



ABERDEEN

CITY COUNCIL

Aberdeen City Council Charitable Trusts

Annual Report and Financial Statements

For the year ended
31 March 2017

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 2016/17

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

External Auditor

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

Secretary

Fraser Bell
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 Barney Crockett (Chairperson)	Councillor Claire Imrie - appointed 4th May 2017
Councillor Yvonne Allan	Councillor Freddie John - appointed 4th May 2017
Councillor Christian Allard - appointed 4th May 2017	Councillor Jenny Laing
Councillor Alison Alphonse - appointed 4th May 2017	Councillor Douglas Lumsden - appointed 4th May 2017
Councillor Philip Bell - appointed 4th May 2017	Councillor Tom Mason - appointed 4th May 2017
Councillor Marie Boulton	Councillor M Taqeer Malik
Councillor David Cameron	Councillor Sandra MacDonald - appointed 4th May 2017
Councillor John Cook - appointed 4th May 2017	Councillor Neil MacGregor
Councillor Neil Copland	Councillor Avril MacKenzie - appointed 4th May 2017
Councillor Bill Cormie	Councillor Catriona MacKenzie - appointed 4th May 2017
Councillor Steve Delaney	Councillor Alexander McLellan - appointed 4th May 2017
Councillor Alan Donnelly	Councillor Ciaran McRae - appointed 4th May 2017
Councillor Jackie Dunbar	Councillor Alex Nicoll
Councillor Lesley Dunbar	Councillor Jim Noble
Councillor Sarah Duncan - appointed 4th May 2017	Councillor John Reynolds
Councillor Stephen Flynn	Councillor Gill Samarai
Councillor Gordon Graham	Councillor Philip Sellar - appointed 4th May 2017
Councillor Ross Grant	Councillor Jennifer Stewart
Councillor Martin Greig	Councillor Sandy Stuart
Councillor Dell Henrickson - appointed 4th May 2017	Councillor Gordon Townson
Councillor Ryan Houghton - appointed 4th May 2017	Councillor John Wheeler - appointed 4th May 2017
Councillor Brett Hunt - appointed 4th May 2017	Councillor Ian Yuill
Councillor Michael Hutchison	

All Trustees have served for the whole of the financial year to 31 March 2017 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.

Following the local government elections on 4th May 2017 the following councillors resigned as trustees:

Lord Provost George Adam (Chairperson)	Councillor Graeme Lawrence
Councillor Scott Carle	Councillor Aileen Malone
Councillor Neil Cooney	Councillor Ramsay Milne
Councillor John Corall	Councillor Jean Morrison MBE
Councillor Graham Dickson	Councillor Nathan Morrison
Councillor Andrew Finlayson	Councillor Angela Taylor
Councillor Len Ironside CBE	Councillor Ross Thomson
Councillor Muriel Jaffrey	Councillor Willie Young
Councillor Jim Kiddie	

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

In August 2016 the trust adopted a new constitution. The trust also agreed to provide a grant of £150,000 towards the renovation and redevelopment of Thomas Glover House.

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 16th 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.

An application to reorganise the Bridge of Dee Trust has been approved by OSCR in May 2017 and it is anticipated that the assets of this trust will be transferred to the Bridge of Don Trust during 2017/18 to be used for the advancement of heritage.

Trust funds are 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. During 2016/17 the trust purchased a sculpture "Film of Dust on Ruins 2016" by Sara Barker.

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 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 £197k in 2015/16 to £188k in 2016/17. The main change relates to investment returns.

Total Expenditure increased from £299k in 2015/16 to £370k in 2016/17. The main change in expenditure on charitable activities has been the agreement to pay a grant from Bridge of Don Trust towards the renovation of the Thomas Glover House of £150k.

The value of Investments reduced from £4,370k in 2015/16 to £3,502k in 2016/17 as a result of a large decrease in the value of investment properties held by Lands of Torry of £990k, offset by an increase in value of investment properties in Lands of Skene of £100k and increase of £20k in the investments held by EEIF.

Investments in the City of Aberdeen Loans Fund decreased from £3,337k in 2015/16 to £3,312k.

This resulted in a decrease in Net Assets from £8,110k in 2015/16 to £7,058k in 2016/17.

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.

The fall in the value of land reflects the downturn in the Aberdeen economy due to the fall in oil prices. It may also affect future income of the trusts if there is a fall in the income from commercial properties or a reduction in demand for these properties.

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 £6.923M which are made up of unrestricted funds of £4.091M and designated funds of £2.832M. 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 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.

The Bridge of Don Trust has been reorganised during the year and as a result of its new purpose of the advancement of heritage it has agreed a grant of £150k for the renovation and redevelopment of Thomas Glover House.

Future plans

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

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

Approval has been given by OSCR to reorganise the Bridge of Dee Trust and a report will be going to the August 2017 Council meeting to get trustee approval for this.

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.

STATEMENT OF THE TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE Financial statements

The Trustees are responsible for preparing the Trustees' Annual report and financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year. Under the law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

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

Signed on behalf of the trustees on 26 September 2017



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Douglas Lumsden

Appendix 1

Charity Name, Number and Purpose

Charity Name	Charity Number	Purpose	Governing Document
Guildry	SC011857	Support the Guildry activities including financial assistance scheme and educational bursaries	Court of Session Decision 1996
Bridge of Don Fund	SC018551	The advancement of Heritage	Constitution dated August 2016
Alexander MacDonald's Bequest	SC018568	Purchase of Works of Art for Aberdeen Art Gallery	Trust Deed 11 December 1882
Aberdeen Art Gallery Trusts	SC018575	Purchase of Works of Art for Aberdeen Art Gallery	Trust Deed March 2014
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 2017

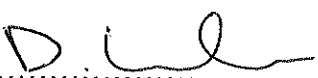
	Unrestricted Funds 2016/17 £'000s	Restricted Funds 2016/17 £'000s	Endowment Funds 2016/17 £'000s	Total Funds 2016/17 £'000s	Total Funds 2015/16 £'000s
	<u>Note</u>				
Income and endowments from:					
Incoming resources from generated funds					
Donations & Legacies	1	-	-	1	1
Investments	2 187	-	-	187	196
Total	<u>188</u>	<u>-</u>	<u>-</u>	<u>188</u>	<u>197</u>
Expenditure on:					
Charitable Activities	3,4 370	-	-	370	299
Total	<u>370</u>	<u>-</u>	<u>-</u>	<u>370</u>	<u>299</u>
Net income/expenditure	(182)	-	-	(182)	(102)
Other recognised gains/(losses):					
Gains/(losses) on investment assets	(890)	-	20	(870)	631
Net movement in funds	<u>(1,072)</u>	<u>-</u>	<u>20</u>	<u>(1,052)</u>	<u>529</u>
Reconciliation of funds					
Total funds brought forward	7,998	-	112	8,110	7,581
Total funds carried forward	<u>6,926</u>	<u>-</u>	<u>132</u>	<u>7,058</u>	<u>8,110</u>

**Aberdeen City Council Charitable Trusts
Balance Sheet as at 31 March 2017**

	<u>Note</u>	2017 £'000s	2016 £'000s
Fixed assets			
Investments	5	3,502	4,370
Total fixed assets		3,502	4,370
Current assets			
Stocks and work-in-progress		-	1
Debtors	6	50	51
Investments - City of Aberdeen Loans Fund	7	3,312	3,337
Short Term Investment		400	400
Total current assets		3,762	3,789
Liabilities			
Creditors: Amounts falling due within one year	8	(206)	(49)
		(206)	(49)
Net current assets		3,556	3,740
Net assets		7,058	8,110
The funds of the charity			
Endowment funds		135	112
Restricted income funds		-	-
		135	112
Unrestricted income funds:			
Designated Funds:			
Common Good Fund		2,011	2,486
Dr Duncan Liddel's Mortification - Professor of Mathematics		422	671
Dr Duncan Liddel's Mortification - Library of College		21	33
James Cargill Mortification - Bursary Fund		172	273
Patrick Copland's Mortification - Professor of Divinity		206	328
Unrestricted funds		4,091	4,207
Total unrestricted funds		6,923	7,998
Total charity funds	9	7,058	8,110

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 26th September 2017:


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Douglas Lumsden

Aberdeen City Council Charitable Trusts
Statement of Cash Flows
For the year ended 31 March 2017

	2017	2016	
<u>Note</u>	£'000	£'000	
Net cash used in operating activities	12	(213)	(299)
Cash Flows from investing activities			
Dividends, interest and rents from investments	188	197	
Proceeds from sale of property, plant and equipment	-	1,000	
Net cash provided by investing activities	188	1,197	
Change in cash and cash equivalents in the year	(25)	898	
Cash and cash equivalents brought forward	3,737	2,839	
Cash and cash equivalents carried forward	13	3,712	3,737

Aberdeen City Council Charitable Trusts
Notes to the Accounts
For the year ended 31 March 2017

1 - Accounting policies

Accounting convention

The accounts are prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance , 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 applicable in the United Kingdom and Republic of Ireland (FRS 102), commonly referred to as the Charities SORP, and the Companies Act 2006. 102 published September 2016.

The Charities SORP (FRS 102) applies to reporting periods commencing on or after 1 January 2016 and the use of the Financial Reporting Standard for Smaller Entities (FRSSE) is no longer permitted. In preparing the 2016/17 financial statements there was no re-statement of comparative items following the adoption of the Charities SORP (FRS 102).

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 £26k at 31 March 2016 and plans to expend remaining trust funds on subscriptions to online 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 to the Bridge of Don Trust was agreed by OSCR in May 2017. It is anticipated that the Bridge of Dee Trust will be wound up during 2017/18.

Recognition of revenue and expenditure

All income and expenditure due to be paid or received in respect of the year ended 31 March 2017 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.

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.

Aberdeen City Council Charitable Trusts
Notes to the Accounts
For the year ended 31 March 2017

1 - Accounting policies (continued)

Resources expended

Expenditure and liabilities are recognised as soon as there is a legal or constructive obligation committing the charitable trust to pay out resources. 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 (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 2017

1 - Accounting policies (continued)

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.

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.

	2017 £'000s	2016 £'000s
2 INVESTMENT INCOME		
Interest receivable	31	28
Rent from Investment Properties	156	166
Share of lands free revenue	-	3
	<u>187</u>	<u>196</u>
3 CHARITABLE ACTIVITIES		
Donations and expenditures	179	7
Payments to Beneficiaries:		
Common Good Fund	67	150
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	15	16
Property costs	8	33
	<u>316</u>	<u>253</u>
4 GOVERNANCE COSTS		
Accounting and administration	44	37
Audit Fee	10	9
	<u>54</u>	<u>46</u>

Aberdeen City Council Charitable Trusts
Notes to the Accounts
For the year ended 31 March 2017

	2017 £'000s	2016 £'000s
5 TANGIBLE FIXED ASSETS		
Market Value at 1 April	4,370	4,738
Net investment gains	(868)	347
Disposals	-	(715)
Market Value at 31 March	<u>3,502</u>	<u>4,370</u>
Investments at market value Comprised:		
Investment Properties	3,366	4,256
Gilts	8	5
Equities	<u>128</u>	<u>109</u>
	<u>3,502</u>	<u>4,370</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>50</u>	<u>51</u>
7 INVESTMENTS HELD AS CURRENT ASSETS		
City of Aberdeen Loan Funds	<u>3,312</u>	<u>3,337</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	194	37
Short Term Loan - Aberdeen City Council	<u>12</u>	<u>12</u>
	<u>206</u>	<u>49</u>

9 ANALYSIS OF NET ASSETS IN FUNDS	Tangible fixed assets	Current assets (liabilities)	Total	Total
	£	£	£	£
Unrestricted funds	<u>3,502</u>	<u>3,556</u>	<u>7,058</u>	<u>8,110</u>

10 CONTROLLING INTEREST

Each charity is under the control of its trustees.

Aberdeen City Council Charitable Trusts
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	2017 £'000s	2016 £'000s
11 RELATED PARTY TRANSACTIONS		
Aberdeen City Council provides the accounting services for the trust for which a management fee is charged.	<u>37</u>	<u>29</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)	(1,052)	529
Adjustments for:		
(Gains)/losses on investments	870	(631)
Dividends, interest and rents from investments	(188)	(197)
Increase in creditors	157	-
Net cash provided by (used in) operating activities	<u>(213)</u>	<u>(299)</u>
13 ANALYSIS OF CASH AND CASH EQUIVALENTS		
Investments - City of Aberdeen Loans Fund	3,312	3,337
Short Term Investment	400	400
	<u>3,712</u>	<u>3,737</u>

Aberdeen City Council Charitable Trusts
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For the year ended 31 March 2017

14 ANALYSIS OF CHARITABLE TRUSTS

		Individual Trust Balances					Balance
	Charity	Balance	Transfer	Revaluation of	Income	Expenditure	as at 31
	Number	as at 1	between	Investments	£'000	£'000	March
		April 2016	Funds	£'000	£'000	£'000	2017
		£'000	£'000				£'000
EEIF	SC025063	(169)	-	(20)	(3)	9	(183)
Guildry	SC011857	(2,669)	-	(40)	(15)	24	(2,700)
Bridge of Don	SC018551	(1,370)	-	(30)	(5)	154	(1,251)
Bridge of Dee	SC021297	(34)	-	-	-	-	(34)
Alexander MacDonald Bequest	SC018568	(32)	-	-	-	-	(32)
Aberdeen Art Gallery Trust	SC018575	(45)	-	-	(1)	19	(27)
Lands of Skene	SC018533	(3,759)	-	(100)	(44)	44	(3,859)
Lands of Torry	SC021299	(2,664)	-	990	(128)	128	(1,674)
Total		(10,742)	-	800	(196)	378	(9,760)

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	as at 31
	Number	as at 1	between	Investments	£'000	£'000	March
		April 2016	Funds	£'000	£'000	£'000	2017
		£'000	£'000				£'000
EEIF	SC025063	(169)	-	(20)	(3)	9	(183)
Guildry	SC011857	(1,051)	-	-	(10)	24	(1,037)
Bridge of Don	SC018551	(156)	-	-	(1)	154	(3)
Bridge of Dee	SC021297	(34)	-	-	-	0	(34)
Alexander MacDonald Bequest	SC018568	(32)	-	-	-	-	(32)
Aberdeen Art Gallery Trust	SC018575	(45)	-	-	(1)	19	(27)
Lands of Skene	SC018533	(3,959)	-	(100)	(44)	36	(4,067)
Lands of Torry	SC021299	(2,664)	-	990	(128)	128	(1,674)
Total		(8,110)	-	870	(188)	370	(7,058)

Aberdeen City Council Charitable Trusts

Notes to the Accounts

For the year ended 31 March 2017

15 ANALYSIS OF CHARITABLE TRUSTS BALANCE SHEETS

Charity Name	Charity Number	Individual Trust Balances											Total £'000s
		Gilts £'000s	Equities £'000s	Investments £'000s	Heritable Property £'000s	Stock £'000s	Investment Aberdeen City Council		Cash at		Creditors £'000s	Provision £'000s	
							Loans	Fund	Bank	Debtors £'000s			
EEIF	SC025063	8	128	-	-	-	47	-	-	-	-	-	183
Guildry	SC011857	-	-	1,543	-	-	768	400	3	(14)	-	-	2,700
Bridge of Don	SC018551	-	-	1,158	-	-	245	-	-	(3)	(150)	-	1,250
Bridge of Dee	SC021297	-	-	-	-	-	34	-	-	-	-	-	34
Alexander McDonald Bequest	SC018568	-	-	-	-	-	32	-	-	-	-	-	32
Aberdeen Art Gallery Trust	SC018575	-	-	-	-	-	27	-	-	-	-	-	27
Lands of Skene	SC018533	-	-	-	1,717	-	2,159	-	6	(23)	-	-	3,859
Lands of Torry	SC021299	-	-	-	1,649	-	-	-	41	(16)	-	-	1,674
Total		8	128	2,701	3,366	-	3,312	400	50	(56)	(150)	-	9,759

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

Charity Name	Charity Number	Individual Trust Balances after adjusting for intra trust transactions											Total £'000s
		Gilts £'000s	Equities £'000s	Investments £'000s	Heritable Property £'000s	Stock £'000s	Investment Aberdeen City Council		Cash at		Creditors £'000s	Provision £'000s	
							Loans	Fund	Bank	Debtors £'000s			
EEIF	SC025063	8	128	-	-	-	47	-	-	-	-	-	183
Guildry	SC011857	-	-	-	-	-	648	400	3	(14)	-	-	1,037
Bridge of Don	SC018551	-	-	-	-	-	157	-	-	(3)	(150)	-	4
Bridge of Dee	SC021297	-	-	-	-	-	34	-	-	-	-	-	34
Alexander McDonald Bequest	SC018568	-	-	-	-	-	32	-	-	-	-	-	32
Aberdeen Art Gallery Trust	SC018575	-	-	-	-	-	27	-	-	-	-	-	27
Lands of Skene	SC018533	-	-	-	1,717	-	2,367	-	6	(23)	-	-	4,067
Lands of Torry	SC021299	-	-	-	1,649	-	-	-	41	(16)	-	-	1,674
Total		8	128	-	3,366	-	3,312	400	50	(56)	(150)	-	7,058

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

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 approved by the Accounts Commission, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Report on the audit of the financial statements

Opinion on financial statements

We certify that we have audited the financial statements in the annual accounts of Aberdeen City Council Charitable Trusts for the year ended 31 March 2017 under Part VII of the Local Government (Scotland) Act 1973 and section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of Aberdeen City Council Charitable Trusts as at 31 March 2017 and of its 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 of opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing in the UK and Ireland (ISAs (UK&I)). 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 charity 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 Standards for Auditors, 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.

Responsibilities of the Trustees for the financial statements

As explained more fully in the Statement of Trustees' 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.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable legal requirements and ISAs (UK&I) as required by the Code of Audit Practice approved by the Accounts Commission. Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors. An audit involves obtaining evidence about the amounts and 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 circumstances of the charity 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.

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

Our objectives are to achieve 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&I) 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.

Other information in the statement of accounts

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

In connection with our audit of the financial statements in accordance with ISAs (UK&I), our responsibility is to read all the financial and non-financial information in the statement of accounts 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 us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Report on other requirements

Opinion on other prescribed matter


We are required by the Accounts Commission to express an opinion on the following matter. 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



Andrew Shaw, for and on behalf of KPMG LLP

Saltire Court

20 Castle Terrace

Edinburgh

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

29 September 2017