

SECOND KILLEARN TRUST
TRUSTEES' REPORT AND UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2012

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 (Resigned 21 August 2012)
Rev L Messeder	- Ex Officio

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
1 George Square
Glasgow
G2 1AL

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 2012

The Trustees present their report and accounts for the year ended 5 April 2012.

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

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 one of the Councillors for the Forth and Endrick Ward of Stirling Council.

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. The trust is also involved in local conservation and environmental issues.

Achievements and performance

Properties

Routine repairs and maintenance were carried out to all nine properties. In addition, a programme of upgrading the properties has been carried out during the year. In particular, double-glazing has been fitted and central heating has been installed or boilers upgraded.

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.

SECOND KILLEARN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2012

Achievements and performance (continued)

Funding

Grants totalling £1,000 were made to Killearn Primary School for various activities. A donation of £300 was made to the Strathblane and Strathendrick Welfare Fund and £250 was paid to the Old Folks Committee to help with their programme.

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 Buchanan Monument.

Parish of Killearn Book

A further 42 copies of the third edition of the Parish of Killearn book have been sold during the year.

Financial review

The Trustees are responsible for the Trust's internal financial controls which aim to give reasonable assurance that issues are identified as they arise and are dealt with appropriately in an effective and timely manner. The Trustees meet quarterly to review administration of the owned properties, the financial performance of its investments and to assess donation requests from local groups and individuals.

It is the policy of the Trust that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees 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.

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 £532,155.

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.

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 2012

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: 31 October 2012

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 2012, 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 (as amended). My work has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for my work or for this report

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: 31 October 2012

SECOND KILLEARN TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2012

		Unrestricted funds	Restricted funds	Endowment funds	Total 2012	Total 2011
	Notes	£		£	£	£
Incoming resources from generated funds						
Investment income	2	63,626	-	119	63,745	59,861
Incoming resources from charitable activities	3	640	-	-	640	530
Total incoming resources		64,266	-	119	64,385	60,391
Resources expended						
Costs of generating funds						
Investment management costs		4,936	-	-	4,936	4,402
Charitable activities						
Direct charitable expenditure	5	92,856	-	1,000	93,856	27,214
Governance costs		2,006	-	-	2,006	856
Total resources expended		99,798	-	1,000	100,798	32,472
Net incoming resources		(35,532)	-	(881)	(36,413)	27,919
Other recognised gains and losses						
Gains/(losses) on investment assets:						
Realised		(983)	-	-	(983)	-
Unrealised		7,569	-	-	7,569	51,433
Net movement in funds		(28,946)	-	(881)	(29,827)	79,352
Fund balances at 6 April 2011		2,438,653	49,646	11,544	2,499,843	2,420,491
Fund balances at 5 April 2012		2,409,707	49,646	10,663	2,470,016	2,499,843

SECOND KILLEARN TRUST

BALANCE SHEET

AS AT 5 APRIL 2012

	Notes	2012 £	£	2011 £	£
Fixed assets	8				
Investments			2,283,773		2,281,261
Current assets					
Stock		2,726		5,842	
Debtors	9	6,588		20,018	
Cash at bank and in hand		<u>192,027</u>		<u>204,480</u>	
		201,341		230,340	
Creditors: amounts falling due within one year	10	<u>(15,098)</u>		<u>(11,758)</u>	
Net current assets			<u>186,243</u>		<u>218,582</u>
Total assets less current liabilities			<u>2,470,016</u>		<u>2,499,843</u>
Capital funds					
Endowment funds	11		10,663		11,544
Income funds	12				
Restricted funds			49,646		49,646
Unrestricted funds			<u>2,409,707</u>		<u>2,438,653</u>
			<u>2,470,016</u>		<u>2,499,843</u>

The accounts were approved by the Trustees on 31 October 2012.

Mrs G Smith - Treasurer

Mr J Parker - Chairman

SECOND KILLEARN TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2012

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 2012	Total 2011
	£	£	£	£
Rental income	41,400	-	41,400	40,813
Income from listed investments	19,498	-	19,498	16,063
Interest receivable	2,728	119	2,847	2,985
	<u>63,626</u>	<u>119</u>	<u>63,745</u>	<u>59,861</u>

3 Incoming resources from charitable activities

	2012	2011
	£	£
Parish of Killearn book	<u>640</u>	<u>530</u>

SECOND KILLEARN TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2012

4 Total resources expended

	Unrestricted Funds	Endowment funds	Total 2012	Total 2011
	£	£	£	£
Costs of generating funds				
Investment management costs	4,936	-	4,936	4,402
Charitable activities				
Direct charitable expenditure	92,856	1,000	93,856	27,214
Governance costs				
Independent examiner's fees	834	-	834	820
Meeting costs	72	-	72	36
Honoraria	1,100	-	1,100	
	99,798	1,000	100,798	32,472

5 Direct Charitable expenditure

	Unrestricted Funds	Endowment funds	Total 2012	Total 2011
	£	£	£	£
Repairs, maintenance & insurance of properties	86,772	-	86,772	22,987
Buchanan Monument maintenance	405	-	405	310
Well Green maintenance	890	-	890	58
"Parish of Killearn" books	3,116	-	3,116	341
Grants to Killearn Primary School		1,000	1,000	800
Donations	550	-	550	2,495
Sundry expenses	223	-	223	223
Legal Fees	900	-	900	-
	92,856	1,000	93,856	27,214

6 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or expenses during the year other than the Honorary Secretary and Treasurer. It was agreed to pay them an honorarium of £100 per annum and to make up arrears since the previous payments were made. A total of £700 was paid to the Secretary and £400 to the Treasurer. Trustees were reimbursed expenses of £52 (2011 - £12).

7 Employees

There were no employees during the year.

SECOND KILLEARN TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2012

8 Fixed asset investments

	UK Investment property	UK quoted shares	UK cash in portfolio	Total
	£	£	£	£
Market value at 6 April 2011	1,741,422	538,603	1,236	2,281,261
Acquisitions at cost	-	77,554	8,960	86,514
Disposals at cost	-	(91,571)	-	(91,571)
Change in value in year	-	7,569	-	7,569
Market value at 5 April 2012	1,741,422	532,155	10,196	2,283,773
Historic cost at 5 April 2012	66,469	395,171	10,196	471,836
Historic cost at 5 April 2011	66,469	409,188	1,236	476,893

9 Debtors

	2012	2011
	£	£
Rent debtor	6,588	6,099
Amounts owed by connected undertakings (Third Killearn Trust)	-	13,919
	6,588	20,018

10 Creditors: amounts falling due within one year

	2012	2011
	£	£
Accruals	15,098	11,758

11 Permanent Endowment Funds

	Balance at 6 April 2011	Incoming resources	Resources expended	Balances at 5 April 2012
	£	£	£	£
Killearn School	5,862	69	(1,000)	4,931
Well Green	1,891	27	-	1,918
Killearn Millennium Fund	2,119	23	-	2,142
Capital	1,672	-	-	1,672
	11,544	119	(1,000)	10,663

SECOND KILLEARN TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2012

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 2011	Incoming resources	Resources expended	Balances at 5 April 2012
	£	£	£	£
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 no longer known.

13 Analysis of net assets between funds

	Unrestricted	Restricted	Endowment	Total
	£	£	£	£
Fund balances at 5 April 2012 are represented by:				
Investments	2,283,773	-	-	2,283,773
Current assets	141,032	49,646	10,663	201,341
Creditors: amounts falling due within one year	(15,098)	-	-	(15,098)
	<u>2,409,707</u>	<u>49,646</u>	<u>10,663</u>	<u>2,470,016</u>

Reconciliation of movements on unrealised gains on investments:

Unrealised gains at 6 April 2011	1,804,368	-	-	1,804,368
Net gains on revaluations in year	7,569	-	-	7,569
Unrealised gains at 5 April 2012	<u>1,811,937</u>	<u>-</u>	<u>-</u>	<u>1,811,937</u>

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.