



Charitable Trusts

Annual Report and Financial Statements

For the year ended
31 March 2021

Registered Numbers:

Guildry - 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 2020/21

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

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 M. Tauqeer Malik |
| Councillor Neil Copland | Councillor Tom Mason |
| Councillor Bill Cormie | Councillor Alexander McLellan |
| Councillor Sarah Cross | Councillor Ciaran McRae |
| Councillor Stephen Delaney | Councillor Jessica Mennie |
| Councillor Alan Donnelly | Councillor Alex Nicol |
| Councillor Jackie Dunbar | Councillor Audrey Nicol |
| Councillor Lesley Dunbar | Councillor Jim Noble |
| Councillor Sarah Duncan | Councillor Miranda Radley (appointed |
| Councillor Stephen Flynn (resigned | 05/11/20) |
| 05/03/20) | Councillor John Reynolds |
| Councillor Gordon Graham | Councillor Phillip Sellar |
| Councillor Ross Grant | Councillor Jennifer Stewart |
| Councillor Martin Greig | Councillor Gordon Townson |
| Councillor Dell Henrickson | Councillor John Wheeler |
| Councillor Ryan Houghton | Councillor Ian Yuill |

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.

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 £281k in 2019/20 to £333k in 2020/21.

Total Expenditure decreased from £289k in 2019/20 to £231k in 2020/21.

The value of Investments increased by £270 in 2020/21 compared to a decrease of £415k 2019/20.

Investments in the City of Aberdeen Loans Fund have increased from £3.237 million in 2019/20 to £3.631 million in 2020/21.

This has resulted in an increase in Net Assets from £7.701 million in 2019/20 to £8.073 million in 2020/21.

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 £7,928 million which are made up of unrestricted funds of £4.055 million and designated funds of £3.873 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 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 10 February 2022.



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Ryan Houghton

10 February 2022

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 2021

| | | Unrestricted Funds 2020/21 £'000 | Restricted Funds 2020/21 £'000 | Endowment Funds 2020/21 £'000 | Total Funds 2020/21 £'000 | Total Funds 2019/20 £'000 |
|---|-------------|---|---|--|--|--|
| | <u>Note</u> | | | | | |
| Income and endowments from: | | | | | | |
| Incoming resources from generated funds | | | | | | |
| Donations & Legacies | | 129 | - | - | 129 | 1 |
| Investments | 2 | 204 | - | - | 204 | 280 |
| Total | | <u>333</u> | <u>-</u> | <u>-</u> | <u>333</u> | <u>281</u> |
| Expenditure on: | | | | | | |
| Charitable Activities | | | | | | |
| Total | 3,4 | <u>231</u> | <u>-</u> | <u>-</u> | <u>231</u> | <u>289</u> |
| Net income/expenditure | | | | | | |
| | | 102 | - | - | 102 | (8) |
| Other recognised gains/(losses): | | | | | | |
| Gains/(losses) on investment assets | | 234 | - | 36 | 270 | (415) |
| Net movement in funds | | <u>336</u> | <u>-</u> | <u>36</u> | <u>372</u> | <u>(423)</u> |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | <u>7,592</u> | <u>-</u> | <u>109</u> | <u>7,701</u> | <u>8,124</u> |
| Total funds carried forward | | <u>7,928</u> | <u>-</u> | <u>145</u> | <u>8,073</u> | <u>7,701</u> |

**Aberdeen City Council Charitable Trusts
Balance Sheet as at 31 March 2021**

BALANCE SHEET AS AT 31 MARCH

| | <u>Note</u> | 2021 £'000 | 2020 £'000 |
|---|-------------|-----------------------------|-----------------------------|
| Fixed assets | | | |
| Investments | 5 | 4,454 | 4,184 |
| Total fixed assets | | 4,454 | 4,184 |
| Current assets | | | |
| Stocks and work-in-progress | | - | 1 |
| Debtors | 6 | 67 | 53 |
| Investments - City of Aberdeen Loans Fund | 7 | 3,631 | 3,237 |
| Cash at bank - Guildry Investment Account | | 100 | 400 |
| Total current assets | | 3,798 | 3,691 |
| Liabilities | | | |
| Creditors: Amounts falling due within one year | 8 | (179) | (174) |
| | | (179) | (174) |
| Net current assets/(liabilities) | | 3,619 | 3,517 |
| Net asset/(liabilities) | | 8,073 | 7,701 |
| The funds of the charity | | | |
| Endowment funds | | 145 | 112 |
| Restricted income funds | | - | - |
| | | 145 | 112 |
| Unrestricted income funds: | | | |
| Designated Funds: | | | |
| Common Good Fund | | 2,526 | 2,404 |
| Dr Duncan Liddel's Mortification - Professor of Mathematics | | 692 | 630 |
| Dr Duncan Liddel's Mortification - Library of College | | 35 | 32 |
| James Cargill Mortification - Bursary Fund | | 282 | 257 |
| Patrick Copland's Mortification - Professor of Divinity | | 338 | 308 |
| Unrestricted funds | | 4,055 | 3,958 |
| Total unrestricted funds | | 7,928 | 7,589 |
| Total charity funds | 9 | 8,073 | 7,701 |

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 10 February 2022.

Ryan Houghton

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Ryan Houghton

Aberdeen City Council Charitable Trusts
Statement of Cash Flows
For the year ended 31 March 2021

| | <u>Note</u> | Total Funds £'000 | Prior Year Funds £'000 |
|--|-------------|-------------------------|------------------------------|
| Net cash used in operating activities | 12 | (110) | (291) |
| Cash Flows from investing activities | | | |
| Dividends, interest and rents from investments | | 204 | 281 |
| Purchase of investments | | - | - |
| Proceeds from sale of investments | | | 3 |
| Net cash provided by investing activities | | 204 | 284 |
| Change in cash and cash equivalents in the year | | 94 | (7) |
| Cash and cash equivalents brought forward | | 3,637 | 3,644 |
| Cash and cash equivalents carried forward | 13 | 3,731 | 3,637 |

Aberdeen City Council Charitable Trusts
Notes to the Accounts
For the year ended 31 March 2021
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 2021 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 2021 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 2021

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 2021

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 2021

| | 2021 | 2020 |
|---|-------------------|-------------------|
| | £'000 | £'000 |
| 2 INVESTMENT INCOME | | |
| Interest receivable | 11 | 36 |
| Rent from Investment Properties | 193 | 244 |
| Share of lands free revenue | - | - |
| | <u>204</u> | <u>280</u> |
| 3 CHARITABLE ACTIVITIES | | |
| Donations and expenditures | 11 | 7 |
| Payments to Beneficiaries: | | |
| Common Good Fund | 84 | 110 |
| Dr Duncan Liddel's Mortification - Professor of Mathematics | 42 | 57 |
| Dr Duncan Liddel's Mortification - Library of College | 2 | - |
| James Cargill Mortification - Bursary Fund | 17 | 22 |
| Patrick Copland's Mortification - Professor of Divinity | 21 | 26 |
| Property costs | 13 | 19 |
| | <u>190</u> | <u>241</u> |
| 4 GOVERNANCE COSTS | | |
| Accounting and administration | 33 | 41 |
| Audit Fee | 8 | 7 |
| | <u>41</u> | <u>48</u> |

Aberdeen City Council Charitable Trusts
Notes to the Accounts
For the year ended 31 March 2021

| | 2021 | 2020 |
|---|--------------|--------------|
| | £'000 | £'000 |
| 5 TANGIBLE FIXED ASSETS | | |
| Market Value at 1 April | 4,184 | 4,602 |
| Net investment gains/(losses) | 270 | (415) |
| Purchases | - | - |
| Disposals | - | (3) |
| Market Value at 31 March | <u>4,454</u> | <u>4,184</u> |
| Investments at market value Comprised: | | |
| Investment Properties | 4,332 | 4,097 |
| Gilts | 5 | 7 |
| Equities | 118 | 80 |
| | <u>4,454</u> | <u>4,184</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>67</u> | <u>53</u> |
| 7 INVESTMENTS HELD AS CURRENT ASSETS | | |
| City of Aberdeen Loan Funds | <u>3,631</u> | <u>3,237</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 | 179 | 174 |
| Short Term Loan - Aberdeen City Council | - | - |
| | <u>179</u> | <u>174</u> |

| | Tangible | Current assets | Total | Total |
|--------------------|---------------------|-----------------------|--------------|--------------|
| | fixed assets | (liabilities) | | |
| | £'000 | £'000 | £'000 | £'000 |
| Unrestricted funds | 4,454 | 3,619 | 8,073 | 7,701 |

| | |
|--|--|
| 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 2021

| | 2021 £'000 | 2020 £'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) | 372 | (423) |
| Adjustments for: | | |
| (Gains)/losses on investments | (270) | 415 |
| Dividends, interest and rents from investments | (204) | (281) |
| Decrease/(increase) in stocks | 1 | - |
| Decrease/(increase) in debtors | (14) | (5) |
| Increase/(decrease) in creditors | <u>5</u> | <u>3</u> |
| Net cash provided by (used in) operating activities | <u>(110)</u> | <u>(291)</u> |
| 13 ANALYSIS OF CASH AND CASH EQUIVALENTS | | |
| Investments - City of Aberdeen Loans Fund | 3,631 | 3,237 |
| Cash at bank - Guildry Investment Account | <u>100</u> | <u>400</u> |
| | <u>3,731</u> | <u>3,637</u> |

Aberdeen City Council Charitable Trusts
Notes to the Accounts
For the year ended 31 March 2021

14 ANALYSIS OF CHARITABLE TRUSTS

| | | Individual Trust Balances | | | | | Balance |
|-----------------------------|------------|---------------------------|----------------|--------------|--------------|------------|-----------------|
| Charity | Balance | Transfer | Revaluation of | Income | Expenditure | Balance | |
| Number | as at 1 | between | Investments | £'000 | £'000 | as at 31 | |
| | April 2020 | Funds | £'000 | £'000 | £'000 | March | |
| | £'000 | £'000 | | | | 2021 | |
| | | | | | | £'000 | |
| EEIF | SC025063 | (162) | - | (36) | (126) | 3 | (321) |
| Guildry | SC011857 | (2,629) | - | 6 | (5) | 17 | (2,611) |
| Bridge of Don | SC018551 | (1,221) | - | 4 | 1 | 1 | (1,215) |
| Alexander MacDonald Bequest | SC018568 | (30) | - | - | - | 1 | (29) |
| Aberdeen Art Gallery Trust | SC018575 | (27) | - | - | - | 5 | (22) |
| Lands of Skene | SC018533 | (3,767) | - | 14 | (32) | 32 | (3,753) |
| Lands of Torry | SC021299 | (2,499) | - | (249) | (167) | 167 | (2,748) |
| Total | | (10,335) | - | (261) | (330) | 226 | (10,699) |

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 | Balance | Transfer | Revaluation of | Income | Expenditure | Balance | |
| Number | as at 1 | between | Investments | £'000 | £'000 | as at 31 | |
| | April 2020 | Funds | £'000 | £'000 | £'000 | March | |
| | £'000 | £'000 | | | | 2021 | |
| | | | | | | £'000 | |
| EEIF | SC025063 | (162) | - | (36) | (126) | 3 | (321) |
| Guildry | SC011857 | (1,004) | - | - | (6) | 17 | (993) |
| Bridge of Don | SC018551 | (1) | - | - | - | 1 | - |
| Alexander MacDonald Bequest | SC018568 | (32) | - | - | - | 1 | (31) |
| Aberdeen Art Gallery Trust | SC018575 | (27) | - | - | - | 5 | (22) |
| Lands of Skene | SC018533 | (3,976) | - | 14 | (32) | 36 | (3,958) |
| Lands of Torry | SC021299 | (2,499) | - | (249) | (167) | 167 | (2,748) |
| Total | | (7,701) | - | (270) | (332) | 231 | (8,073) |

Aberdeen City Council Charitable Trusts

Notes to the Accounts

For the year ended 31 March 2021

15 ANALYSIS OF CHARITABLE TRUSTS BALANCE SHEETS

| Charity Name | Charity Number | Individual Trust Balances | | | | | | | | | | | |
|----------------------------|----------------|---------------------------|-------------------|----------------------|--------------------------------|----------------|--|---------------|--------------------------|------------------|--------------------|--------------------|----------------|
| | | 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 | Total £'000 |
| | | | | | | | Loans | Fund £'000 | | | | | |
| EEIF | SC025063 | 5 | 118 | - | - | - | 184 | - | - | 15 | - | - | 321 |
| Guildry | SC011857 | - | - | 1,501 | - | - | 1015 | 100 | 0 | (3) | - | - | 2,613 |
| Bridge of Don | SC018551 | - | - | 1,125 | - | - | 238 | - | - | - | (150) | - | 1,214 |
| Alexander McDonald Bequest | SC018568 | - | - | - | - | - | 30 | - | - | - | - | - | 30 |
| Aberdeen Art Gallery Trust | SC018575 | - | - | - | - | - | 22 | - | - | - | - | - | 22 |
| Lands of Skene | SC018533 | - | - | - | 1,609 | - | 2,136 | - | 6 | - | - | - | 3,751 |
| Lands of Torry | SC021299 | - | - | - | 2,723 | - | 5 | - | 46 | (26) | - | - | 2,748 |
| Total | | 5 | 118 | 2,626 | 4,332 | - | 3,631 | 100 | 67 | (29) | (150) | - | 10,699 |

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 | | | | | | | | | | | |
|----------------------------|----------------|--|-------------------|----------------------|--------------------------------|----------------|--|---------------|--------------------------|------------------|--------------------|--------------------|----------------|
| | | 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 | Total £'000 |
| | | | | | | | Loans | Fund £'000 | | | | | |
| EEIF | SC025063 | 5 | 118 | - | - | - | 184 | - | - | 15 | - | - | 321 |
| Guildry | SC011857 | - | - | - | - | - | 896 | 100 | - | (3) | - | - | 993 |
| Bridge of Don | SC018551 | - | - | - | - | - | 150 | - | - | - | (150) | - | 0 |
| Alexander McDonald Bequest | SC018568 | - | - | - | - | - | 31 | - | - | - | - | - | 31 |
| Aberdeen Art Gallery Trust | SC018575 | - | - | - | - | - | 22 | - | - | - | - | - | 22 |
| Lands of Skene | SC018533 | - | - | - | 1,609 | - | 2,343 | - | 6 | - | - | - | 3,958 |
| Lands of Torry | SC021299 | - | - | - | 2,723 | - | 5 | - | 46 | (26) | - | - | 2,747 |
| Total | | 5 | 118 | - | 4,332 | - | 3,631 | 100 | 67 | (29) | (150) | - | 8,073 |

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 2021 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 2021 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 charities' 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. 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

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, Statutory Auditor
Chartered Accountants
319 St Vincent Street
Glasgow
G2 5AS

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