

AUDITED

The Moray Council - Connected Charity Trust Funds

Trustees' Report and Financial Statements

For the year ended 31 March 2023

Contents

| | Pages |
|---|-------|
| Trustees' Annual Report | 1 - 4 |
| Statement of Financial Activities | 5 |
| Balance Sheet | 6 |
| Notes to the Financial Statements: | |
| Note 1 Statement of Financial Activities | 7-8 |
| Note 2 Balance Sheet | 9-10 |
| Note 3 Investment Income | 11 |
| Note 4 Awarding of Grants | 11 |
| Note 5 Investments | 12 |
| Note 6 Other Income | 12 |
| Note 7 Debtors | 12 |
| Note 8 Creditors: amounts falling due within one year | 13 |
| Note 9 Financial Instruments | 13 |
| Note 10 Related Parties | 13 |
| Note 11 Trustee Remuneration, Benefits and Expenses | 13 |
| Note 12 Staff Costs and Emoluments | 13 |
| Note 13 External Audit Costs | 14 |
| Note 14 Accounting Policies | 14-15 |
| Independent Auditor's Opinion | 16 |

Trustees' Annual Report

Objectives and Activities

Moray Council acts as sole trustee for 8 Connected Charity Trust Funds listed below which have charitable status and are registered with the Office of the Scottish Charity Regulator (OSCR).

The policy relating to the reinvestment of income in, and disbursement from, Trust Funds was amended on 8 October 2013. The policy was amended to allow disbursement of capital from Trust Funds in accordance with the trust deed, provided there is unanimity amongst the trustees. For all other trusts the whole annual income of the trust will be available for disbursement in accordance with the trust deed, provided sufficient funds are maintained to meet commitments.

The following table gives the OSCR charity registration number, the charity name and an indication of the purpose of each Trust. The only activity carried out by each of the Trusts in relation to those purposes is the making of grants.

| Charity Number | Charity Name | Purpose |
|----------------|---|---|
| SC019017 | Moray and Nairn Educational Trust | To provide assistance to persons who have been resident in Moray and Nairn for the last five years and to organisations belonging to the former counties of Moray and Nairn for: <ul style="list-style-type: none"> • bursaries for attendance at a Scottish University or central institution • grants for adult education • provision and maintenance of sports facilities for the benefit of young people • travel grants for educational purposes |
| SC019033 | Keith Poor Householdors Fund (Keith Nursing Trust Fund) | The relief of poverty for residents of the burgh of Keith and provision of financial assistance for funerals. Such individuals may apply to the trust fund for a grant. Only residents of Keith are eligible. |
| SC019065 | Castlehill Trust | To support in the upkeep, maintenance and management of Castlehill, Forres. |
| SC019066 | Grant Park Trust | To support in the upkeep, maintenance and management of Grant Park, Forres. |
| SC019068 | George Boyd Anderson Bequest | To support improvements to the community of Lossiemouth. Individuals and groups may apply to the trust fund for a grant. Only people resident in Lossiemouth are eligible. |
| SC019069 | Mr & Mrs William J Watt Dufftown Food Fund | The relief of poverty amongst residents of Dufftown by providing groceries. Such individuals may apply to the trust fund for a grant. Only residents of Dufftown are eligible. |
| SC019071 | Robert Young Trust | The relief of poverty for men in Forres aged over 65. Such individuals may apply to the trust fund for a grant. Only residents of Forres are eligible. |
| SC046791 | The Moray Council Charitable Trust | Single Trust created for the reorganisation of existing funds that are restricted or have been fulfilled as far as possible. The trust purposes must follow those of the reorganised trusts. There are nine sub categories within the trust, by location and purpose. |

The Council agreed to a trust reorganisation process at a meeting on 14 November 2012; to create a single charitable Trust which would enable the reorganisation and transfer of assets of existing small charities held by the Council whose purposes could no longer be met.

Trustees' Annual Report (continued)

The Moray Council Charitable Trust was created in August 2016 with the objective of reorganising existing trust funds that are frustrated, perhaps due to limited funds or out of date purposes, into one large trust, split into geographical areas then split again into charitable purposes. The Trusts being transferred into the single charitable trust will be utilised, as far as possible, in a manner consistent with the original Trust purposes.

This will create many ring fenced funds within the single Trust, but will enable the resources of these trusts to be applied to better effect for charitable purposes rather than remaining in a frustrated trust that cannot be used.

Achievements and Performance

During the year 31 grants totalling £14,752 were made to individuals from the Moray and Nairn Educational trust, which includes means tested grants for education within Moray and Nairn, and bursaries for attendance at further education institutions in Scotland.

The Council plans to support the Mr and Mrs William J Watt Dufftown Food Fund, and the Castlehill Trust by funding any deficit and any future deficits until the charities can be reorganised or wound up.

Financial Review

The Moray and Nairn Educational Trust is an endowment fund, with income from investments allocated to an unrestricted fund of the trust. All other funds are unrestricted. This differentiation of funds is an essential feature in the presentation of a charity's statement of financial activities (SoFA) and balance sheet.

The trust funds use the Moray Council's bank account for financial transactions and the balance is invested in the Council's Loans Fund for which it earns interest on the balance. It was agreed at the Moray Council meeting on 10 August 2022 that interest on balances held in the Council's bank for the next two years would be calculated using the two year fixed Public Works Loans Board rate as at 1 April 2022 of 2.35%. Income received during the year was £27,384 (2021/22 £24,169). This was made up of £9,772 interest received from the Council's Loans Fund and £17,612 of dividend income (2021/22 £8,787 and £15,382 respectively).

Grants totalling £14,752 were paid out during the year (2021/22 £10,976). Governance costs for the year were £7,493 (2021/22 £6,863).

The Trust Funds have no specific reserves policy other than noted above regarding disbursement of capital and annual income. For many of the trust funds, the terms of the trust deed are very restrictive and this has resulted in a gradual accumulation of reserves over time. In the event that an individual trust fund falls into deficit, the trustees will consider whether it is likely that the deficit is temporary and can be recovered. If deficit recovery is considered unlikely, the Trust is effectively wound up and an application will be made to OSCR to remove them from the Scottish Charity Register.

The revenue reserves held at 31 March 2023 were £1,016,369 (31 March 2022 £1,026,777).

Structure, Governance and Management

The trustees of the funds are the councillors listed on page 4. The trustees of the funds are the local Councillors who are appointed at local government elections and by-elections

The trust funds are governed using the same governance framework that is applicable to the Council. This framework includes the principles:

- taking informed and transparent decisions which are subject to effective scrutiny and managing risk
- engaging with local people and other stakeholders to ensure robust public accountability

Trustees' Annual Report (continued)

Statement of trustees' responsibilities

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

The law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under that law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 charity will continue in business.

The trustees are responsible for keeping accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the Moray Council's website in so far as it relates to the charity. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

The Connected Charity Trusts Auditor is:

Grant Thornton UK LLP
Level 8
110 Queen Street
Glasgow
G1 3BX

Reference and Administrative details

The financial statements of the charities listed on page 1 are included in this report.

Trustees

In terms of the "Trustees" of the Connected Charity Trust Funds, the guidance provided by OSCR is that those who have "general control and management" of the charity are the charity trustees. Decisions regarding the general control and management of the Connected Charity Trust Funds are made by the Corporate Committee of the Council, which has delegated authority from the Council in this regard; but ultimately control rests with the full Council of elected members. We have therefore interpreted the above guidance as meaning all elected members are charity trustees.

Trustees' Annual Report (continued)

All of the trustees for the financial statements are normally elected or re-elected at local government elections. By-elections are held to elect new members, on the occasions of elected members vacating their positions, who automatically become trustees. There was a local government election on 5 May 2022 and a by-election in the Buckie Ward on 4 November 2022.

Names of Trustees in financial year 2022/23 until local government election on 5 May 2022:

Councillor George Alexander
Councillor James Allan
Councillor David Bremner
Councillor Frank Brown
Councillor Theresa Coull
Councillor John Cowe
Councillor Gordon Cowie
Councillor Paula Coy
Councillor Lorna Creswell
Councillor John Divers
Councillor Tim Eagle
Councillor Ryan Edwards
Councillor Claire Feaver
Councillor Donald Gatt
Councillor Graham Leadbitter
Councillor Marc Macrae
Councillor Aaron McLean
Councillor Maria McLean
Councillor Ray McLean
Councillor Shona Morrison
Councillor Louise Nicol
Councillor Laura Powell
Councillor Derek Ross
Councillor Amy Taylor
Councillor Sonya Warren
Councillor Walter Wilson

Names of Trustees on date of Approval of Trustees Annual Report:

Councillor James Allan
Councillor Peter Bloomfield
Councillor Neil Cameron
Councillor Tracy Colyer
Councillor Theresa Coull
Councillor John Cowe
Councillor John Divers
Councillor Amber Dunbar
Councillor Jeremie Fernandes
Councillor Donald Gatt
Councillor David Gordon
Councillor Juli Harris
Councillor Sandy Keith
Councillor Scott Lawrence
Councillor Graham Leadbitter
Councillor Marc Macrae
Councillor Paul McBain
Councillor Neil McLennan
Councillor Shona Morrison
Councillor Bridget Mustard
Councillor Kathleen Robertson
Councillor Derek Ross
Councillor John Stuart (elected 4 November 2022)
Councillor Sonya Warren
Councillor Ben Williams
Councillor Draeyk Van Der Horn

Other Trustees during the year:

Councillor Christopher Price (resigned 17 August 2022)

Principal Address of the Trust Funds is:

The Moray Council
Council Offices
High Street
Elgin
IV30 1BX

Signed by one trustee on behalf of all the trustees:

Councillor Kathleen Robertson

Leader of Moray Council

Statement of Financial Activities for the year ended 31 March 2023

| | Notes | 2022/23 Unrestricted £ | 2022/23 Endowment £ | 2022/23 Total Funds £ | 2021/22 Total Funds £ |
|--|-------|------------------------------|---------------------------|-----------------------------|-----------------------------|
| Income and endowments from: | | | | | |
| Investments | 3 | 27,384 | - | 27,384 | 24,169 |
| Voluntary Income | 6 | 268 | - | 268 | 144 |
| Total | | 27,652 | - | 27,652 | 24,313 |
| Expenditure on: | | | | | |
| Awarding of Grants | 4 | 22,245 | - | 22,245 | 17,839 |
| Other | | - | - | - | - |
| Total | | 22,245 | - | 22,245 | 17,839 |
| Net gains/(losses) on investments | 5 | - | (15,815) | (15,815) | 42,150 |
| Net Income/(Expenditure) | | 5,407 | (15,815) | (10,408) | 48,624 |
| Transfers between funds | | - | - | - | - |
| Net movement in funds | | 5,407 | (15,815) | (10,408) | 48,624 |
| Reconciliation of Funds: | | | | | |
| Total funds brought forward at 1 April | | 319,247 | 707,530 | 1,026,777 | 978,153 |
| Total funds carried forward at 31 March | | 324,654 | 691,715 | 1,016,369 | 1,026,777 |

All results derive from continuing operations.

There is no material difference between the funds carried forward for the financial year stated above and their historical cost equivalents, with the exception of the Fixed Asset Investments which are carried at fair value.

All gains and losses recognised in the year are included in the statement of financial activities.

Balance Sheet as at 31 March 2023

| | Notes | 2022/23 £ | 2021/22 £ |
|--|-------|------------------|------------------|
| Fixed Assets: | | | |
| Investments | 5 | 583,714 | 599,529 |
| Current assets: | | | |
| Loan Fund Balance | | 437,500 | 432,917 |
| Debtors | 7 | 1,655 | 1,266 |
| | | <u>439,155</u> | <u>434,183</u> |
| Liabilities: | | | |
| Creditors: amounts falling due within one year | 8 | (6,500) | (6,935) |
| Net current assets | | 432,655 | 427,248 |
| Total net assets or liabilities | | <u>1,016,369</u> | <u>1,026,777</u> |
| The funds of the charity: | | | |
| Endowment Funds | | 691,715 | 707,530 |
| Unrestricted Funds | | 324,654 | 319,247 |
| Total charity funds | | <u>1,016,369</u> | <u>1,026,777</u> |

The notes on pages 8 to 16 form part of these financial statements.

The unaudited Financial Statements were issued by the Trustees on 28 June 2023.

The audited Financial Statements were authorised for issue on 25 October 2023.

Councillor Kathleen Robertson

Leader of Moray Council

Notes to the Financial Statements

Note 1 Statement of Financial Activities for the year ended 31 March 2023

| | | Moray and Nairn Educational Trust | Moray and Nairn Educational Trust | Keith Poor Householders Fund (Keith Nursing Trust Fund) | Castlehill Trust | Grant Park Trust | George Boyd Anderson Bequest | Mr and Mrs William J Watt Dufftown Food Fund | Robert Young Trust | The Moray Council Charitable Trust | Total Unrestricted funds | Total Endowment funds |
|---|-------|-----------------------------------|-----------------------------------|---|-------------------------------|-------------------------------|-------------------------------|--|-------------------------------|------------------------------------|--------------------------|-----------------------|
| | Notes | SC019017 2022/23 Unrestricted | SC019017 2022/23 Endowment | SC019033 2022/23 Unrestricted | SC019065 2022/23 Unrestricted | SC019066 2022/23 Unrestricted | SC019068 2022/23 Unrestricted | SC019069 2022/23 Unrestricted | SC019071 2022/23 Unrestricted | SC046791 2022/23 Unrestricted | 2022/23 | 2022/23 |
| | | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Income and endowments from: | | | | | | | | | | | | |
| Investment Income | 3 | 20,414 | - | 62 | 3 | 74 | 786 | - | 334 | 5,711 | 27,384 | - |
| Voluntary Income | 6 | - | - | - | 133 | - | - | 135 | - | - | 268 | - |
| Total | | 20,414 | - | 62 | 136 | 74 | 786 | 135 | 334 | 5,711 | 27,652 | - |
| Expenditure on: | | | | | | | | | | | | |
| Awarding of Grants | 4 | 20,028 | - | 136 | 136 | 136 | 144 | 135 | 138 | 1,392 | 22,245 | - |
| Total | | 20,028 | - | 136 | 136 | 136 | 144 | 135 | 138 | 1,392 | 22,245 | - |
| Net gains/(losses) on investments | 5 | - | (15,815) | - | - | - | - | - | - | - | - | (15,815) |
| Net Income/(Expenditure) | | 386 | (15,815) | (74) | 0 | (62) | 642 | 0 | 196 | 4,319 | 5,407 | (15,815) |
| Transfers between funds | | - | - | - | - | - | - | - | - | - | - | - |
| Net movement in funds | | 386 | (15,815) | (74) | 0 | (62) | 642 | 0 | 196 | 4,319 | 5,407 | (15,815) |
| Reconciliation of funds: | | | | | | | | | | | | |
| Total funds brought forward at 1 April 2022 | | 12,228 | 707,530 | 2,635 | - | 3,165 | 34,629 | 0 | 14,666 | 251,924 | 319,247 | 707,530 |
| Total funds carried forward at 31 March 2023 | | 12,614 | 691,715 | 2,561 | - | 3,103 | 35,271 | - | 14,862 | 256,243 | 324,654 | 691,715 |

Notes to the Financial Statements (continued)

Note 1 Statement of Financial Activities for the year ended 31 March 2022

| | Moray and Nairn Educational Trust | Moray and Nairn Educational Trust | Keith Poor Householders Fund (Keith Nursing Trust Fund) | Castlehill Trust | Grant Park Trust | George Boyd Anderson Bequest | Mr and Mrs William J Watt Dufftown Food Fund | Robert Young Trust | The Moray Council Charitable Trust | Total Unrestricted funds | Total Endowment funds | |
|---|-----------------------------------|-----------------------------------|---|------------------|------------------|------------------------------|--|--------------------|------------------------------------|--------------------------|-----------------------|----------------|
| | SC019017 2021/22 | SC019017 2021/22 | SC019033 2021/22 | SC019065 2021/22 | SC019066 2021/22 | SC019068 2021/22 | SC019069 2021/22 | SC019071 2021/22 | SC046791 2021/22 | 2021/22 | 2021/22 | |
| Notes | Unrestricted £ | Endowment £ | Unrestricted £ | Unrestricted £ | Unrestricted £ | Unrestricted £ | Unrestricted £ | Unrestricted £ | Unrestricted £ | £ | £ | |
| Income and endowments from: | | | | | | | | | | | | |
| Investment Income | 3 | 17,849 | - | 57 | 3 | 68 | 729 | - | 301 | 5,162 | 24,169 | - |
| Voluntary Income | 6 | - | - | - | 25 | - | - | 119 | - | - | 144 | - |
| Total | | 17,849 | - | 57 | 28 | 68 | 729 | 119 | 301 | 5,162 | 24,313 | - |
| Expenditure on: | | | | | | | | | | | | |
| Awarding of Grants | 4 | 14,238 | - | 122 | 121 | 122 | 1,355 | - | 124 | 1,757 | 17,839 | - |
| Total | | 14,238 | - | 122 | 121 | 122 | 1,355 | - | 124 | 1,757 | 17,839 | - |
| Net gains/(losses) on investments | 5 | - | 42,150 | - | - | - | - | - | - | - | - | 42,150 |
| Net Income/(Expenditure) | | 3,611 | 42,150 | (65) | (93) | (54) | (626) | 119 | 177 | 3,405 | 6,474 | 42,150 |
| Transfers between funds | | - | - | - | - | - | - | - | - | - | - | - |
| Net movement in funds | | 3,611 | 42,150 | (65) | (93) | (54) | (626) | 119 | 177 | 3,405 | 6,474 | 42,150 |
| Reconciliation of funds: | | | | | | | | | | | | |
| Total funds brought forward at 1 April 2021 | | 8,617 | 665,380 | 2,700 | 93 | 3,219 | 35,255 | (119) | 14,489 | 248,519 | 312,773 | 665,380 |
| Total funds carried forward at 31 March 2022 | | 12,228 | 707,530 | 2,635 | - | 3,165 | 34,629 | - | 14,666 | 251,924 | 319,247 | 707,530 |

Notes to the Financial Statements (continued)

Note 2 Balance Sheet as at 31 March 2023

| | | Moray and Nairn Educational Trust | Keith Poor Household ers Fund (Keith Nursing Trust Fund) | Castlehill Trust | Grant Park Trust | George Boyd Anderson Bequest | Mr and Mrs William J Watt Dufftown Food Fund | Robert Young Trust | The Moray Council Charitable Trust | TOTAL |
|--|-------|--|---|--------------------------|--------------------------|---------------------------------------|--|--------------------------|---|------------------|
| | Notes | SC019017 2022/23 £ | SC019033 2022/23 £ | SC019065 2022/23 £ | SC019066 2022/23 £ | SC019068 2022/23 £ | SC019069 2022/23 £ | SC019071 2022/23 £ | SC046791 2022/23 £ | 2022/23 £ |
| Fixed Assets | | | | | | | | | | |
| Investments | 5 | 583,714 | - | - | - | - | - | - | - | 583,714 |
| Current Assets | | | | | | | | | | |
| Loans Fund Balance | | 123,429 | 2,696 | 135 | 3,238 | 35,407 | 136 | 14,996 | 257,463 | 437,500 |
| Debtors | 7 | 1,655 | - | - | - | - | - | - | - | 1,655 |
| | | 125,084 | 2,696 | 135 | 3,238 | 35,407 | 136 | 14,996 | 257,463 | 439,155 |
| Liabilities: | | | | | | | | | | |
| Creditors: amounts falling due w ithin one year | 8 | (4,469) | (136) | (135) | (135) | (135) | (136) | (135) | (1,219) | (6,500) |
| | | (4,469) | (136) | (135) | (135) | (135) | (136) | (135) | (1,219) | (6,500) |
| Net Current Assets | | 120,615 | 2,560 | - | 3,103 | 35,272 | - | 14,861 | 256,244 | 432,655 |
| Total net assets or liabilities | | 704,329 | 2,560 | - | 3,103 | 35,272 | - | 14,861 | 256,244 | 1,016,369 |
| The funds of the charity: | | | | | | | | | | |
| Endow ment Funds | | 691,715 | - | - | - | - | - | - | - | 691,715 |
| Unrestricted Funds | | 12,614 | 2,560 | - | 3,103 | 35,272 | - | 14,861 | 256,244 | 324,654 |
| Total charity funds | | 704,329 | 2,560 | - | 3,103 | 35,272 | - | 14,861 | 256,244 | 1,016,369 |

Notes to the Financial Statements (continued)

Note 2 Balance Sheet as at 31 March 2022

| | | Moray and Nairn Educational Trust | Keith Poor Household ers Fund (Keith Nursing Trust Fund) | Castlehill Trust | Grant Park Trust | George Boyd Anderson Bequest | Mr and Mrs William J Watt Dufftown Food Fund | Robert Young Trust | The Moray Council Charitable Trust | TOTAL |
|---|-------|--|---|--------------------------|--------------------------|---------------------------------------|--|--------------------------|---|-------------------------|
| | Notes | SC019017 2021/22 £ | SC019033 2021/22 £ | SC019065 2021/22 £ | SC019066 2021/22 £ | SC019068 2021/22 £ | SC019069 2021/22 £ | SC019071 2021/22 £ | SC046791 2021/22 £ | 2021/22 £ |
| Fixed Assets | | | | | | | | | | |
| Investments | 5 | 599,529 | - | - | - | - | - | - | - | 599,529 |
| Current Assets | | | | | | | | | | |
| Loans Fund Balance | | 124,126 | 2,756 | 121 | 3,286 | 34,830 | - | 14,786 | 253,012 | 432,917 |
| Debtors | 7 | 1,266 | - | - | - | - | - | - | - | 1,266 |
| | | <u>125,392</u> | <u>2,756</u> | <u>121</u> | <u>3,286</u> | <u>34,830</u> | <u>-</u> | <u>14,786</u> | <u>253,012</u> | <u>434,183</u> |
| Liabilities: | | | | | | | | | | |
| Creditors: amounts falling due within one year | 8 | (5,162) | (121) | (121) | (121) | (201) | - | (121) | (1,088) | (6,935) |
| | | <u>(5,162)</u> | <u>(121)</u> | <u>(121)</u> | <u>(121)</u> | <u>(201)</u> | <u>-</u> | <u>(121)</u> | <u>(1,088)</u> | <u>(6,935)</u> |
| Net Current Assets | | <u>120,230</u> | <u>2,635</u> | <u>-</u> | <u>3,165</u> | <u>34,629</u> | <u>-</u> | <u>14,665</u> | <u>251,924</u> | <u>427,248</u> |
| Total net assets or liabilities | | <u>719,759</u> | <u>2,635</u> | <u>-</u> | <u>3,165</u> | <u>34,629</u> | <u>-</u> | <u>14,665</u> | <u>251,924</u> | <u>1,026,777</u> |
| The funds of the charity: | | | | | | | | | | |
| Endowment Funds | | 707,530 | - | - | - | - | - | - | - | 707,530 |
| Unrestricted Funds | | 12,229 | 2,635 | - | 3,165 | 34,629 | - | 14,665 | 251,924 | 319,247 |
| Total charity funds | | <u>719,759</u> | <u>2,635</u> | <u>-</u> | <u>3,165</u> | <u>34,629</u> | <u>-</u> | <u>14,665</u> | <u>251,924</u> | <u>1,026,777</u> |

Notes to the Financial Statements (continued)

| | Moray and Nairn Educational Trust | | Moray and Nairn Educational Trust | | Keith Poor Householders Fund (Keith Nursing Trust Fund) | | Castlehill Trust | | Grant Park Trust | | George Boyd Anderson Bequest | |
|--|--|---------------|-----------------------------------|------------|---|--------------|--------------------------|-----------------------|------------------|---------------|------------------------------|--------------|
| | SC019017 | | SC019017 | | SC019033 | | SC019065 | | SC019066 | | SC019068 | |
| | 2022/23 | 2021/22 | 2022/23 | 2021/22 | 2022/23 | 2021/22 | 2022/23 | 2021/22 | 2022/23 | 2021/22 | 2022/23 | 2021/22 |
| | Unrestricted | | Endowment | | Unrestricted | | Unrestricted | | Unrestricted | | Unrestricted | |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Note 3 Investment Income | | | | | | | | | | | | |
| Interest earned on loans pool balances | 2,802 | 2,467 | - | - | 62 | 57 | 3 | 3 | 74 | 68 | 786 | 729 |
| Dividend income | 17,612 | 15,382 | - | - | - | - | - | - | - | - | - | - |
| | 20,414 | 17,849 | - | - | 62 | 57 | 3 | 10 | 74 | 68 | 786 | 729 |
| Note 4 Awarding of Grants | | | | | | | | | | | | |
| Grants Paid | 14,752 | 9,976 | - | - | - | - | - | - | - | - | - | 1,000 |
| Governance Costs: | | | | | | | | | | | | |
| Accountancy and Legal costs | 807 | 595 | - | - | 1 | 1 | - | - | 1 | 1 | 8 | 154 |
| Audit of Financial Statements | 4,469 | 3,667 | - | - | 135 | 121 | 136 | 121 | 135 | 121 | 136 | 201 |
| | 20,028 | 14,238 | - | - | 136 | 122 | 136 | 332 | 136 | 122 | 144 | 1,355 |
| | | | | | | | | | | | | |
| | Mr and Mrs William J Watt Dufftown Food Fund | | Robert Young Trust | | The Moray Council Charitable Trust | | Total Unrestricted funds | Total Endowment funds | TOTAL | | | |
| | SC019069 | | SC019071 | | SC046791 | | | | | | | |
| | 2022/23 | 2021/22 | 2022/23 | 2021/22 | 2022/23 | 2021/22 | 2022/23 | 2021/22 | 2022/23 | 2021/22 | | |
| | Unrestricted | | Unrestricted | | Unrestricted | | | | | | | |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ | | | |
| Note 3 Investment Income | | | | | | | | | | | | |
| Interest earned on loans pool balances | - | - | 334 | 301 | 5,711 | 5,162 | 9,772 | - | 9,772 | 8,787 | | |
| Dividend income | - | - | - | - | - | - | 17,612 | - | 17,612 | 15,382 | | |
| | - | - | 334 | 301 | 5,711 | 5,162 | 27,384 | - | 27,384 | 24,169 | | |
| Note 4 Awarding of Grants | | | | | | | | | | | | |
| Grants Paid | - | - | - | - | - | - | 14,752 | - | 14,752 | 10,976 | | |
| Governance Costs: | | | | | | | | | | | | |
| Accountancy and Legal costs | - | - | 3 | 3 | 173 | 669 | 993 | - | 993 | 1,423 | | |
| Audit of Financial Statements | 135 | - | 135 | 121 | 1,219 | 1,088 | 6,500 | - | 6,500 | 5,440 | | |
| | 135 | - | 138 | 124 | 1,392 | 1,757 | 22,245 | - | 22,245 | 17,839 | | |

Notes to the Financial Statements (continued)

Note 5 Investments

There is only one trust with investments; Moray and Nairn Educational Trust (SC019017). The investments are all unit trusts managed in line with the investment policy of the trust. Investments are included at fair value as at the balance sheet date. The return on investment is made up of the income derived from the investment (e.g. interest and dividends) and any gain or loss in the market value of the investment. If a charity sells an investment, a gain or loss on the carrying amount of the asset is realised upon its disposal. Where a charity retains an investment, an unrealised gain or loss on the carrying amount of the investment may arise at the balance sheet date.

Trust law applies different rules to endowment funds. In an endowment, trustees cannot add the income from investments to the endowment capital; the income from the investment is allocated to the unrestricted fund. However, any gain or loss on investment is attributed to the endowment capital.

The gain/(loss) on Revaluation figure includes the movement in the market value of all investments held by the trust.

| SoFA - Movement in the Available for Sale Reserve | 2022/23 | 2021/22 |
|--|----------------|----------------|
| | £ | £ |
| Add: Net (loss)/gain on revaluation | (15,815) | 42,150 |
| | <hr/> | <hr/> |
| Net gains/(losses) on investments | (15,815) | 42,150 |
| | <hr/> | <hr/> |
| Balance Sheet | 2022/23 | 2021/22 |
| | £ | £ |
| Opening Balance | 599,529 | 557,379 |
| Add: Net (loss)/gain on revaluation | (15,815) | 42,150 |
| | <hr/> | <hr/> |
| Balance sheet value of Investments | 583,714 | 599,529 |
| | <hr/> | <hr/> |

Note 6 Voluntary Income

Voluntary income includes incoming resources which provide core funding or are of a general nature. Having due regard to the Council's plans to support any trust funds likely to fall into deficit, including funding any future deficits until the charity can be reorganised or wound up, there was a contribution of £268 in the year to support two Trusts:

| | 2022/23 | 2021/22 |
|--|----------------|----------------|
| | £ | £ |
| Castlehill Trust | 133 | 25 |
| Mr and Mrs William J Watt Dufftown Food Fund | 135 | 119 |
| Total Contribution from Moray Council | <hr/> 268 | <hr/> 144 |

Note 7 Debtors

| | 2022/23 | 2021/22 |
|---|----------------|----------------|
| | £ | £ |
| Investment income - Moray and Nairn Educational Trust | 1,655 | 1,266 |
| Total | <hr/> 1,655 | <hr/> 1,266 |

Notes to the Financial Statements (continued)

Note 8 Creditors: amounts falling due within one year

| | 2022/23 | 2021/22 |
|---------------------------------|----------------|----------------|
| | £ | £ |
| Audit fee | 6,500 | 5,440 |
| Grant award due - Moray & Nairn | - | 1,495 |
| | <u>6,500</u> | <u>6,935</u> |

Note 9 Financial Instruments

The trust funds only have financial assets and financial liabilities of a kind that qualify as basic financial instruments per FRS 102. Basic financial instruments are recognised at transaction value. The financial instruments disclosed in the Balance Sheet are made up of the following categories:

| | 2022/23 | 2021/22 |
|---|----------------|----------------|
| | £ | £ |
| Debtors | | |
| Financial Assets carried at contract amounts | 1,655 | 1,266 |
| Loans Fund Balances | <u>437,500</u> | <u>432,917</u> |
| Total Debtors | <u>439,155</u> | <u>434,183</u> |
| Creditors | | |
| Financial Liabilities carried at contract amounts | 6,500 | 5,440 |
| Grant award | - | 1,495 |
| Total Creditors | <u>6,500</u> | <u>6,935</u> |

Note 10 Related Parties

The Trustees and Moray Council are the only related parties of the Connected Charities. There were no transactions during the year between any of the Trustees and the Connected Charity Trust Funds.

The trust funds use Moray Council's bank account for all transactions and the balance is invested in the Council's loans fund, for which it earns interest. There are no other outstanding balances due to or from Moray Council at 31 March 2023. The trustees are required by the Charities SORP to disclose material transactions with related parties; bodies or individuals that have the potential to control or influence the Trusts Funds, or to be controlled or influenced by the Trust Funds. The amounts paid by the Connected Charities to Moray Council for support services, including legal and finance costs, in 2022/23 was £993 (2021/22 £1,423).

Note 11 Trustee Remuneration, Benefits and Expenses

None of the trustees of the Trust Funds and no associated person connected with any of them have received any remuneration or any other benefit for their services. Further, no directly incurred expenses were reimbursed to the trustees during the year.

Note 12 Staff Costs and Emoluments

The Trust Funds have no employees and have not incurred any staff costs or emoluments.

Notes to the Financial Statements (continued)

Note 13 External Audit Costs

The Connected Charities incurred £6,500 of statutory audit fees for the audit of the Connected Charities Trustees Report and Financial Statements for the year ended 31 March 2023. This cost has been accrued in 2022/23 and allocated to each trust (£5,440 2021/22).

Note 14 Accounting Policies

Basis of Preparation

The financial statements for the charitable trusts have been prepared in accordance with the Charities: Statement of Recommended Practice 2015, commonly referred to as the SORP, in accordance with the Financial Reporting Standard 102 (FRS 102), which is effective for accounting periods beginning after 1 January 2015. The financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at fair value, in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The financial statements are prepared on a going concern basis, and in accordance with applicable United Kingdom accounting standards. The principal accounting policies have been applied consistently throughout the year. The Mr and Mrs William J Watt Dufftown Food Fund has been exhausted and is in deficit at 31 March 2023 by £135. The Castlehill Trust is in deficit by £133. Having due regard to the Council's plans to support the charity, including funding that deficit and any future deficits until the charity can be reorganised or wound up, the Trustees are confident that this will be sufficient to enable the Charity to continue to meet its obligations as they fall due for the period of at least 12 months from the date of signing these financial statements and as such have prepared the financial statements on the going concern basis.

In line with Regulation 7 of the 2006 Regulations, these financial statements have been prepared on the basis that the Trust funds for which it acts as sole Trustee are connected charities. As such the financial statements for the individual charities have been prepared on a collective basis for the Council.

An amendment to the Charities SORP (FRS 102) issued by the Financial Reporting Council and published in February 2016 states the requirement for larger charities to prepare a statement of cash flow. The charitable trusts are not classed as a large charity and so a cash flow statement has not been prepared this year.

Fund Accounting

Unrestricted funds are spent or applied at the discretion of the trustees to further any of the charity's purposes.

Endowment funds represent those assets which must be held permanently by the charity. Income generated from endowment funds held for investment must be spent on furthering its charitable purposes.

Incoming Resources

Investment income and other income is accounted for in the period in which the charity is entitled to the receipt and the amount can be measured with reasonable certainty.

Resources expended

Expenditure is included in the financial statements on an accruals basis and recognised when the activity takes place and not simply when the cash payment is made.

Governance costs include the costs of the preparation and examination of statutory financial statements; legal advice to trustees on governance or constitutional matters and costs of administering grants.

Investments

Investments are included at fair value at the balance sheet date in accordance with the principles of the SORP.

Investment gains and losses include any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to fair value at the end of the period.

Notes to the Financial Statements (continued)

Note 14 Accounting Policies (continued)

Other Matters

The Connected Charities is an arrangement that enables the trust funds for which Moray Council are sole trustees, and which are individually registered with OSCR, to be brought together and included in the Connected Charities Trustees' Report and Financial Statements. As registered charities, they are entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charities primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The connected charities are a Public benefit entity as defined by FRS 102 in that their primary objective is to make grants to the individuals or community groups rather than with a view to providing a financial return to trustees. The Charitable Activities of the trusts are making grants in accordance with the trust deeds and in agreement of the Trustees.

There are no judgements, apart from those involving estimations, that the trustees have made in the process of applying the entity's accounting policies that have a significant effect on the amounts recognised in the accounts.

There are no key assumptions concerning the future, or other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Independent auditor's report to the trustees of The Moray Council – Connected Charity Trust Funds 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 The Moray Council – Connected Charity Trust Funds for the year ended 31 March 2023 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the charities as at 31 March 2023 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 trustees', 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 determines 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 the trustees intend to discontinue the charities' operations, or have no realistic alternative but to do so.

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:

- using our understanding of the local government sector and charity sector to identify that the Local Government (Scotland) Act 1973, the Charities and Trustee Investment (Scotland) Act 2005, and The Charities Accounts (Scotland) Regulations 2006 are significant in the context of the charities;
- inquiring of the Trustees as to other laws or regulations that may be expected to have a fundamental effect on the operations of the charities;
- inquiring of the Trustees concerning the charities' policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among our audit team on 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

Other information

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

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 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 other information and we do not express any form of assurance conclusion thereon except on the Trustees' Annual Report to the extent explicitly stated in the following opinion prescribed by the Accounts Commission.

Opinions prescribed by the Accounts Commission on the Trustees' Annual Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Charities SORP (FRS 102).

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 108 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.

Angela Pieri, (for and on behalf of Grant Thornton UK LLP),
110 Queen Street
Glasgow
G13BX

Date:

Grant Thornton UK LLP is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973.

