



# ABERDEEN

## CITY COUNCIL

### **Aberdeen City Council Charitable Trusts**

Annual Report and Financial Statements

For the year ended  
31 March 2016

Registered Numbers:

Guldry - SC011857  
Bridge of Don Fund - SC018551  
Alexander MacDonald's Bequest - SC018568  
Bridge of Dee Fund - SC021297  
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 2015/16**

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 8 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

### **Auditor**

Stephen Boyle,  
Assistant Director,  
Audit Scotland,  
4<sup>th</sup> Floor South Suite,  
8 Nelson Mandela Place,  
Glasgow  
G2 1BT

### **Secretary**

Jane MacEachran (resigned April 2015),  
Craig Innes (appointed April 2015, resigned August 2015),  
Fraser Bell (appointed August 2015)  
Head of Legal & Democratic Services,  
Aberdeen City Council

### **Treasurer**

Steven Whyte, CPFA  
Head of 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 George Adam (Chairperson)	Councillor Len Ironside CBE
Councillor Yvonne Allan	Councillor Muriel Jaffrey
Councillor Marie Boulton	Councillor James Kiddie
Councillor David Cameron	Councillor Jenny Laing
Councillor Scott Carle	Councillor Graeme Lawrence
Councillor Neil Cooney	Councillor Neil MacGregor
Councillor Neil Copeland (appointed July 2015)	Councillor M. Tauqeer Malik
Councillor John Corall	Councillor Aileen Malone
Councillor Bill Cormie	Councillor Ramsay Milne
Councillor Barney Crockett	Councillor Jean Morrison MBE
Councillor Steve Delaney	Councillor Nathan Morrison
Councillor Graham Dickson	Councillor Alex Nicoll (appointed October 2015)
Councillor Alan Donnelly	Councillor Jim Noble
Councillor Jackie Dunbar	Councillor John Reynolds
Councillor Lesley Dunbar	Councillor Gill Samarai
Councillor Andrew Finlayson	Councillor Jennifer Stewart
Councillor Stephen Flynn (appointed July 2015)	Councillor Sandy Stuart
Councillor Gordon Graham	Councillor Angela Taylor
Councillor Ross Grant	Councillor Ross Thomson
Councillor Martin Greig	Councillor Gordon Townson
Councillor Michael Hutchison (appointed October 2015)	Councillor Willie Young
	Councillor Ian Yuill

All Trustees have served for the whole of the financial year to 31 March 2016 unless otherwise stated.

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

It should be noted that Councillors Kirsty Blackman and Callum McCaig resigned as local Councillors in May 2015, Councillor Andrew May resigned in July 2015 and Councillor Fraser Forsyth resigned in August 2015.

## **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 many 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 recently deemed that the purpose of this trust is the advancement of heritage.

A trust re-organisation application has been submitted to OSCR with the request to adopt a modern constitution, reflecting recent charity legislation and the changes to the trust purpose.

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.

### Bridge of Dee Fund

This fund was established in the 16<sup>th</sup> Century for the support, maintenance, reparation and when it is necessary the re-building of the new stone bridge over the River Dee. As with the Bridge of Don Fund, above, OSCR have recently deemed that the charitable purpose of this trust should be the advancement of heritage.

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

### Alexander MacDonal'd's Bequest

This fund was established in 1884 for the purchase of works of art for the Aberdeen Art Gallery and Museum collection following the death of Mr MacDonal'd.

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 main sale during 2015-16 was Westside of Carnie.

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 of 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 actually 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 reduced from £328k in 2014/15 to £197k in 2015/16. The main change relates to Donations. A one off donation of £136k was received in 2014/15 as a result of a number of small charities related to the Guildry being wound up and the remaining funds of these trusts being transferred to the Guildry.

Total Expenditure increased from £207k in 2014/15 to £299k in 2015/16. The main change in expenditure on charitable activities has been an increase in payments to the Common Good Fund, reflecting the increased income of the Lands of Skene Trust which distributes 30% of its annual income to the Common Good Fund.

The value of Investments has been reduced from £4,738k in 2014/15 to £4,370k in 2015/16 as a result of disposals of £715k offset by investment gains of £347k.

However, Investments in the City of Aberdeen Loans Fund have increased from £2,439k in 2014/15 to £3,337k largely from investing the proceeds of asset disposals. This has resulted in an increase in Net Assets from £7,581k in 2014/15 to £8,110k in 2015/16.

The following financial statements for all of 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.

Additionally as the Aberdeen economy is in a downturn reflecting the fall in the price of oil, there may be a fall in incomes from commercial properties and a downturn in the demand and value of land for commercial and residential development. This has not had an impact on the financial performance of trusts to date but it is a risk that may have an impact in the future.



## **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 £7.998M which are made up of unrestricted funds of £4.207M and designated funds of £3.791M. 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 Bridge of Don Trust, Bridge of Dee Trust, EEIF and Guildry. The main charitable expenditures 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 has been drafted for submission to OSCR in the autumn of 2016.

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


The Bridge of Don Trust adopted a new constitution during a re-organisation in autumn 2016. Reflecting the revised charitable purpose a grant of £150k towards the refurbishment of Glover House has been agreed by the Trustees.

The Bridge of Dee Trust will apply to OSCR in autumn 2016 to re-organise by the transfer of its assets to the Bridge of Don Trust, another charity with the same charitable purpose and the same trustees.

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.

Aberdeen City Council is currently drafting an investment strategy which will cover trusts under their management.

Signed on behalf of the trustees on 27th September 2016



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William Young

## STATEMENT OF THE TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

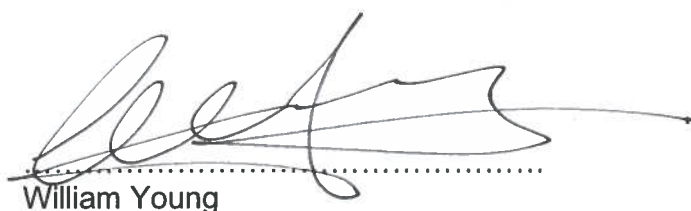
The Trustees are responsible for preparing the Trustees' report and accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP).

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 27th September 2016



William Young

## 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	Unavailable
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
Bridge of Dee Fund	SC021297	The advancement of Heritage	Unavailable
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 2016**


		Unrestricted Funds 2015/16 £'000s	Restricted Funds 2015/16 £'000s	Endowment Funds 2015/16 £'000s	Total Funds 2015/16 £'000s	Total Funds 2014/15 £'000s
<b>Income and endowments from:</b>						
	<u>Note</u>					
Donations & Legacies		1	0	0	1	136
Investments	2	196	0	0	196	192
Total		<u>197</u>	<u>0</u>	<u>0</u>	<u>197</u>	<u>328</u>
<b>Expenditure on:</b>						
Charitable Activities	3,4	299	0	0	299	207
Total		<u>299</u>	<u>0</u>	<u>0</u>	<u>299</u>	<u>207</u>
Net income/(expenditure)		(102)	0	0	(102)	121
<b>Other recognised gains/(losses):</b>						
Gains/(losses) on investment assets		637	0	(6)	631	64
Net movement in funds		<u>535</u>	<u>0</u>	<u>(6)</u>	<u>529</u>	<u>185</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		7,463	0	118	7,581	7,396
Total funds carried forward		<u>7,998</u>	<u>0</u>	<u>112</u>	<u>8,110</u>	<u>7,581</u>

## Aberdeen City Council Charitable Trusts Balance Sheet as at 31 March 2016

		2016 £'000s	2015 £'000s
<b>Fixed assets</b>			
Investments	5	4,370	4,738
Total fixed assets		<u>4,370</u>	<u>4,738</u>
<b>Current assets</b>			
Stocks and work-in-progress		1	1
Debtors	6	51	52
Investments - City of Aberdeen Loans Fund	7	3,337	2,439
Cash at bank - Guildry Investment Account		400	400
Total current assets		<u>3,789</u>	<u>2,892</u>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	8	(49)	(49)
Net Current assets or liabilities		<u>3,740</u>	<u>2,843</u>
<b>Total Net Assets</b>		<u>8,110</u>	<u>7,581</u>
<b>The funds of the charity</b>			
Endowment funds		112	118
Restricted income funds		-	-
		<u>112</u>	<u>118</u>
Unrestricted income funds:			
Designated Funds:			
Common Good Fund		2,486	2,254
Dr Duncan Liddel's Mortification - Professor of Mathematics		671	520
Dr Duncan Liddel's Mortification - Library of College		33	26
James Cargill Mortification - Bursary Fund		273	212
Patrick Copland's Mortification - Professor of Divinity		328	254
Unrestricted funds		<u>4,207</u>	<u>4,197</u>
Total unrestricted funds		<u>7,998</u>	<u>7,463</u>
<b>Total charity funds</b>		<u>8,110</u>	<u>7,581</u>

These accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved and authorised for issue by the trustees on 27th September 2016:



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William Young



**Aberdeen City Council Charitable Trusts**  
**Notes to the Accounts**  
**For the year ended 31 March 2016**

**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 for Smaller Entities published on 16<sup>th</sup> July 2014.

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. There are plans in place to wind up the following trusts but this will not adversely impact on the charities' overall financial position:

The John Murdoch Henderson Trust, part of the EEIF, had funds of £26k at 31 March 2016 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.

An application to reorganise the Bridge of Dee Trust by the transfer of all trust funds (£34k) to the Bridge of Dee Trust has been submitted to OSCR in autumn of 2016. It is anticipated that the Bridge of Dee Trust will be wound up during 2016/17.

**Recognition of revenue and expenditure**

All income and expenditure due to be paid or received in respect of the year ended 31 March 2016 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 2016**

**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 on the basis of 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 2016**

**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 as a consequence 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 2016**

**1 - Accounting policies (continued)**

**Stock Policy**

Stock consists of goods purchased for distribution to new members on their entry to the Guildry. Stocks are valued at the lower of cost or net realisable value.

	2016 £'000s	2015 £'000s
<b>2 INVESTMENT INCOME</b>		
Interest receivable	28	26
Rent from Investment Properties	165	164
Share of lands free revenue	3	2
	<u>196</u>	<u>192</u>
<b>3 CHARITABLE ACTIVITIES</b>		
Donations and expenditures	7	4
Payments to Beneficiaries:		
Common Good Fund	150	68
Dr Duncan Liddel's Mortification - Professor of Mathematics	32	32
Dr Duncan Liddel's Mortification - Library of College	2	2
James Cargill Mortification - Bursary Fund	13	13
Patrick Copland's Mortification - Professor of Divinity	16	16
Property costs	33	20
	<u>253</u>	<u>155</u>
<b>4 GOVERNANCE COSTS</b>		
Accounting and administration	37	42
Audit Fee	9	10
	<u>46</u>	<u>52</u>

**Aberdeen City Council Charitable Trusts**  
**Notes to the Accounts**  
**For the year ended 31 March 2016**

	2016 £'000s	2015 £'000s
<b>5 INVESTMENT ASSETS</b>		
Movement in fixed asset investments		
Market Value at 1 April	4,738	4,674
Net investment gains	347	64
Disposals	(715)	-
Market Value at 31 March	<u>4,370</u>	<u>4,738</u>
Investments at market value Comprised:		
Investment Properties	4,256	4,617
Gifts	5	5
Equities	109	116
	<u>4,370</u>	<u>4,738</u>

The property portfolio was valued internally by Deborah Wyllie, BSc MRICS and Neil Strachan, BLE MRICS who are RICS 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>51</u>	<u>52</u>
	<u>51</u>	<u>52</u>

**7 INVESTMENTS HELD AS CURRENT ASSETS**

City of Aberdeen Loan Funds	<u>3,337</u>	<u>2,439</u>
	<u>3,337</u>	<u>2,439</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	37	37
Short Term Loan - Aberdeen City Council	12	12
	<u>49</u>	<u>49</u>

**9 ANALYSIS OF NET ASSETS IN FUNDS**

	Tangible fixed assets	Current assets/ (liabilities)	Total	Total
	£	£	£	£
Unrestricted funds	4,370	3,740	8,110	7,581

**10 CONTROLLING INTEREST**

Each charity is under the control of its trustees.

**11 RELATED PART TRANSACTIONS**

Aberdeen City Council provides the accounting services for the trust for which a management fee is charged.

<u>29</u>	<u>29</u>
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The trust also has funds deposited with Aberdeen City Loans Fund as detailed in note 7.

**Aberdeen City Council Charitable Trusts  
Notes to the Accounts  
For the year ended 31 March 2016**

12 ANALYSIS OF CHARITABLE TRUSTS

		Individual Trust Balances					Balance as at 31 March 2016
Charity Number	Balance as at 1 April 2015	Transfer between Funds	Revaluation of Investments	Income	Expenditure	Balance as at 31 March 2016	
	£'000	£'000	£'000	£'000	£'000	£'000	
EEIF	SC025063	(176)	-	6	(3)	4	(169)
Guildry	SC011857	(2,669)	-	98	(125)	27	(2,669)
Bridge of Don	SC018551	(1,359)	-	74	(87)	3	(1,369)
Bridge of Dee	SC021297	(34)	-	-	-	-	(34)
Alexander MacDonald Bequest	SC018568	(32)	-	-	-	-	(32)
Aberdeen Art Gallery Trust	SC018575	(45)	-	-	(1)	1	(45)
Lands of Skene	SC018533	(4,005)	-	(37)	(53)	336	(3,759)
Lands of Torry	SC021299	(2,064)	-	(600)	(128)	128	(2,664)
<b>Total</b>		<b>(10,384)</b>	<b>-</b>	<b>(459)</b>	<b>(397)</b>	<b>499</b>	<b>(10,741)</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 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 as at 31 March 2016
Charity Number	Balance as at 1 April 2015	Transfer between Funds	Revaluation of Investments	Income	Expenditure	Balance as at 31 March 2016	
	£'000	£'000	£'000	£'000	£'000	£'000	
EEIF	SC025063	(176)	-	6	(3)	4	(169)
Guildry	SC011857	(1,067)	-	-	(11)	27	(1,051)
Bridge of Don	SC018551	(158)	-	-	(1)	3	(156)
Bridge of Dee	SC021297	(34)	-	-	-	0	(34)
Alexander MacDonald Bequest	SC018568	(32)	-	-	-	-	(32)
Aberdeen Art Gallery Trust	SC018575	(45)	-	-	(1)	1	(45)
Lands of Skene	SC018533	(4,005)	-	(37)	(53)	136	(3,959)
Lands of Torry	SC021299	(2,064)	-	(600)	(128)	128	(2,664)
<b>Total</b>		<b>(7,581)</b>	<b>-</b>	<b>(631)</b>	<b>(197)</b>	<b>299</b>	<b>(8,110)</b>

**Aberdeen City Council Charitable Trusts**  
**Notes to the Accounts**  
**For the year ended 31 March 2016**

13 ANALYSIS OF CHARITABLE TRUSTS BALANCE SHEETS

Charity Name	Charity Number	Gilts £'000s	Equities £'000s	Investments £'000s	Heritable		Investment Aberdeen City Council Loans Fund £'000s	Cash at		Debtors £'000s	Creditors £'000s	Total £'000s
					Property £'000s	Stock £'000s		Bank £'000s				
EEIF	SC025063	5	109	-	-	-	55	-	-	-	-	169
Guildry	SC011857	-	-	1,503	-	1	777	400	2	(14)		2,669
Bridge of Don	SC018551	-	-	1,128	-	-	243	-	-	(2)		1,369
Bridge of Dee	SC021297	-	-	-	-	-	35	-	-	1		34
Alexander McDonald Bequest	SC018568	-	-	-	-	-	32	-	-	-		32
Aberdeen Art Gallery Trust	SC018575	-	-	-	-	-	45	-	-	0		45
Lands of Skene	SC018533	-	-	-	1,617	-	2,150	-	8	(16)		3,759
Lands of Torry	SC021299	-	-	-	2,639	-	-	-	41	(16)		2,664
<b>Total</b>		<b>5</b>	<b>109</b>	<b>2,631</b>	<b>4,256</b>	<b>1</b>	<b>3,337</b>	<b>400</b>	<b>51</b>	<b>(49)</b>		<b>10,741</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 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	Gilts £'000s	Equities £'000s	Investments £'000s	Heritable		Investment Aberdeen City Council Loans Fund £'000s	Cash at		Debtors £'000s	Creditors £'000s	Total £'000s
					Property £'000s	Stock £'000s		Bank £'000s				
EEIF	SC025063	5	109	-	-	-	55	-	-	-	-	169
Guildry	SC011857	-	-	-	-	1	658	400	2	(14)		1,047
Bridge of Don	SC018551	-	-	-	-	-	155	-	-	(2)		153
Bridge of Dee	SC021297	-	-	-	-	-	35	-	-	(1)		34
Alexander McDonald Bequest	SC018568	-	-	-	-	-	32	-	-	-		32
Aberdeen Art Gallery Trust	SC018575	-	-	-	-	-	45	-	-	-		45
Lands of Skene	SC018533	-	-	-	1,617	-	2,357	-	8	(16)		3,966
Lands of Torry	SC021299	-	-	-	2,639	-	-	-	41	(16)		2,664
		<b>5</b>	<b>109</b>	<b>-</b>	<b>4,256</b>	<b>1</b>	<b>3,337</b>	<b>400</b>	<b>51</b>	<b>(49)</b>		<b>8,110</b>



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

I certify that I have audited the financial statements of Aberdeen City Council Charitable Trusts for the year ended 31 March 2016 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 the Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice approved by the Accounts Commission for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

### **Respective responsibilities of the trustees and auditor**

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

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In my opinion the financial statements:

- give a true and fair view of the state of the charities' affairs as at 31 March 2016 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.

### **Opinion on other prescribed matter**

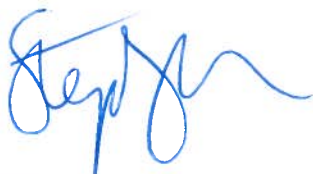
In my opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which I am required to report by exception**

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

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

I have nothing to report in respect of these matters.



Stephen Boyle  
Assistant Director of Audit  
Audit Scotland  
4th Floor, South Suite  
The Athenaeum Building  
8 Nelson Mandela Place  
Glasgow G2 1BT  
27 September 2016

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