

THE KILLEARN TRUST
TRUSTEES' REPORT AND UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

THE KILLEARN TRUST

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THE KILLEARN TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr J Parker	- Chairman
Mrs K Pollock	- Secretary
Mrs G Smith	- Treasurer
Mr J Fallas	(Resigned 20.07.2020)
Mr J Ptolomey	
Mr A Berrill	- Ex Officio
Mrs P Craigie	- Ex Officio
Rev S Sharp	- Ex Officio

Principal office

7 Napier Road
Killearn
Glasgow
G63 9PB

Charity number SC003347

Independent examiner

Wylie & Bisset LLP
Chartered Accountants
168 Bath Street
Glasgow
G2 4TP

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

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The Trustees present their annual report and financial statements for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's constitution, 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 UK and Republic of Ireland.

The legal and administrative information on page one forms part of this report.

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 four open spaces, purchased in order to meet the charity's objectives.

Structure, Governance and Management

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	(Resigned 20.07.2020)
Mr J Ptolomey	
Mr A Berrill	- Ex Officio
Mrs P Craigie	- Ex Officio
Rev S Sharp	- Ex Officio

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 but are occasionally refunded for small amounts of expenditure.

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 would like to thank Mr Jim Fallas for his loyal service as a Trustee for nearly fifty-four years.

The Trust 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.

THE KILLEARN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust 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.

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 extra expenditure on some of the properties including external painting, roof repairs, rot and damp treatment and the replacement of kitchen units, a boiler and external gates.

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. They are taking appropriate precautions for Covid-19.

Funding

Grants totalling £800 were made during the year for the Killearn Golden Years Club and to assist a local teenager with his international sailing career. Two previous recipients of grants for their Project Trust assignments, have published articles about their experiences in Killearn Courier magazine.

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 year.

Impact of COVID-19

The main impact of the Coronavirus virus control measures has been that the Trustees have not met formally since December. Communications have been carried out by telephone and e-mail since then.

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 which ensures that the Trust has sufficient funds available to carry out major refurbishments to at least two properties at any time, or more minor upgrades, which may be required by legislation, to all nine properties, as well as continuing to provide investment income for future expenditure. An estimate for these refurbishments at current costs would be £200,000. 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 year, with the Trust's general reserves sitting at £785,746 at the year end.

THE KILLEARN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Financial Review

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 £818,931. The drop of £138,689 is mainly due to the Coronavirus pandemic and the value at 30 June 2020 has risen since the year end to £864,697.

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.

COVID-19

The only effect that the virus control measures are having on the charity is the inability to hold meetings. It is proposed to put together a 6 months set of management accounts and a report for record purposes and to ensure that all the trustees are aware of the Trust's activities.

It is possible that there may be a reduction in dividend income in the future or that there may be a loss of rental income if a tenant defaults. Neither of these circumstances is likely to give rise to concern about the future viability of the charity.

Statement of Trustees' Responsibilities

The charity trustees are responsible for preparing a trustees' annual report and financial statements 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 charity trustees to prepare financial statements for each year which 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 the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable 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 financial statements;
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the charity constitution. They are also responsible for safeguarding the assets of the charity and 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 charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees and signed on their behalf by

Mr J Parker – Chairman

Date: 15 October 2020

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 2020, which are set out on pages 8 to 14.

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.

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 is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. 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:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the Accounts Regulations, and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations

have not been met, or

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

Scott Gillon BA (Hons), FCCA, CA

Wylie & Bisset LLP
Chartered Accountants

168 Bath Street
Glasgow
G2 4TP

Date: 15 October 2020

THE KILLEARN TRUST

STATEMENT OF FINANCIAL ACTIVITIES

(Including an Income and Expenditure account)

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Total 2020 £	Total 2019 £
Income			
Investment income	2	78,724	71,011
Charitable activities	3	206	192
Total Income		78,930	71,203
Expenditure			
Costs of raising funds			
Investment management costs		11,291	9,874
Charitable activities			
Direct charitable expenditure	4	32,323	174,785
Support costs	5	1,543	1,634
Total Expenditure		45,157	186,293
Net income/(expenditure) before gains and losses on investments		33,773	(115,090)
Gains/(losses) on investments			
Realised		9,235	(1,713)
Unrealised		(138,689)	46,565
Net movement in funds		(95,681)	(70,238)
Fund balances at 1 April 2019	10	2,717,370	2,787,608
Fund balances at 31 March 2020	10	2,621,689	2,717,370

All funds are unrestricted.

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE KILLEARN TRUST

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Investments	7		2,578,109		2,692,982
Current assets					
Stock			-		-
Debtors	8	3,920		5,611	
Cash at bank and in hand		<u>43,900</u>		<u>19,947</u>	
		<u>47,820</u>		<u>25,558</u>	
Current liabilities					
Creditors: amounts falling due within one year	9	<u>(4,240)</u>		<u>(1,170)</u>	
Net current assets			<u>43,580</u>		<u>24,388</u>
Net assets			<u>2,621,689</u>		<u>2,717,370</u>
Funds					
Unrestricted funds	10		<u>2,621,689</u>		<u>2,717,370</u>
			<u>2,621,689</u>		<u>2,717,370</u>

Approved by the trustees and signed on their behalf by:

Mrs G Smith – Treasurer

Mr J Parker - Chairman

Date: 15 October 2020

Date: 15 October 2020

THE KILLEARN TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

1.1 Basis of preparation

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements 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), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

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

As the original cost of the Parish of Killearn books has been exceeded by the income from sales, no value is attributed to the remaining stock.

1.6 Debtors and prepayment

Debtors comprise rentals due to be paid to the Trust by the property agents, minor rent arrears and amounts 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.

THE KILLEARN TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (continued)

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.

Further details of each fund are disclosed in note 10.

1.11 Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2 Investment income

	2020	2019
	£	£
Rental income	50,754	44,283
Income from listed investments	27,956	26,639
Interest receivable	14	89
	78,724	71,011

3 Income from charitable activities

	2020	2019
	£	£
"Parish of Killearn" book	206	192

THE KILLEARN TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

4 Direct Charitable expenditure

	2020	2019
	£	£
Repairs, maintenance & insurance of properties	28,177	163,299
Buchanan Monument maintenance	540	520
Well Green maintenance	240	60
Glebe maintenance	952	115
"Parish of Killearn" books	-	72
Grants to Killearn Primary School	-	8,500
Donations	800	400
Sundry expenses	-	127
Legal & professional fees	1,614	1,692
	<u>32,323</u>	<u>174,785</u>

5 Support costs

	2020	2019
	£	£
Independent examiner's fees	1,300	1,364
Meeting costs	43	70
Honoraria	200	200
	<u>1,543</u>	<u>1,634</u>

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 (2019: none other than honorarium). It was agreed to pay them an honorarium of £100 per annum (2019: £100 per annum). There are no other related party transactions (2019: none).

THE KILLEARN TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

7 Fixed asset investments

	UK Investment property	UK quoted shares	UK cash in portfolio	Total
	£	£	£	£
Market value at 1 April 2019	1,741,422	943,923	7,637	2,692,982
Acquisitions at cost	-	58,014	10,119	68,133
Disposals at cost	-	(44,317)	-	(44,317)
Change in value in year	-	(138,689)	-	(138,689)
Market value at 31 March 2020	1,741,422	818,931	17,756	2,578,109
Historic cost at 31 March 2020	66,469	657,941	17,756	742,166
Historic cost at 1 April 2019	66,469	644,244	7,637	718,350

Reconciliation of movements on unrealised gains on investments:

Unrealised gains at 1 April 2019	1,674,953	299,679	-	1,974,632
Net gains/(losses) on revaluations in year	-	(138,689)	-	(138,689)
Unrealised gains at 31 March 2020	1,674,953	160,990	-	1,835,943

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.

8 Debtors

	2020	2019
	£	£
Property agents	3,040	3,698
Prepayments	880	1,913
	3,920	5,611

9 Creditors: amounts falling due within one year

	2020	2019
	£	£
Accruals	4,240	1,170

THE KILLEARN TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

10 Analysis of charitable funds

2020 Analysis of Fund Movements	Balances at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balances at 31 Mar 2020 £
Unrestricted Funds					
General	742,738	78,930	(45,157)	9,235	785,746
Revaluation	1,974,632	-	-	(138,689)	1,835,943
Total Unrestricted Funds	2,717,370	78,930	(45,157)	(129,454)	2,621,689
Total Restricted Funds	-	-	-	-	-
Total Funds	2,717,370	78,930	(45,157)	(129,454)	2,621,689

2019 Analysis of Fund Movements	Balances at 1 April 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balances at 31 Mar 2019 £
Unrestricted Funds					
General	831,661	71,203	(158,413)	(1,713)	742,738
Revaluation	1,928,067	-	-	46,565	1,974,632
Total Unrestricted Funds	2,759,728	71,203	(158,413)	44,852	2,717,370
Restricted Funds					
Bequest funds	2,571	-	(2,571)	-	-
Capital funds	25,309	-	(25,309)	-	-
Total Restricted Funds	27,880	-	(27,880)	-	-
Total Funds	2,787,608	71,203	(186,293)	44,852	2,717,370

- a) The unrestricted funds are available to be spent for any of the purposes of the charity.
- b) The restricted capital and bequest funds were transferred to unrestricted funds in 2019 as the original purposes were no longer considered to be relevant.