

SECOND KILLEARN TRUST
TRUSTEES' REPORT AND UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2011

SECOND 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 McCowan - Ex Officio Rev L Messeder - Ex Officio (Appointed 12 December 2010)
Charity number	SC003347
Independent examiner	French Duncan LLP 375 West George Street Glasgow G2 4LW
Bankers	Bank of Scotland 136 Buchanan Street Balfron Glasgow G63 OTG
Solicitors	McLay, Murray & Spens 151 St Vincent Street Glasgow G2 5NJ
Investment advisors	Deutsche Bank Private Wealth Management 130 St Vincent Street Glasgow G2 5SE
Website	www.killearn.org.uk/secondkillearntrust.html

SECOND KILLEARN TRUST

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SECOND KILLEARN TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2011

The Trustees present their report and accounts for the year ended 5 April 2011.

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 established by a charitable trust deed on 27 March 1935. The Trust owns nine residential properties and two 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 McCowan	- Ex Officio
Rev L Messeder	- Ex Officio (Appointed 13 December 2010)

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.

The Second Killearn Trust is a registered charity and is governed by the Trust Deed.

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 the Stirling Councillor for Blane Valley.

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.

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.

Funding

Grants totalling £800 were made to Killearn Primary School for various activities. A donation of £2,245 was made to the Appeal for the renovation of the Killearn Village Hall and £250 was paid to the Old Folks Committee to help with their programme.

SECOND KILLEARN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2011

Achievements and performance (continued)

Open Spaces

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

The annual lease for grazing was signed by all the Trustees.

Buchanan Monument

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

The Trust has been represented at meetings held with the Buchanan Society and various interested parties, including Historic Scotland, to discuss the future ownership of the Monument."

Parish of Killearn Book

A further 35 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 months' 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, Deutsche Bank Private Wealth Management. The market value of the investments at the year end was £538,603.

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 make donations to worthwhile causes within the community.

The Trustees intend to upgrade the rented houses over the next year to install central heating as required and to improve the windows in the houses.

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.

SECOND KILLEARN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2011

Statement of Trustees' Responsibilities (continued)

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: 19 October 2011

SECOND KILLEARN TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF SECOND KILLEARN TRUST

I report on the accounts for the year ended 5 April 2011, 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. 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

375 West George Street
Glasgow
G2 4LW

Dated: 19 October 2011

SECOND KILLEARN TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2011

	Notes	Unrestricted funds £	Restricted funds	Endowment funds £	Total 2011 £	Total 2010 £
Incoming resources from generated funds						
Investment income	2	59,738	-	123	59,861	59,310
Incoming resources from charitable activities	3	530	-	-	530	3,015
Total incoming resources		60,268	-	123	60,391	62,325
Resources expended	4					
Costs of generating funds						
Investment management costs		4,402	-	-	4,402	2,821
Charitable activities						
Direct charitable expenditure	5	26,414	-	800	27,214	19,550
Governance costs		856	-	-	856	890
Total resources expended		31,672	-	800	32,472	23,261
Net incoming resources		28,596		(677)	27,919	39,064
Other recognised gains and losses						
Gains/(losses) on investment assets:						
Realised		-	-	-	-	(3,520)
Unrealised		51,433	-	-	51,433	78,256
Net movement in funds		80,029	-	(677)	79,352	113,800
Fund balances at 6 April 2010		2,358,624	49,646	12,221	2,420,491	2,306,691
Fund balances at 5 April 2011		2,438,653	49,646	11,544	2,499,843	2,420,491

SECOND KILLEARN TRUST

BALANCE SHEET

AS AT 5 APRIL 2011

	Notes	2011 £	£	2010 £	£
Fixed assets	8				
Investments			2,281,261		2,200,492
Current assets					
Stock		5,842		6,183	
Debtors	9	20,018		4,214	
Cash at bank and in hand		<u>204,480</u>		<u>217,533</u>	
		230,340		227,930	
Creditors: amounts falling due within one year	10	<u>(11,758)</u>		<u>(7,931)</u>	
Net current assets			<u>218,582</u>		<u>219,999</u>
Total assets less current liabilities			<u>2,499,843</u>		<u>2,420,491</u>
Capital funds					
Endowment funds	11		11,544		12,221
Income funds	12				
Restricted funds			49,646		49,646
Unrestricted funds			<u>2,438,653</u>		<u>2,358,624</u>
			<u>2,499,843</u>		<u>2,420,491</u>

The accounts were approved by the Trustees on 19 October 2011.

Mrs G Smith - Treasurer

Mr J Parker - Chairman

SECOND KILLEARN TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2011

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 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.

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

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Trust.

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

	Unrestricted Funds	Endowment funds	Total 2011	Total 2010
	£	£	£	£
Rental income	40,813	-	40,813	39,873
Income from listed investments	16,063	-	16,063	15,280
Interest receivable	2,862	123	2,985	4,157
	<u>59,738</u>	<u>123</u>	<u>59,861</u>	<u>59,310</u>

3 Incoming resources from charitable activities

	2011	2010
	£	£
Parish of Killearn book	<u>530</u>	<u>3,015</u>

SECOND KILLEARN TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2011

4 Total resources expended

	Unrestricted Funds	Endowment funds	Total 2011	Total 2010
	£	£	£	£
Costs of generating funds				
Investment management costs	4,402	-	4,402	2,821
Charitable activities				
Direct charitable expenditure	26,414	800	27,214	19,550
Governance costs				
Independent examiner's fees	820	-	820	842
Meeting costs	36	-	36	48
	31,672	800	32,472	23,261

5 Direct Charitable expenditure

	Unrestricted Funds	Endowment funds	Total 2011	Total 2010
	£	£	£	£
Repairs, maintenance & insurance of properties	22,987	-	22,987	14,778
Buchanan Monument maintenance	310	-	310	310
Well Green maintenance	58	-	58	83
"Parish of Killearn" books	341	-	341	1,651
Grants to Killearn Primary School	-	800	800	1,470
Donations	2,495	-	2,495	-
Sundry expenses	223	-	223	108
Legal Fees	-	-	-	1,150
	26,414	800	27,214	19,550

6 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or expenses during the year. They were reimbursed expenses - £12 (2010 - £5).

7 Employees

There were no employees during the year.

SECOND KILLEARN TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2011

8 Fixed asset investments

	UK Investment property	UK quoted shares	UK cash in portfolio	Total
	£	£	£	£
Market value at 6 April 2010	1,741,422	457,393	1,677	2,200,492
Acquisitions at cost	-	29,777	(441)	29,336
Change in value in year	-	51,433	-	51,433
Market value at 5 April 2011	1,741,422	538,603	1,236	2,281,261
Historic cost at 5 April 2011	66,469	409,188	1,236	476,893
Historic cost at 5 April 2010	66,469	379,411	1,677	447,557

9 Debtors

	2011	2010
	£	£
Rent debtor	6,099	3,720
Prepayments and accrued income	-	494
Amounts owed by connected undertakings (Third Killearn Trust)	13,919	-
	20,018	4,214

The Third Killearn Trust refunded the above amount after the year end.

10 Creditors: amounts falling due within one year

	2011	2010
	£	£
Accruals	11,758	7,931

11 Permanent Endowment Funds

	Balance at 6 April 2010	Incoming resources	Resources expended	Balances at 5 April 2011
	£	£	£	£
Killearn School	6,586	76	(800)	5,862
Well Green	1,872	19	-	1,891
Killearn Millennium Fund	2,091	28	-	2,119
Capital	1,672	-	-	1,672
	12,221	123	(800)	11,544

SECOND KILLEARN TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2011

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 6 April 2010	Incoming resources	Resources expended	Balances at 5 April 2011
	£	£	£	£
Capital funds	47,075	-	-	47,075
Bequest funds	2,571	-	-	2,571
	<u>49,646</u>	<u>-</u>	<u>-</u>	<u>49,646</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 not known.

13 Analysis of net assets between funds

	Unrestricted	Restricted	Endowment	Total
	£	£	£	£
Fund balances at 5 April 2011 are represented by:				
Investments	2,281,261	-	-	2,281,261
Current assets	169,150	49,646	11,544	230,340
Creditors: amounts falling due within one year	(11,758)	-	-	(11,758)
	<u>2,438,653</u>	<u>49,646</u>	<u>11,544</u>	<u>2,499,843</u>

Reconciliation of movements on unrealised gains on investments:

Unrealised gains at 6 April 2010	1,752,935	-	-	1,752,935
Net gains on revaluations in year	51,433	-	-	51,433
Unrealised gains at 5 April 2011	<u>1,804,368</u>	<u>-</u>	<u>-</u>	<u>1,804,368</u>