



Aberdeenshire Charities Trust (ACT 2)

**Trustees' Annual Report
and Financial Statements**

For The Year Ended:

31 March 2018

Charity no: SC045539

Aberdeenshire Charities Trust (ACT 2)

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Aberdeenshire Charities Trust (ACT 2)

Trustee's Report for the Year Ended 31 March 2018

The Trustee representatives present their annual report and financial statements of the Aberdeenshire Charities Trust (ACT 2) for the year ended 31 March 2018. The financial statements have been prepared in accordance with the accounting policies set out in note 1 of the financial statements and comply with the Charities Accounts (Scotland) Regulations 2006 as amended by The Charities Accounts (Scotland) Amendment (No.2) Regulations 2014 and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) published on 16 July 2014.

Going Concern

After making enquiries, the Trustee representatives have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and financial statements. Further details regarding the adoption of the going concern basis are included in note 1 of the financial statements.

Reference and administrative information

Aberdeenshire Council acts as sole Trustee for ACT 2. The trust deed provides for all Councillors to be appointed to act on behalf of the Council as Trustee representatives. The charity listed below has charitable status and is registered with the Office of the Scottish Charity Regulator (OSCR):

Charity Name: ACT 2 (Aberdeenshire Charities Trust)

Charity no: SC045539

Principal Office: Aberdeenshire Council
Woodhill House
Westburn Road
Aberdeen
AB16 5GB

Aberdeenshire Charities Trust (ACT 2) Trustee's Report for the Year Ended 31 March 2018 (continued)

Reference and administrative information (continued)

Trustee Representatives:

All members of Aberdeenshire Council:

Karen Adam (from 4th May)	Wendy Agnew	David Aitchison	Amanda Allan (to 3rd May)
Anne Allan	Peter Argyle	Neil Baillie (from 4th May)	Peter Bellarby (to 3rd May)
Dianne Beagrie (from 4th May)	Lesley Berry (from 12 th October)	Alastair Bews	Geva Blackett
Rosemary Bruce (from 4 th May)	Alan Buchan	Charles Buchan	Marion Buchan (from 4 th May)
Stephen Calder (from 4 th May)	George Carr	Ross Cassie	Edie Chapman (to 3rd May)
Raymond Christie (to 3rd May)	Colin Clark (to 11/10/17)	Graeme Clark (to 3rd May)	Karen Clark (to 3rd May)
Linda Clark (to 3rd May)	Richard Cowling (to 3rd May)	John Cox	Nan Cullinane (to 3rd May)
Isobel Davidson	Sarah Dickinson (from 4 th May)	Jean Dick (to 3rd May)	Sandy Duncan
Eileen Durno (from 4 th May)	Alison Evison	Marion Ewenson (from 4 th May)	Alan Fakley (from 4 th May)
Mark Findlater	Martin Ford	Alastair Forsyth (from 4 th May)	Alan Gardiner (to 3rd May)
Paul Gibb (from 4 th May)	Jim Gifford	Allison Grant (to 3rd May)	Victoria Harper (from 4 th May)
Andrew Hassan (from 4 th May)	Allan Hendry (to 3rd May)	Fergus Hood	Bill Howatson
Jeff Hutchison (from 4 th May)	Moira Ingleby	Jim Ingram	Paul Johnston
Anouk Kahanov-Kloppert (from 4 th May)	Andy Kille (from 4 th May)	John Latham	Sebastian Leslie (from 4 th May)
Dominic Lonchay (from 4 th May)	Sheena Lonchay (to 3rd May)	Doreen Mair (from 4 th May)	Ron McKail
Alistair McKelvie (from 4 th May)	Fiona McRae (to 3rd May)	Rob Merson (to 3rd May)	Ian Mollison
Carl Nelson (to 3rd May)	Alisan Norrie (to 3rd May)	Patricia Oddie (to 3rd May)	Gillian Owen
Hamish Partridge	Gwyneth Petrie	Colin Pike (from 4 th May)	Lenny Pirie (to 3rd May)
Stuart Pratt (to 3rd May)	Glen Reid (from 4 th May)	Glen Reynolds (from 4 th May)	Anne Robertson (to 3rd May)
Dennis Robertson (from 4 th May)	Ann Ross (from 4 th May)	Michael Roy	Cryle Shand (to 3rd May)
Anne Simpson (from 4 th May)	Norman Smith	Hazel Smith (from 4 th May)	Stephen Smith
Dave Stewart (to 3rd May)	Margo Stewart (to 3rd May)	Anne Stirling (from 4 th May)	Bryan Stuart ((to 3rd May)
Iain Sutherland (from 4 th May)	Ian Tait (to 3rd May)	Ian Taylor	Richard Thomson
Brian Topping	Hamish Vernal (to 3rd May)	Iris Walker	Sandy Wallace (from 4 th May)
Michael Watt (to 3rd May)	Jill Webster (to 3rd May)	Judy Whyte (from 4 th May)	Leigh Wilson (from 4 th May)
Robbie Withey (from 4 th May)			

Aberdeenshire Charities Trust (ACT 2)
Trustee's Report for the Year Ended 31 March 2018
(continued)

Reference and administrative information (continued)

Bankers: Clydesdale Bank
Principal Branch
1 Queens Cross
Aberdeen
AB15 4XU

Independent Auditor: Anne MacDonald, Senior Audit Manager
Audit Scotland
The Annexe
Woodhill House
Westburn Road
Aberdeen
AB16 5GB

Solicitors: Aberdeenshire Council
Legal and Governance
Business Services
Woodhill House
Westburn Road
Aberdeen
AB16 5GB

Structure, Governance and Management

The charity has been set up as a charitable Trust.
Terms of the charity are set out in Trust Deed.

All members of Aberdeenshire Council are Trustee representatives, after a local election new elected members are appointed. Councillors are elected to office every 4 years. Extensive training is given to new elected members following appointment which enables them to carry out their duties as Trustee representatives.

The Trust has established six Committees based on the Council's Six Area Committees, and decisions made by these Committees are done so in accordance with the Council's Standing Orders. Each Area Committee is responsible for administration of the charitable trust within their specific area.

The Head of Finance of the Council has responsibility for ensuring an effective system of internal financial control is maintained and operated. This system of internal

Aberdeenshire Charities Trust (ACT 2) Trustee's Report for the Year Ended 31 March 2018 (continued)

Structure, Governance and Management (continued)

financial control can only provide reasonable and not absolute assurance that assets are safeguarded, transactions are recorded and properly authorised, and that material errors or irregularities are either prevented or would be detected within a timely period. The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures and a system of delegation and accountability. The Head of Finance of the Council is responsible for keeping proper accounting records which are up to date and which ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 as amended by the Charities Accounts (Scotland) Amendment (No.2) Regulations 2014.

As well as all members being appointed as trustees, the Head of Legal and Governance and the Head of Finance have been appointed as secretary and treasurer respectively, to assist trustees as they discharge their functions.

Decisions regarding the operation, assets, processes or policies of ACT 2 are delegated by the Trustee representatives to the Head of Finance of the Council.

Risk

The Trustee representatives have considered the major risks to which the charity is exposed and have reviewed those risks and established systems to manage those risks.

The Trustee representatives consider market risk, the possibility that financial loss might arise for the charity as a result of changes in such measures as interest rates and stock market movements, to be the main risk facing ACT 2.

The charity funds are now invested in Aberdeenshire Council's Loans Fund. The investments are governed by Aberdeenshire Council's Treasury Management Strategy which was approved by Aberdeenshire Council's Business Services Committee on 2nd March 2017. A copy of the report can be found on the Council's website:

<http://committees.aberdeenshire.gov.uk/committees.aspx?commid=492&meetingid=18723>

Aberdeenshire Council provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

Aberdeenshire Charities Trust (ACT 2)

Trustee's Report for the Year Ended 31 March 2018

(continued)

Objectives and Activities

The purposes of the charity are as follows:

- The prevention or relief of poverty;
- The advancement of education;
- The advancement of health;
- The advancement of citizenship or community development;
- The advancement of the arts, heritage, culture or science;
- The advancement of public participation in sport;
- The provision of recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended;
- The advancement of environmental protection or improvement;
- The relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage.
- The support of persons serving/having served in the armed forces and their dependents

Awards are made where an application is made which meets the criteria of one or more of the purposes above to residents of Aberdeenshire, or those who can demonstrate a reasonable connection to the area.

Achievements, Performance and Financial Review

In 2016/17 OSCR approved the transfer of two Charitable Trusts, the George Philip Bequest and the James Lovie Trust to ACT2. The 2016/17 figures have been restated to reflect the combined balances of these trusts.

Income is largely generated by interest earned on the balance invested with the Council's Loans Fund, £2,000 (2016/17 £3,000) and Voluntary Income is also received in the form of donated services, £8,000 (2016/17: £8,000).

A small number of grants, totalling £13,000 (2016/17: £15,000) have been distributed to help elderly residents, relief of the poor and the advancement of the arts in Aberdeenshire.

Aberdeenshire Charities Trust (ACT 2)

Trustee's Report for the Year Ended 31 March 2018

(continued)

Reserves

The Trustee representatives aim to maintain a consistent level of reserves. These funds are generally investment funds held to generate income and to ensure stability of the grant making programme funded by it. The balance held at 31 March 2018 was £510,000. The equivalent held at 31 March 2017 including the two trusts detailed above was £504,000

Public Benefit

ACT 2 benefits the people of Aberdeenshire, or those with a reasonable connection to the area.

Due regard has been paid to the public benefit guidance published by the Charity Commission.

Plans for Future Years

Work will continue to promote the availability of ACT 2 through continuing update of the website and implementation of the Communication Strategy. The application forms will also continue to be reviewed and revised to ensure that they are understandable for applicants, and fit for purpose.

Statement of Responsibilities of the Trustees

The Trustee representatives are responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in Scotland requires the Trustee representatives to prepare financial statements for each financial 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 these financial statements, the Trustee representatives are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable U.K Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

Aberdeenshire Charities Trust (ACT 2)
Trustee's Report for the Year Ended 31 March 2018
(continued)

Statement of Responsibilities of the Trustees (continued)

The Trustee representatives are responsible for keeping proper accounting records that 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 Accounts (Scotland) Regulations 2006 as amended by the Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014 and the provisions of the charity's constitution. 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.

In so far as the Trustee representatives are aware:

- There is no relevant audit information of which the charity's auditor is unaware;
and
- The Trustee representatives have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Trustee representatives on 20 September 2018 and signed on their behalf by:

Norman Smith
Councillor
Aberdeenshire Charities Trust (ACT 2)

Independent auditor's report to the trustees of Aberdeenshire Charities Trust and the Accounts Commission

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 120 of the Code of Audit Practice approved by the Accounts Commission, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of Aberdeenshire Charities Trust for the year ended 31 March 2018 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, Cash Flow Statement, and notes to the financial statements, including a summary of 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 my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2018 and of its 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

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about ability of the charity to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Responsibilities, 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 determine 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to achieve 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 my 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.

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 my auditor's report.

Other information in the statement of accounts

The trustees are responsible for the other information in the statement of accounts. The other information comprises the information other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission or required by applicable law to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the statement of accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinion on matter prescribed by the Accounts Commission

In my 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 I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

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

I have nothing to report in respect of these matters.

Anne MacDonald CA
Senior Audit Manager
Audit Scotland
The Annexe
Woodhill House
Westburn Road
Aberdeen
AB16 5GB

20 September 2018

Anne MacDonald is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973.

Aberdeenshire Charities Trust (ACT 2)

Statement of Financial Activities for the year ended 31st March 2018

		2017/18	2016/17
			Restated
	Note	£'000	(See Note 5) £'000
Income From:			
Donations and legacies	6	26	20
Investments	7	2	3
Total Income		28	23
Expenditure On:			
Charitable activities	8	(22)	(23)
Total Expenditure		(22)	(23)
Net movement in funds		6	0
Reconciliation of Funds			
Total funds transferred in or brought forward	11	504	504
Net movement in funds for the year		6	0
Total funds carried forward		510	504

There were no other recognised gains or losses other than those listed above and the net income for the year. All income and expenditure derives from continuing activities.

All funds are unrestricted.

Aberdeenshire Charities Trust (ACT 2)
Balance Sheet as at 31st March 2018

		2017/18	2016/17
	Note	£'000	Restated (See Note 5) £'000
Fixed Assets:			
Investments	10	511	504
Total Fixed Assets		<u>511</u>	<u>504</u>
Current Liabilities:			
Creditors falling due within one year	13	(1)	0
Net Assets		<u>510</u>	<u>504</u>
Funds:			
Unrestricted income funds	11	510	504
Total charity funds		<u>510</u>	<u>504</u>

The financial statements of Aberdeenshire Charities Trust (ACT 2) (Registered charity no: SC045539) were approved by the Trustee representatives and authorised for issue on 20 September 2018 and signed on their behalf by:

Norman Smith
Councillor

Aberdeenshire Charities Trust (ACT 2)
Cashflow Statement as at 31st March 2018

	Note	2017/18 £'000	2016/17 £'000
Net cash flows from operating activities	13	5	(3)
Cash flows from investing activities			
Interest from investments		2	3
Additional investment in Council's Loans Fund		(7)	0
Net increase/(decrease) in cash and cash equivalents		<u>0</u>	<u>0</u>
Cash and cash equivalents at beginning of year		0	0
Cash and cash equivalents at end of year		0	0

Aberdeenshire Charities Trust (ACT 2)

Notes to the Financial Statements for the year ended 31st March 2018

1. Accounting Policies

1.1 Charitable Status

Aberdeenshire Charities Trust (ACT 2) was formed under the Charities and Trustee Investment (Scotland) Act 2005. ACT2 has charitable status and is registered with the Office of the Scottish Charity Regulator (OSCR), Charity no: SC045539. The principal address of the Charity is given on page 3.

1.2 Basis of Accounting

The financial statements have been prepared under the historical cost convention, with the exception that equity investments are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2015) 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.

The principal accounting policies, which have been applied consistently in both the current and prior year, are set out below.

1.3 Going Concern

The Trustee representatives have assessed the balance sheet and likely future cash flows of the fund at the date of approving the financial statements. The Trustee representatives believe that the fund is well placed to manage its business risks successfully despite the current uncertain economic outlook. The Trustee representatives have a reasonable expectation that the fund has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual report and financial statements.

1.4 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income received from investments are classified as unrestricted reserves in accordance with the donors' wishes.

Donations are recognised when the charity is notified of the amount by the donor.

Donated professional services are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. They are stated at estimated market

Aberdeenshire Charities Trust (ACT 2)

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

1.4 Income (continued)

value. Audit fees are an estimated allocation of the aggregate Council fee and the administration charge is based on 1% of fund balance as at 31st March.

On receipt, donated professional services are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs incurred in undertaking activities that further the charitable aims for benefit of beneficiaries, grants paid to third parties to undertake work contributing to the charity's aims, support costs and governance costs.
- Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include governance costs which support the charity's activities.

1.6 Fund Accounting

The charity holds unrestricted funds which the charity Trustee representatives are able to use for any of the charity's purposes.

There are no restricted or endowment funds for the charity.

1.7 Investments

Investments held are measured at fair value as at the Balance Sheet date. Both realised and unrealised gains and losses are recognised in the Statement of Financial Activities. Cash held within the investment portfolio is stated at its cash value.

1.8 Financial Instruments

Financial assets and financial liabilities are recognised when the Charity becomes party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

Aberdeenshire Charities Trust (ACT 2)

Notes to the Financial Statements (continued)

The charity only have financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the charity's accounting policies, described in note 1, the Trustee representatives are required to make judgements, estimates and assumptions about the carrying amounts 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 revision and future periods if the revision affects both current and future periods.

The Trustee representatives do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond application of the policies above.

3. Trustee and Employee Remuneration and Expenses

Neither the Trustee representatives nor any associated person connected with them have received any remuneration for their services or received any expenses.

There are no direct employees of the charity as all administration is carried out by officers of Aberdeenshire Council, therefore there are no remuneration costs incurred.

4. Investment Management Costs

There are no direct investment management costs as Aberdeenshire Council deal with all investments on behalf of the Trustee representatives.

Aberdeenshire Charities Trust (ACT 2)

Notes to the Financial Statements (continued)

5. Trusts reorganised to ACT2

As described on page 7 of the Trustee's report, during 2016/17, the George Philip Bequest and the James Lovie Trust were merged into ACT2, resulting in a prior period adjustment of £12,781 to restate the opening balance sheet. The following tables set out details of all the entities merged into ACT2 and the balances included in the merged opening balance sheet.

	George Philip Bequest	James Lovie Trust	Total transferred to ACT 2
	2016/17	2016/17	2016/17
	£'000	£'000	£'000
Net movement in funds	0	0	0
Total funds brought forward	9	3	12
Total funds transferred to ACT2	9	3	12

Reconciliation of balances

	2016/17 £000
ACT2 Fund balances as previously stated	492
Inclusion of:	
George Philip Bequest	9
James Lovie Trust	<u>3</u>
Restated ACT2 balances at 31 March 2017	<u>504</u>

6. Analysis of income from donations and legacies

	2017/18 £000	2016/17 £000
Donated services from Aberdeenshire Council	8	8
Other Donations	<u>18</u>	<u>12</u>
	<u>26</u>	<u>20</u>

7. Analysis of income from investments

	2017/18 £000	2016/17 £000
Interest from investments	<u>2</u>	<u>3</u>
Total	<u>2</u>	<u>3</u>

Aberdeenshire Charities Trust (ACT 2)
Notes to the Financial Statements (continued)

8. Analysis of expenditure on charitable activities

	Grant Funding of Activities(see note 9) 2017/18 £'000s	Support Costs (see below) 2017/18 £'000s	Grant Funding of Activities(see note 9) 2016/17 £'000s	Support Costs (see below) 2016/17 £'000s
Relief of those in need	<u>14</u>	<u>8</u>	<u>15</u>	<u>8</u>

Support Costs	2017/18	2016/17
	£'000	£'000
Administration costs	6	5
Governance costs (Audit Fees)	<u>2</u>	<u>3</u>
Total	<u>8</u>	<u>8</u>

In 2016/17 and 2017/18 the administration charge was a donated service from Aberdeenshire Council.

Due to the interaction of section 106 of the Local Government (Scotland) Act 1973 with the Charities Regulations a full audit is required of all registered charities where the local authority is the sole Trustee.

The audit fee has been allocated based on individual financial statements, then allocated to the charities within those financial statements where appropriate. Some charities have received a higher audit fee compared to others due to the higher number of transactions and therefore more audit input required.

9. Analysis of expenditure on grants

	2017/18	2016/17
	£'000	£'000
Care and Repair	10	13
Relief of those in need	<u>3</u>	<u>2</u>
Total	<u>13</u>	<u>15</u>

10. Fixed asset investments

	2017/18	2016/17
	£'000	£'000
Other investments (see Note 12)	<u>511</u>	<u>504</u>
	<u>511</u>	<u>504</u>

Aberdeenshire Charities Trust (ACT 2)
Notes to the Financial Statements (continued)

11. Movement on funds

Analysis of Fund movements	Balance b/fwd restated (see note 5) £'000	Income £'000	Expenditure £'000	Funds c/fwd £'000
Unrestricted funds	504	28	(22)	510
Total	504	28	(22)	510

The funds are designated into the following categories:

Ward and Purpose	Balance at 31 March 2018	Balance at 31 March 2017 Restated (See note 5) £000's
Banff & District (Banff & Buchan) Ward 1 - prevention/relief of poverty and those in need	56	57
Troup (Banff and Buchan) Ward 2 - prevention/relief of poverty and those in need	42	42
Troup (Banff and Buchan) Ward 2 - advancement of public participation in sport	2	2
Fraserburgh & District (Banff and Buchan Area) Ward 3 - prevention/relief of poverty and those in need	3	3
Central Buchan (Buchan Area) Ward 4 - prevention/relief of poverty and those in need	2	2
Peterhead North & Rattray (Buchan) Ward 5 - prevention/relief of poverty and those in need	1	1
Turriff & District (Formartine) Ward 7 - prevention/relief of poverty and those in need	10	10
Mid Formartine (Formartine Area) Ward 8 - advancement of the arts, heritage, culture or science	5	6
West Garioch (Garioch Area) Ward 10 - prevention/relief of poverty and those in need	0	0
Inverurie & District (Garioch Area) Ward 11 - prevention/relief of poverty and those in need	91	90
East Garioch (Garioch Area) Ward 12 - prevention/relief of poverty and those in need	6	6
Huntly, Strathbogie & Howe of Alford (Marr Area) Ward 14 - prevention/relief of poverty and those in need	52	53
Huntly, Strathbogie & Howe of Alford (Marr Area) Ward 14 - advancement of education	0	0
Huntly, Strathbogie & Howe of Alford (Marr Area) Ward 14 - any of the purposes of ACT2	69	68
Aboyne, Upper Deeside and Donside (Marr) Ward 15 - prevention/relief of poverty and those in need	7	7
Banchory & Mid Deeside (Marr) Ward 16 - prevention/relief of poverty and those in need	4	4
Banchory & Mid Deeside (Marr) Ward 16 - advancement of the arts, heritage, culture or science	6	6

Aberdeenshire Charities Trust (ACT 2)
Notes to the Financial Statements (continued)

11. Movement on funds (continued)

Ward and Purpose	Balance at 31 March 2018	Balance at 31 March 2017
		Restated
		(See note 5)
	£000's	£000's
North Kincardine (Kincardine & Mearns) Ward 17 - prevention/relief of poverty and those in need	0	0
Stonehaven & Lower Deeside (Mearns Area) Ward 18 - prevention/relief of poverty and those in need	2	2
Stonehaven & Lower Deeside (Mearns Area) Ward 18 - any of the purposes of ACT2	5	5
Mearns (Kincardine & Mearns) Ward 19 - prevention/relief of poverty and those in need	87	86
Support of needy residents of care and repair service	49	43
Fraserburgh & District (Banff and Buchan Area) Ward 3 - Any Purpose	2	2
Support for persons serving/having served in the armed forces and their dependents	9	9
Total	510	504

12. Related Party Transactions

The charity is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the charity or to be controlled or influenced by the charity. Disclosure of these transactions allows readers to assess the extent to which the charity might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the charity.

Aberdeenshire Council

Aberdeenshire Council has effective control over the general operations of the charity. All of the Trustee representatives are Aberdeenshire Council Councillors. As at 31 March 2018, balances totalling £511,000 (2016/17: £504,000 restated) were invested in the Council's Loans Fund.

The related party transactions during the year were £10,000 income (2016/17: £11,000), which was loans fund interest and voluntary income for donated services. Expenditure transactions were £8,000 (2016/17: £8,000) which was donated services of an administration charge and audit fee.

Aberdeenshire Charities Trust (ACT 2)

Notes to the Financial Statements (continued)

13. Cashflow Statement

Reconciliation of net income to cash generated by operating activities:

	2017/18	2016/17
	£'000	£'000
Net income for the year	6	0
Adjustments for:		
Interest receivable	(2)	(3)
Increase in creditors	1	0
Net Cash flow from operating activities	5	(3)

14. Parent Entity

Aberdeenshire Council is the parent entity of the charity as it acts as the sole Trustee for the charity via local Councillors who act on behalf of the Council as Trustee representatives. Control can be exercised by the Council by making decisions on how funds can be spent. Aberdeenshire Council's principal purpose is that it is a Local Authority. The principal office address is listed on page 3.