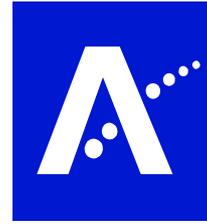


**Aberdeenshire**  
COUNCIL



# **Aberdeenshire Educational Trust**

**Trustee's Report**

**For The Year Ended:**

**31 March 2016**

**Charity no: SC028382**

# **Aberdeenshire Educational Trust**

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## **Aberdeenshire Educational Trust Trustee's Report for the Year Ended 31 March 2016**

The Trustee representatives present their annual report and financial statements of the Aberdeenshire Educational Trust for the year ended 31 March 2016. 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 the Aberdeenshire Educational Trust and local Councillors and an Officer, as detailed below 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:** Aberdeenshire Educational Trust  
**Charity no:** SC028382

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

**Trustee  
Representatives:** Isobel Davidson (Councillor)  
Jean Dick (Councillor)  
Susan Smith (Teacher)

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

## **Aberdeenshire Educational Trust Trustee's Report for the Year Ended 31 March 2016 (continued)**

### **Reference and administrative information (continued)**

**Independent Auditor:** Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2DB  
United Kingdom

**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.

The terms of the charity are set out in The Aberdeenshire Educational Trust Scheme, 1955. The Aberdeenshire Educational Trust Sub-Committee (made up of 2 Councillors and 1 Head Teacher) agree on disbursements from the charity for applications except those for individuals going on school trips, which are dealt with by Finance Officers.

After a local election new elected members are appointed to the charity. A teacher representative is also 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 teacher has not been given any specific training on her duties as a Trustee representative yet but it is proposed that training will take place before the end of the year.

The Head of Finance of the Council manages the affairs of the charity to secure the economic, efficient and effective use of resources and safeguard its assets and those of any charitable Trust it controls. Given that Aberdeenshire Educational Trust is controlled by the elected members and employees of the Council, these specific provisions are supplemented by general provisions relating to the administration of local authority monies e.g. the duty to obtain best value.

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 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

## **Aberdeenshire Educational Trust Trustee's Report for the Year Ended 31 March 2016 (continued)**

### **Structure, Governance and Management (continued)**

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.

Decisions regarding the operation, assets, processes or policies of the Aberdeenshire Educational Trust 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 the Aberdeenshire Education Trust.

The charity funds are invested partly in Aberdeenshire Council's Loans Fund and partly in external stocks and shares. Both types of investment are governed by Aberdeenshire Council's Treasury Management Strategy which was approved by Aberdeenshire Council's Policy and Resources Committee on 5<sup>th</sup> March 2015. A copy of the report can be found on the Council's website:

<http://committees.aberdeenshire.gov.uk/committees.aspx?commid=11&meetid=10925>

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.

### **Objectives and Activities**

The Aberdeenshire Educational Trust was set up for educational purposes for the residents of the former County of Aberdeen.

The charity awards grants to individuals and schools for help with the costs of further education or school trips. It also funds annual school prizes and preference grants.

### **Achievements, Performance and Financial Review**

Aberdeenshire Educational Trust paid out a total of £38,702 (2014/15: £35,251) in grants and prizes in the year. The maximum award granted to an individual for a school trip was £239 (2014/15: £237). The charity also awarded grants to schools to help reduce the cost of trips to pupils. This has allowed many children of school age to go on educational school trips which they would not have otherwise been able to go on due to financial hardship at home.

## **Aberdeenshire Educational Trust Trustee's Report for the Year Ended 31 March 2016 (continued)**

### **Achievements, Performance and Financial Review(continued)**

The charity also granted awards to individuals going on to study further education. The maximum payable is £200 (2014/15: £200) for this type of grant. These grants have contributed to the significant costs in going on to study further education.

Income is generated from external investments, namely unit Trusts which have been held for a number of years. In 15/16 income from investments was £76,000 (14/15 £69,000). This is supplemented by interest earned on the balance invested with the Council's Loans Fund of £5,000 (14/15 £5,000). The Trust also receives a share of the free income from the Robbs Trust annually. In the last two years this income was £7,000. Voluntary Income is also received in the form of donated services.

As part of the rationalisation of charitable trusts the George Andrew Trust was split between the Aberdeenshire Educational Trust and The Aberdeenshire Charities Trust. This change was approved by OSCR in August 2015. The 14/15 figures have been restated to reflect this change.

### **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 reserves held at the 31<sup>st</sup> March 2016 was £3,305,000 which is a reduction on the level held at 31<sup>st</sup> March 2015 due to the revaluation of some investments.

### **Public Benefit**

The Aberdeenshire Educational Trust benefits the residents of the former County of Aberdeen for various educational purposes.

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

### **Plans for Future Years**

The Aberdeenshire Educational Trust is a lasting testimony to the generosity and charitable concerns of many donors. The grants from this charity are generally funded from the investment interest received annually from the Council's Loans Fund and Aberdeenshire Educational Trust's proportion of a pool of external stocks and shares.

There are no plans at present to make any changes to the funding or distribution of funds for Aberdeenshire Educational Trust.

## **Aberdeenshire Educational Trust Trustee's Report for the Year Ended 31 March 2016 (continued)**

### **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.

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 26 September 2016 and signed on their behalf by:

**Isobel Davidson**  
**Councillor**  
**Aberdeenshire Educational Trust**

## **Independent auditor's report to the trustees of Aberdeenshire Educational Trust and the Accounts Commission for Scotland**

We certify that we have audited the financial statements of Aberdeenshire Educational Trust for the year ended 31 March 2016 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 the Financial Activities, the Balance Sheet and Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standard (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of the trustees and auditor**

As explained more fully in the Statement of Responsibilities of the Trustees, the trustees are responsible for the preparation of the financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts or disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustee's Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2016 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.

## **Independent auditor's report to the trustees of Aberdeenshire Educational Trust and the Accounts Commission for Scotland (continued)**

### **Opinion on other prescribed matter**

In our opinion 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.

### **Matters on which we are required to report by exception**

We are required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in our opinion:

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

We have nothing to report in respect of these matters.

Sarah Anderson, FCCA (for and on behalf of Deloitte LLP)  
1 City Square  
Leeds  
LS1 2AL  
United Kingdom

Deloitte LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**Aberdeenshire Educational Trust**  
**Statement of Financial Activities**  
**for the year ended 31<sup>st</sup> March 2016**

		2015/16	Restated 2014/15 (See Note 5)
	Note	£'000	£'000
<b>Income From:</b>			
Donations and legacies	6	44	44
Investments	7	81	74
<b>Total Income</b>		<b>125</b>	<b>118</b>
<b>Expenditure On:</b>			
Charitable activities	8	(76)	(72)
<b>Total Expenditure</b>		<b>(76)</b>	<b>(72)</b>
<b>Net income before investment gains/(losses)</b>			
		<b>49</b>	<b>46</b>
Net (losses)/gains on investments	10	(170)	164
<b>Net movement in funds</b>		<b>(121)</b>	<b>210</b>
<b>Reconciliation of Funds</b>			
Total funds brought forward	12	3,426	3,216
Net movement in funds for the year		(121)	210
<b>Total funds carried forward</b>		<b>3,305</b>	<b>3,426</b>

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 Educational Trust Balance Sheet as at 31<sup>st</sup> March 2016

		2015/16	Restated 2014/15 (See Note 5)
	Note	£'000	£'000
<b>Fixed Assets:</b>			
Investments	10	3,326	3,449
<b>Total Fixed Assets</b>		<b>3,326</b>	<b>3,449</b>
<b>Current Liabilities:</b>			
Creditors falling due within one year	11	(21)	(23)
<b>Net Current Liabilities</b>		<b>(21)</b>	<b>(23)</b>
<b>Net Assets</b>		<b>3,305</b>	<b>3,426</b>
<b>Funds:</b>			
Unrestricted income funds	12	3,305	3,426
<b>Total charity funds</b>		<b>3,305</b>	<b>3,426</b>

The financial statements of Aberdeenshire Educational Trust (Registered charity no: SC028382) were approved by the Trustee representatives and authorised for issue on 26 September 2016 and signed on their behalf by:

Isobel Davidson  
Councillor

**Aberdeenshire Educational Trust  
Cashflow Statement as at 31<sup>st</sup> March 2016**

	Note	2015/16 £'000	2014/15 Restated £'000
<b>Net cash flows from operating Activities</b>	14	(34)	(33)
<b>Cash flows from investing Activities</b>			
Interest from investments		81	74
Additional investment in Council's Loans Fund		(47)	(41)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>0</u>	<u>0</u>
<b>Cash and cash equivalents at beginning of year</b>		0	0
<b>Cash and cash equivalents at end of year</b>		0	0

# **Aberdeenshire Educational Trust**

## **Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2016**

### **1. Accounting Policies**

#### **1.1 Charitable Status**

The Aberdeenshire Educational Trust has charitable status and is registered with the Office of the Scottish Charity Regulator (OSCR), Charity no: SC028382. 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.

This is the first set of financial statements that have been prepared under FRS 102. The transition date was 1 April 2014. Please refer to note 15 for disclosure requirements.

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.

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

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

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 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 31<sup>st</sup> March.

## **Aberdeenshire Educational Trust**

### **Notes to the Financial Statements (continued)**

#### **1. Accounting Policies (continued)**

##### **1.4 Income (continued)**

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).

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.

## Aberdeenshire Educational Trust

### Notes to the Financial Statements (continued)

#### 2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

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 accounting 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.

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.

#### 5. Trust Transferred to Aberdeenshire Educational Trust

As part of a reorganisation of Trust Funds the Lt. Col. George Andrew Trust was split equally between the Aberdeenshire Educational Trust and the Aberdeenshire Charities Trust (ACT 2)

	<b>Aberdeenshire Educational Trust</b>	<b>Lt Col George Andrew Trust</b> 50% transferred to AET	<b>Combined Total</b>
	<b>SC028382</b>	<b>SC019104</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Total Income	117	1	118
Total Expenditure	(71)	(1)	(72)
Net income/(expenditure)	46	0	46
Other gains/(losses)	163	1	164
Net movement in funds	209	1	210
Total funds brought forward	3,203	13	3,216
<b>Total funds</b>	<b>3,412</b>	<b>14</b>	<b>3,426</b>

#### 6. Income from donations and legacies

This income relates to donated services from Aberdeenshire Council as detailed in note 8 Analysis of expenditure on charitable activities and a donation of £7,000 from the Robbs Trust.

**Aberdeenshire Educational Trust**  
**Notes to the Financial Statements (continued)**

**7. Analysis of income from investments**

	2015/16	2014/15 Restated
	£'000	£'000
Dividends - equities	76	69
Interest from investments	<u>5</u>	<u>5</u>
<b>Total</b>	<b><u>81</u></b>	<b><u>74</u></b>

**8. Analysis of expenditure on charitable activities**

	Grant Funding of Activities(see note 9) 2015/16 £'000s	Support Costs (see below) 2015/16	Grant Funding of Activities(see note 9) 2014/15 Restated £'000s	Support Costs (see below) 2014/15 Restated £'000s
Educational Services	<u>39</u>	<u>37</u>	<u>35</u>	<u>37</u>

	2015/16	2014/15 Restated
	£'000s	£'000s
<b>Support Costs</b>		
Administration costs	31	31
Governance costs	<u>6</u>	<u>6</u>
<b>Total</b>	<b><u>37</u></b>	<b><u>37</u></b>

In 2014/15 and 2015/16 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.

**Aberdeenshire Educational Trust**  
**Notes to the Financial Statements (continued)**

**9. Analysis of expenditure on grants**

	<b>2015/16</b>	<b>2014/15</b>
		<b>Restated</b>
	<b>£'000</b>	<b>£'000</b>
Prizes	1	1
Preference Grants (schools)	4	4
Educational Excursions	0	4
Travel Grants	<u>34</u>	<u>26</u>
<b>Total</b>	<b><u>39</u></b>	<b><u>35</u></b>

**10. Fixed asset investments**

	<b>2015/16</b>	<b>2014/15</b>
		<b>Restated</b>
	<b>£'000</b>	<b>£'000</b>
Investments listed or traded on a recognised stock exchange	2,482	2,652
Other investments (see Note 13)	<u>844</u>	<u>797</u>
<b>Total</b>	<b><u>3,326</u></b>	<b><u>3,449</u></b>

	<b>2015/16</b>	<b>2014/15</b>
		<b>Restated</b>
	<b>£'000</b>	<b>£'000</b>
<b>Investments listed or traded on a recognised stock exchange</b>		
Market value at 1 April as restated	2,652	2,488
Net unrealised investment (losses)/gains	<u>(170)</u>	<u>164</u>
Market value at 31 March	<b><u>2,482</u></b>	<b><u>2,652</u></b>

**11. Analysis of creditors**

	<b>2015/16</b>	<b>2014/15</b>
		<b>Restated</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year:</b>		
Prizes	0	1
Travel & Educational Grants	<u>21</u>	<u>22</u>
<b>Total</b>	<b><u>21</u></b>	<b><u>23</u></b>

## Aberdeenshire Educational Trust

### Notes to the Financial Statements (continued)

#### 12. Movement on funds

Analysis of Fund movements	Balance b/fwd as restated £'000	Income £'000	Expenditure £'000	Losses £'000	Funds
					c/fwd £'000
Unrestricted funds	3,426	125	76	(170)	3,305
<b>Total</b>	<b>3,426</b>	<b>125</b>	<b>76</b>	<b>(170)</b>	<b>3,305</b>

#### 13. 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. Two of the Trustee representatives are Aberdeenshire Council Councillors. One of the Trustee representatives is a teacher employed by Aberdeenshire Council. As at 31 March 2016, balances totalling £844,000 (2014/15: £797,000) were invested in the Council's Loans Fund.

The related party transactions during the year were £41,000 income (2014/15: £42,000), which was loans fund interest and voluntary income for donated services. Expenditure transactions were £37,000 (2014/15: £36,000) which was donated services of an administration charge and audit fee.

#### 14. Cashflow Statement

Reconciliation of net income to cash generated by operating activities:

	2015/16 £'000	2014/15 Restated £'000
Net income for the year	49	46
<b>Adjustments for:</b>		
Interest receivable	(81)	(74)
Decrease in creditors	(2)	(5)
<b>Net Cash flow from operating activities</b>	<b>(34)</b>	<b>(33)</b>

## **Aberdeenshire Educational Trust**

### **Notes to the Financial Statements (continued)**

#### **15. Explanation of the transition to FRS 102**

This is the first year the Charity has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 March 2015 and the date of transition to FRS 102 was therefore 1 April 2014. No adjustments were required therefore the transition to FRS102 has had no impact on the reported financial position, financial performance and cash flows other than the presentation of certain primary statements and reclassification of items therein.

Governance costs – these have been reclassified within support costs (see note 8). This change was presentational and had no financial impact on the statements.

#### **16. 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.