'000	Revaluation of Investments £'000	Income £'000	Expenditure £'000	
		EEIF	SC025063	(321)	-	6	
Guildry	SC011857	(993)	-	-	(9)	19	(983)
Bridges of Aberdeen Heritage Trust	SC018551	-	-	-	-	-	0
Alexander MacDonald Bequest	SC018568	(31)	-	-	-	1	(30)
Aberdeen Art Gallery Trust	SC018575	(22)	-	-	-	7	(15)
Lands of Skene	SC018533	(3,958)	-	(19)	(35)	32	(3,980)
Lands of Torry	SC021299	(2,748)	-	(2)	(173)	173	(2,750)
<b>Total</b>		<b>(8,073)</b>	<b>-</b>	<b>(15)</b>	<b>(220)</b>	<b>235</b>	<b>(8,073)</b>

# Aberdeen City Council Charitable Trusts

## Notes to the Accounts

### For the year ended 31 March 2022

#### 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 Bank £'000	Debtors £'000	Creditors £'000		Provision £'000
							Loans	Fund					
EEIF	SC025063	5	124	-	-	-	186	-	-	-	-	-	315
Guldry	SC011857	-	-	1,507	-	-	1103	-	-	-	-	-	2,610
Bridges of Aberdeen Heritage T	SC018551	-	-	1,131	-	-	239	-	-	-	(150)	-	1,220
Alexander McDonald Bequest	SC018568	-	-	-	-	-	30	-	-	-	-	-	30
Aberdeen Art Gallery Trust	SC018575	-	-	-	-	-	16	-	-	-	-	-	16
Lands of Skene	SC018533	-	-	-	1,237	-	2,528	-	8	(2)	-	-	3,771
Lands of Torry	SC021299	-	-	-	2,725	-	14	-	46	(34)	-	-	2,751
<b>Total</b>		<b>5</b>	<b>124</b>	<b>2,638</b>	<b>3,962</b>	<b>-</b>	<b>4,116</b>	<b>-</b>	<b>54</b>	<b>(36)</b>	<b>(150)</b>	<b>-</b>	<b>10,713</b>

The above table shows the balances of the individual trust fund before the removal of intra trust transactions as both the Guldry (40%) and the Bridges of Aberdeen Heritage 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 Bank £'000	Debtors £'000	Creditors £'000		Provision £'000
							Loans	Fund					
EEIF	SC025063	5	124	-	-	-	186	-	-	-	-	-	315
Guldry	SC011857	-	-	-	-	-	982	-	-	-	-	-	982
Bridges of Aberdeen Heritage T	SC018551	-	-	-	-	-	150	-	-	-	(150)	-	0
Alexander McDonald Bequest	SC018568	-	-	-	-	-	31	-	-	-	-	-	31
Aberdeen Art Gallery Trust	SC018575	-	-	-	-	-	16	-	-	-	-	-	16
Lands of Skene	SC018533	-	-	-	1,236	-	2,737	-	8	(2)	-	-	3,979
Lands of Torry	SC021299	-	-	-	2,724	-	14	-	46	(34)	-	-	2,750
<b>Total</b>		<b>5</b>	<b>124</b>	<b>-</b>	<b>3,960</b>	<b>-</b>	<b>4,116</b>	<b>-</b>	<b>54</b>	<b>(36)</b>	<b>(150)</b>	<b>-</b>	<b>8,073</b>

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

### **Reporting 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 2022 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, Balance Sheet, and Statement of Cashflows 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 Aberdeen City Council Charitable Funds as at 31 March 2022 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 concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from 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.

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

- obtaining an understanding of the applicable legal and regulatory framework and how the charities are complying with that framework;
- identifying which laws and regulations are significant in the context of the charities;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the charities' controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions,

misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Reporting on other requirements**

### **Statutory other information**

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

Our responsibility is to read all the statutory other information and, in doing so, consider whether the statutory 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this statutory other information, we are required to report that fact. We have nothing to report in this regard.

Our opinion on the financial statements does not cover the statutory other information and we do not express any form of assurance conclusion thereon except to the extent explicitly stated in the following opinion prescribed by the Accounts Commission.

### **Opinion prescribed by the Accounts Commission on the Trustees' Annual Report**

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.

Michael Wilkie, Senior Statutory Auditor  
for and on behalf of KPMG  
319 St Vincent Street  
Glasgow  
G2 5AS

February 2023

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