

THE KILLEARN TRUST
TRUSTEES' REPORT AND UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017

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 Minister of Killearn Kirk – vacancy at present - 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 110 Queen Street Glasgow G1 3BX
Investment advisors	Tilney Bestinvest 130 St Vincent Street Glasgow G2 5SE
Website	www.killearn.org.uk/killearntrust.html

THE KILLEARN TRUST

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THE KILLEARN TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The Trustees present their report and accounts for the year ended 31 March 2017.

The Trustees confirm that the Trustees' Report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Objectives and activities

The Trust is a registered Scottish Charitable Incorporated Organisation (SCIO).

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.

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

Trustees

The Trust is run by the Trustees and those who served the charity during the year 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 (resigned 31 August 2017 on retirement as Minister of Killearn Kirk)

The Trustees have quarterly meetings with the day to day running of the Trust delegated to the Secretary and Treasurer. An honorarium of £100 each is paid to the Secretary and Treasurer each year. The other trustees are unpaid.

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 charity has reviewed its policies relating to induction and training to comply with the 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.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

THE KILLEARN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Risk

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.

Achievements and performance

Properties

Routine repairs and maintenance were carried out to all nine properties. There has been no major expenditure on properties during the year.

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.

Funding

Grants totalling £8,100 were made during the year for the completion of the building of the Killearn Football Pavilion, computer equipment at Killearn Primary School and the Killearn 10K race.

Open Spaces

The Glebe continued to be made available for social functions, the annual fireworks display and other village activities. A small area at the rear of the Village Hall is now leased to Killearn Community Futures Company so that it can be used during events in the Hall, without the need to clear the livestock off the whole of The Glebe.

Buchanan Monument

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

Parish of Killearn Book

A further 34 copies of the third edition of the Parish of Killearn book have been sold during the year.

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 consider 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 year.

The acquisition and disposal of investments, together with the management of the Trust's portfolio, was carried out by the Trust's advisers, Tilney Bestinvest. The market value of the investments at the year end was £820,230.

Capital funds will be available to spend on capital projects. All other funds are unrestricted at present.

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 YEAR ENDED 31 MARCH 2017

Statement of Trustees' Responsibilities

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

The 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 state of affairs of the Trust and of the incoming resources and application of resources for that period.

In preparing those accounts 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 accounting standards have been followed, subject to any material 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 existence.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the accounts comply with its constitution, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (As amended). 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: 7 November 2017

THE KILLEARN TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE KILLEARN TRUST

I report on the accounts for the year ended 31 March 2017, which are set out on pages 5 to 10.

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

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 Accounts Regulations). 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.

Basis of independent examiner's report

My examination was carried out in accordance with Regulation 11 of the Accounts Regulations. 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 Accounts Regulations, and
 - (ii) to prepare accounts which accord with the accounting records and with FRS 102 – Accounting and Reporting by Charities amended by Update Bulletin 1 - and comply with the Regulation 8 of the 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.

Antony J Sinclair CA

For and on behalf of
French Duncan LLP

133 Finnieston Street
Glasgow
G3 8 HB

Dated: November 2017

THE KILLEARN TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2017

		Unrestricted funds	Restricted funds	Total 2017	Total 2016
	Notes	£	£	£	£
Income					
Investment income	2	70,659	-	70,659	69,328
Charitable activities	3	378	-	378	519
Total Income		71,037		71,037	69,847
Expenditure					
Costs of raising funds					
Investment management costs		8,837	-	8,837	7,278
Charitable activities					
Direct charitable expenditure	4	41,050	-	41,050	47,354
Support costs	5	1,336	-	1,336	1,242
Total Expenditure		51,223		51,223	55,874
Net income before gains and losses on investments		19,814		19,814	13,973
Gains/(losses) on investments					
Realised		23,757	-	23,757	302
Unrealised		76,667		76,667	(14,794)
Net movement in funds		120,238		120,238	(519)
Fund balances at 1 April 2016		2,634,858	27,880	2,662,738	2,663,257
Fund balances at 31 March 2017		2,755,096	27,880	2,782,976	2,662,738

There were no movements on restricted funds during the year ended 31 March 2017.

The notes on pages 7 to 10 form part of these accounts.

THE KILLEARN TRUST

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Fixed assets	8				
Investments			2,614,674		2,473,071
Current assets					
Stock		324		629	
Debtors	9	17,984		15,534	
Cash at bank and in hand		158,921		179,824	
		177,229		195,987	
Current liabilities					
Creditors: amounts falling due within one year	10	(8,927)		(6,320)	
Net current assets			168,302		189,667
Net assets			2,782,976		2,662,738
Funds	11				
Restricted funds			27,880		27,880
Unrestricted funds			2,755,096		2,634,858
			2,782,976		2,662,738

The notes on pages 7 to 10 form part of these accounts.

The accounts were approved by the Trustees on 7 November 2017.

Mrs G Smith - Treasurer

Mr J Parker - Chairman

THE KILLEARN TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2017

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 accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). FRS 102 is applicable for the first time but no adjustments to comparative figures are required.

The Killearn Trust meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Trustees consider there are no material uncertainties about the Trust's ability to continue as a going concern.

1.2 Income resources

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

1.3 Expenditure

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

Quoted investments are valued at Market Value. The property investments are held as social investments. These have been valued by the Trustees.

1.5 Stock

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

1.6 Debtors and prepayment

Debtors comprise rentals due to be paid to the Trust by the property agents, minor rent arrears and amount paid in advance for expenses.

1.7 Cash at bank

This comprises cash held by the Trust's bankers.

1.8 Liabilities and provisions

This comprises estimates due by the Trust for services received but not yet paid for.

1.9 Financial Instruments

The Trust only has financial assets and liabilities of a kind that qualify as basic financial instruments.

1.10 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.

General funds are used for payment of grants and donations, the maintenance of properties, professional fees in connection with the Trust's assets and any other expenses that arise.

THE KILLEARN TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

2 Investment income

	Total 2017 £	Total 2016 £
Rental income	47,404	46,956
Income from listed investments	21,656	19,085
Interest receivable	1,599	3,287
	<u>70,659</u>	<u>69,328</u>

3 Income from charitable activities

	2017 £	2016 £
"Parish of Killearn" book	378	519

4 Direct Charitable expenditure

	Total 2017 £	Total 2016 £
Repairs, maintenance & insurance of properties	19,869	32,518
Buchanan Monument maintenance	540	480
Well Green maintenance	130	660
Glebe maintenance	160	-
"Parish of Killearn" books	305	384
Grants to Killearn Primary School	5,000	300
Donations	3,100	5,100
Sundry expenses	25	25
Legal Fees	11,921	7,887
	<u>41,050</u>	<u>47,354</u>

5 Support costs

	Total 2017 £	Total 2016 £
Independent examiner's fees	1,104	978
Meeting costs	32	64
Honoraria	200	200
	<u>1,336</u>	<u>1,242</u>

THE KILLEARN TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

6 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or expenses during the year other than the Honorary Secretary and Treasurer. It was agreed to pay them an honorarium of £100 per annum. There are no other related party transactions.

7 Employees

There were no employees during the year.

8 Fixed asset investments

	UK Investment property	UK quoted shares	UK cash in portfolio	Total
	£	£	£	£
Market value at 1 April 2016	1,741,422	681,195	50,454	2,473,071
Acquisitions at cost	-	183,478	2,568	186,046
Disposals at cost	-	(121,110)	-	(121,110)
Change in value in year	-	76,667	-	76,667
Market value at 31 March 2017	1,741,422	820,230	53,022	2,614,674
Historic cost at 31 March 2017	66,469	559,186	53,022	678,677
Historic cost at 1 April 2016	66,469	496,818	50,454	613,741

Reconciliation of movements on unrealised gains on investments:

Unrealised gains at 1 April 2016	1,674,953	184,377	-	1,859,330
Net gains/(losses) on revaluations in year	-	76,667	-	76,667
Unrealised gains at 31 March 2017	1,674,953	261,044	-	1,935,997

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. The Trustees consider that the valuation at which the properties are disclosed is reasonable.

9 Debtors

	2017	2016
	£	£
Property agents	16,174	14,620
Rent debtor	910	14
Prepayments	900	900
	17,984	15,534

10 Creditors: amounts falling due within one year

	2017	2016
	£	£
Accruals	8,927	6,320

THE KILLEARN TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

11 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:

	Balances at 1 April 2015 & 2016	Transfer to unrestricted	Balances at 31 Mar 2016 & 2017
	£	£	£
Capital funds	25,309	-	25,309
Bequest funds	2,571	-	2,571
	<u>27,880</u>	<u>-</u>	<u>27,880</u>

The capital and bequest funds are the original contributions to the Trust and sundry amounts donated in subsequent years.

12 Analysis of net assets between funds

	Unrestricted	Restricted	Total
	£	£	£
Fund balances at 31 March 2017 are represented by:			
Investments	2,614,674	-	2,614,674
Current assets	149,349	27,880	177,229
Creditors: amounts falling due within one year	(8,927)	-	(8,927)
	<u>2,755,096</u>	<u>27,880</u>	<u>2,782,976</u>

Fund balances at 31 March 2016 are represented by:

Investments	2,473,071	-	2,473,071
Current assets	168,107	27,880	195,987
Creditors: amounts falling due within one year	(6,320)	-	(6,320)
	<u>2,634,858</u>	<u>27,880</u>	<u>2,662,738</u>

13 First time adoption of FRS 102

This is the first year that the Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 March 2016 and the date of transition to FRS 102 and SORP 2015 was therefore 1 April 2016. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the company's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.