

THE KILLEARN TRUST
TRUSTEES' REPORT AND UNAUDITED ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2015

THE KILLEARN TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr J Parker - Chairman Mrs K Pollock - Secretary Mrs G Smith - Treasurer Mr J Fallas Mr A Berrill - Ex Officio Mrs P Craigie - Ex Officio Rev L Messeder - Ex Officio
Charity number	SC003347
Independent examiner	French Duncan LLP 133 Finnieston Street Glasgow G3 8HB
Bankers	Bank of Scotland 136 Buchanan Street Balfron Glasgow G63 OTG
Solicitors	Brodies LLP 2 Blythswood Square Glasgow G2 4AD
Investment advisors	Tilney Bestinvest 130 St Vincent Street Glasgow G2 5SE
Website	www.killearn.org.uk/killearntrust.html

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THE KILLEARN TRUST

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 MARCH 2015

The Trustees present their report and accounts for the period ended 31 March 2015.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Trust's Trust Deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities," issued in March 2005.

Structure, governance and management

The Trust was registered as a Scottish Charitable Organisation (SCIO) on 20 March 2014. On 31 March 2014, the net assets of Second Killearn Trust (a Trust established by a charitable trust deed on 27 March 1935) vested into the SCIO.

The Trust owns nine residential properties and three open spaces, purchased in order to meet the charity's objectives.

The Trust is run by unpaid Trustees and those who served the charity during the period were as follows:

Mr J Parker	- Chairman
Mrs K Pollock	- Secretary
Mrs G Smith	- Treasurer
Mr J Fallas	
Mr A Berrill	- Ex Officio
Mrs P Craigie	- Ex Officio
Rev L Messeder	- Ex Officio

The charity has reviewed its policies relating to induction and training to comply with new guidelines and recommendations from the Office of the Scottish Charity Regulator. This has ensured that its policies are sufficient to meet the training needs of its Trustees and that the charity continues to maintain the highest possible standards of service delivery.

Elected Trustees come up for election every four years. Ex Officio Trustees are Trustees based on the position they hold within the village, namely Minister for Killearn Kirk, Killearn Primary School Head Teacher and one of the Councillors for the Forth and Endrick Ward of Stirling Council.

The Trustees have assessed the major risks to which the Trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Objectives and activities

The main objective of the trust is to inaugurate and/or assist either financially or in any other way any scheme, purpose, society or object which in any way promote the moral, social and intellectual welfare of the inhabitants of the Parish of Killearn. This is largely achieved through the provision of affordable housing to deserving individuals from the Killearn area and donations to worthwhile causes within the community. The trust is also involved in local conservation and environmental issues.

Achievements and performance

Properties

Routine repairs and maintenance were carried out to all nine properties

The Trust's factors, Redpath Bruce LLP, continue to be accountable for all matters relating to the properties including rent collection and payment of invoices.

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TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2015

Achievements and performance (continued)

Funding

Grants totalling £3,400 were made to Killearn Primary School for various activities. Further grants were made of £500 to Stirling Carers to support young carers in the local area, £50 to the village 10K charity race, £500 to Balfron Bowling Club to help with refurbishment of the clubhouse, £250 to a local competitive junior cyclist and £2,000 towards repair of the Village Hall roadside wall.

A legacy of £5,000 was received from a local resident. This will be spent on a suitable project in due course.

Open Spaces

The Glebe continued to be made available for social functions, the annual fireworks display and other village activities.

Buchanan Monument

The Trust has continued to maintain the grounds of the Buchanan Monument.

Parish of Killearn Book

A further 15 copies of the third edition of the Parish of Killearn book have been sold during the period.

Financial review

The Trustees are responsible for the Trust's internal financial controls which aim to give reasonable assurance that issues are identified as they arise and are dealt with appropriately in an effective and timely manner. The Trustees meet quarterly to review administration of the owned properties, the financial performance of its investments and to assess donation requests from local groups and individuals.

It is the policy of the Trust that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Trust's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the period.

The acquisition and disposal of investments, together with the management of the Trust's portfolio, was carried out by the Trust's advisers, Deutsche Bank Private Wealth Management. The market value of the investments at the period end was £635,426.

It has been decided, that in the new SCIO, all the funds would be treated as either capital or unrestricted. This is because the original purposes of the funds described as restricted or endowment have been lost in the course of time and the sums concerned are now not material. The fund described as capital has been reduced to the original donations, i.e. excluding subsequent investment gains. The bequest funds have also been included in capital. Capital will be available to spend on capital projects.

Plans for the future

The future plans of the Trust will be to continue to provide affordable housing to deserving individuals from the Killearn area and to make donations to worthwhile causes within the community including conservation and environmental issues.

THE KILLEARN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2015

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Law applicable to charities in Scotland requires the Trustees to prepare accounts 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 accounts giving a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then 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 departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping accounting records that disclose with reasonable accuracy the financial position of the Trust and which enable them to ascertain the financial position of the charity and which enable them to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005 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.

On behalf of the board of Trustees

Mr J Parker – Chairman

Dated: 11 November 2015

THE KILLEARN TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE KILLEARN TRUST

I report on the accounts for the period ended 31 March 2015, which are set out on pages 5 to 9.

Respective responsibilities of Trustees and examiner

The charity's Trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity's Trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

This report is made solely to the charity's Trustees, as a body, in accordance with regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). My work has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for my work or for this report

Basis of independent examiner's report

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - (ii) to prepare accounts which accord with the accounting records and comply with the Regulation 8 of the 2006 Accounts Regulations have not been met, or

- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

John F Mason C.A.

French Duncan LLP

133 Finnieston Street
Glasgow
G3 8 HB

Dated: 11 November 2015

THE KILLEARN TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE PERIOD ENDED 31 MARCH 2015

	Notes	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Incoming resources from generated funds					
Voluntary Income - donation		5,000	-	5,000	-
Investment income	2	66,820	-	66,820	62,172
Incoming resources from charitable activities	3	189	-	189	232
Total incoming resources		72,009	-	72,009	62,404
Resources expended					
Costs of generating funds					
Investment management costs		7,159	-	7,159	6,931
Charitable activities					
Direct charitable expenditure	5	32,609	-	32,609	35,587
Governance costs		1,316	-	1,316	4,779
Total resources expended		41,084	-	41,084	47,297
Net incoming resources		30,925	-	30,925	15,107
Other recognised gains and losses					
Gains/(losses) on investment assets:					
Realised		15,650	-	15,650	28,772
Unrealised		1,991	-	1,991	15,010
Net movement in funds		48,566	-	48,566	58,889
Funds vested by Second Killearn Trust on 31 March 2014		2,586,811	27,880	2,614,691	-
Fund balances at 6 April 2013		-	-	-	2,555,802
Fund balances at 31 March 2015		2,635,377	27,880	2,663,257	2,614,691

THE KILLEARN TRUST

BALANCE SHEET

AS AT 31 MARCH 2015

	Notes	2015 £	£	2014 £	£
Fixed assets	8				
Investments			2,393,930		2,383,304
Current assets					
Stock		1,013		1,158	
Debtors	9	4,563		3,916	
Cash at bank and in hand		<u>272,851</u>		<u>237,383</u>	
		278,427		242,457	
Creditors: amounts falling due within one year	10	<u>(9,100)</u>		<u>(11,070)</u>	
Net current assets			<u>269,327</u>		<u>231,387</u>
Total assets less current liabilities			<u>2,663,257</u>		<u>2,614,691</u>
Capital funds					
Endowment funds	11		-		7,100
Income funds	12				
Restricted funds			27,880		49,646
Unrestricted funds			<u>2,635,377</u>		<u>2,557,945</u>
			<u>2,663,257</u>		<u>2,614,691</u>

The accounts were approved by the Trustees on 11 November 2015.

Mrs G Smith - Treasurer

Mr J Parker - Chairman

THE KILLEARN TRUST

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 31 MARCH 2015

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention modified to include the revaluation of certain fixed assets.

The comparatives in these accounts are those for the last accounting period of Second Killearn Trust before its assets and activities were vested in The Killearn Trust on 31 March 2014.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

To fully comply with the SORP, the net assets of the Trust at close of business at 31 March 2014 would be shown as an Incoming Resource within the Statement of Financial Activities. The Trustees are of the view that such an accounting treatment would result in the accounts of the Trust not showing a true and fair view, and have therefore prepared and presented the accounts on the basis that the activities of the Trust are, and have been continuous, notwithstanding the change in its legal status between 31 March and 1 April 2014.

1.2 Incoming resources

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement.

1.3 Resources expended

All expenditure is included on an accrual basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the SOFA. The Trust is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

1.4 Investments

Investments are valued at Market Value.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.5 Accumulated funds

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

2 Investment income

	Total	Total
	2015	2014
	£	£
Rental income	44,513	41,049
Income from listed investments	19,420	18,259
Interest receivable	2,887	2,864
	66,820	62,172

THE KILLEARN TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2015

3 Incoming resources from charitable activities

	2015	2014
	£	£
Parish of Killearn book	<u>189</u>	<u>232</u>

4 Total resources expended

	Total	Total
	2015	2014
	£	£
Costs of generating funds		
Investment management costs	7,159	6,931
Charitable activities		
Direct charitable expenditure	32,609	35,587
Governance costs		
Independent examiner's fees	1,072	899
Meeting costs	44	80
Honoraria	200	200
Legal fees re conversion to SCIO	-	3,600
	<u>41,084</u>	<u>47,297</u>

5 Direct Charitable expenditure

	Total	Total
	2015	2014
	£	£
Repairs, maintenance & insurance of properties	22,596	30,903
Buchanan Monument maintenance	415	385
Well Green maintenance	410	40
Glebe maintenance	1,641	-
"Parish of Killearn" books	145	157
Write-down of stock value of books	-	1,159
Grants to Killearn Primary School	3,400	300
Donations	3,300	2,290
Sundry expenses	702	55
Legal Fees	-	298
	<u>32,609</u>	<u>35,587</u>

THE KILLEARN TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2015

6 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or expenses during the period other than the Honorary Secretary and Treasurer. It was agreed to pay them an honorarium of £100 per annum.

7 Employees

There were no employees during the period.

8 Fixed asset investments

	UK Investment property	UK quoted shares	UK cash in portfolio	Total
	£	£	£	£
Market value at 1 April 2014	1,741,422	620,780	21,102	2,383,304
Acquisitions at cost	-	78,289		78,289
Disposals at cost	-	(65,634)	(4,020)	(69,654)
Change in value in period	-	1,991		1,991
Market value at 31 March 2015	1,741,422	635,426	17,082	2,393,930
Historic cost at 31 March 2015	66,469	436,255	17,082	519,806
Historic cost at 5 April 2014	66,469	423,600	21,102	511,171

9 Debtors

	2015	2014
	£	£
Rent debtor	3,763	3,416
Prepayments	800	500
	4,563	3,916

10 Creditors: amounts falling due within one year

	2015	2014
	£	£
Accruals	9,100	11,070

11 Permanent Endowment Funds

	Balance at 1 April 2014	Transfer to unrestricted	Balance at 31 Mar 2015
	£	£	£
Killearn School	3,484	(3,484)	-
Well Green	1,944	(1,944)	-
Capital	1,672	(1,672)	-
	7,100	(7,100)	-

The Trustees have agreed that these funds, which are now immaterial and for which the original purposes are unknown, will be accumulated with the unrestricted reserves as part of the change in legal form.

THE KILLEARN TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2015

12 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2014	Transfer to unrestricted	Balances at 31 Mar 2015
	£	£	£
Capital funds	47,075	(21,766)	25,309
Bequest funds	2,571	-	2,571
	<u>49,646</u>	<u>(21,766)</u>	<u>27,880</u>

The capital funds are the original contributions to the Trust, to which were added realised gains on investments until 1985.

The bequest funds are sundry amounts donated to the Trust. The exact purposes, if any, are no longer known.

The Trustees have agreed that these funds will all be treated as capital, after excluding investment gains which have been added after the original donations, as part of the change in legal form.

13 Analysis of net assets between funds

	Unrestricted	Restricted	Total
	£	£	£
Fund balances at 31 March 2015 are represented by:			
Investments	2,393,930	-	2,393,930
Current assets	250,547	27,880	278,427
Creditors: amounts falling due within one year	(9,100)	-	(9,100)
	<u>2,635,377</u>	<u>27,880</u>	<u>2,663,257</u>

Reconciliation of movements on unrealised gains on investments:

Unrealised gains at 1 April 2014	1,872,133	-	1,872,133
Net gains on revaluations in period	1,991	-	1,991
Unrealised gains at 31 March 2015	<u>1,874,124</u>	<u>-</u>	<u>1,874,124</u>

The properties have not been revalued in recent years. The Trust has been carrying out a programme of up-grading the residential properties and will consider obtaining a professional revaluation in due course.