

PERTH AND KINROSS COUNCIL CHARITABLE FUNDS

Financial statements for the year ended 31 March 2025

UNAUDITED

PERTH AND KINROSS COUNCIL CHARITABLE FUNDS

Financial statements for the year ended 31 March 2025

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PERTH AND KINROSS COUNCIL CHARITABLE FUNDS

TRUSTEES' ANNUAL REPORT

For the Year ended 31 March 2025

Reference and administrative information

Introduction

Perth and Kinross Council ("the Council") acts as administrator for a large number of trusts and funds that have charitable status and are registered with the Office of the Scottish Charity Regulator (OSCR), as detailed in Note 14.

The Council administers these funds, but their assets are not available to the Council and have not been included in the Council's own balance sheet.

The ex officio Trustees of the Perth and Kinross Council Charitable Funds are the Convenor and Vice Convenors of the Finance and Resources Committee, the leader of the largest Opposition Group, and the Chief Finance Officer. The Senior Manager for Archives, Local and Family History and employed by Culture Perth and Kinross, is an additional Trustee for the Fothergill Bequest only.

Charity trustees:	Councillor S Donaldson Councillor G Laing Councillor J Duff S Walker (Chief Finance Officer, Perth and Kinross Council) Ishbel MacKinnon (Culture Perth and Kinross)
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Registered office:	2 High Street Perth PH1 5PH
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Investment manager:	Brooks Macdonald Hobart House 80 Hanover Street Edinburgh EH2 1EL
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Auditor:	Audit Scotland 4 th Floor, 102 West Port, Edinburgh EH3 9DN
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PERTH AND KINROSS COUNCIL CHARITABLE FUNDS

TRUSTEES' ANNUAL REPORT

For the Year ended 31 March 2025

Structure, governance and management

The trusts and funds that the Council administers are constituted in a variety of different ways. Full details of how each trust and fund was originally established are, where known, available from the Council.

These trusts and funds are managed by a Committee comprising the charity trustees listed on page 1, who served throughout the period covered by these financial statements. The Trustees meet and communicate electronically on a regular basis to discuss how the funds should be expended (by reviewing applications for funding) and to review the financial position of each charity.

These accounts are prepared under the connected charities provision which allows for registered charities which have a common or related purpose, or have a common controlling body or administration, to prepare a single set of accounts.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the Trustees 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 Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles of the Charities Statement of Recommended Practice
- make judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable funds and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of each charity's constitution. They are also responsible for safeguarding the assets of the charities and trusts and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Objectives and activities

The majority of the funds are held within the Welfare Trust (SC040516) for the purpose of the prevention or relief of poverty and the relief of those in need by reason of ill health, disability, financial hardship or other disadvantage. A full listing of the other funds administered by the Council on behalf of the charity trustees is shown in Note 14 and the purpose of each trust is provided on the Office of the Scottish Charity Regulator (OSCR) website.

PERTH AND KINROSS COUNCIL CHARITABLE FUNDS

TRUSTEES' ANNUAL REPORT

For the Year ended 31 March 2025

Risk management

The Management Committee has implemented systems and procedures to identify and mitigate the major risks that the charities and trusts face and to ensure a consistent quality of delivery for all operational aspects of the charitable funds.

Achievements and performance

The reorganisation of the Perth and Kinross Council Charitable Funds continued during 2024/25 and J&H Mitchell WS assisted with the review of several small Trusts. During the year, the Trust Deeds for the Clow Bequest and the Den O'Alyth Fund were updated, and these funds are now included in the Balance Sheet as Restricted Income Funds.

Detailed below are the other activities undertaken by the Perth and Kinross Charitable Funds during Financial Year 2024/25.

- The following grants were paid from the Welfare Trust: -
 - £111,340 to support 458 residents/families who were in financial need with dependent children and/or disabilities. The value of financial assistance payments ranged from £22 to £615 with an average grant award of £235. In comparison, £28,562 was awarded to 122 residents/families in 2023/24, with an average grant award of £234.
 - £1,634 for the purchase of football kit for the Friendly Welcome League to provide for current and future asylum seekers.

Financial review

There is no explicit reserves policy for Perth and Kinross Council Charitable Funds (the Charitable Funds), however as a general principle the "Capital" of the funds is held as a permanent endowment with only the annual income from investments available for disbursement in the year. The exception to this relates to the Kinnoull Hill Endowment Fund, the St. Magdalene's Hill Endowment Fund, the Clow Bequest and the Den O'Alyth Fund; whereby the Trust Deeds for these Funds were updated and these Funds are now included in the Balance Sheet as Restricted Income Funds.

The main funding source for the Charitable Funds is income from the investments managed by an investment manager. In addition, one trust receives income from the rental of shop premises in Perth and interest is received on the revenue balances held on deposit with the Perth and Kinross Council Loans Fund. The majority of funds, the exceptions being the Kinnoull Hill Endowment Fund, the St. Magdalene's Hill Endowment Fund, the Clow Bequest and the Den O'Alyth Fund, are presently treated as endowment funds due to custom and practice over a long period of time and to ensure the long term sustainability of the funds. The Perth and Kinross Welfare Trust does provide the Trustees with powers to access capital balances if required, however, the Trust continues to be managed as an endowment fund.

The contract for the management of the investment portfolio was renewed and awarded to Brooks Macdonald for a further three years with effect from 1 November 2023. The contract includes the option to extend the arrangement for a further twelve months from 1 November 2026.

PERTH AND KINROSS COUNCIL CHARITABLE FUNDS

TRUSTEES' ANNUAL REPORT

For the Year ended 31 March 2024

Financial review (continued)

The fund managed by the investment manager is invested for total return through a diversified portfolio of UK and overseas equities and bonds. The portfolio is managed as medium risk with a focus on income to achieve the required return.

This approach is appropriate for seeking a return in excess of inflation over the long term and the Trustees are willing to take capital risk to achieve objectives. Portfolios are well diversified but may contain a high allocation to a single asset class, such as equities. The investment manager provides the Trustees with quarterly updates on the performance of the portfolio; and provides an annual report at a meeting of the Trustees following the financial year end.

In addition, the investment manager conducts an annual review to ensure that the investment mandate remains suitable and in line with the longer-term objectives of the Trustees. The investment manager completed a portfolio suitability assessment at the meeting of the Trustees on 26 March 2025 and there was no change to the investment objectives and risk profile.

The investment portfolio made a gain for the year of £6,878 (gain of £139,923 in 2023/24). The income generated from investments, including interest on balances, is £82,941 (£83,222 in 2023/24).

Strategic plans

The strategic plans to date have predominantly focussed upon the reorganisation of the trusts to make best use of the funds and further the charitable activities of Perth and Kinross Welfare Trust. As noted above, the reorganisation process, which includes the update of Trust deeds to ensure the effective use of the various funds, will continue during Financial Year 2025/26. Sarah Brown WS is engaged to pursue this task on behalf of the Trustees, and the Trust Deed for Fraser Mortification is in course of being updated.

The administration of grants continues to be managed by the Welfare Rights Team within the Council, and this has provided opportunity to award funding to individuals and families most in need of financial assistance. Ad hoc requests for funding from charitable bodies operating within the Council area will be considered by the Trustees, subject to the available funding.

The longer-term consequences arising from ongoing world-wide events are largely unknown and it is anticipated that financial markets will respond accordingly. However, it is anticipated that the income generated from the investment portfolio will remain largely in line with 2024/25 and the beneficiaries of the Fund during Financial Year 2025/26 will continue to be the clients of the Welfare Rights Team.

Scott Walker CPFA
Trustee

Signed by one on behalf of all charity trustees

Independent auditor's report to the trustees of Perth and Kinross Council Charitable Funds and the Accounts Commission

Independent auditor's report to the trustees of Perth and Kinross Council Charitable Funds and the Accounts Commission

Independent auditor's report to the trustees of Perth and Kinross Council Charitable Funds and the Accounts Commission

PERTH AND KINROSS COUNCIL CHARITABLE FUNDS

Statement of Financial Activities for the year ending 31 March 2025

	Notes	Restricted Funds £	Endowment Funds £	Total Funds £	Prior Period Total Funds 2024 £
Income and endowments from:					
Donations and Legacies	3	0	181,022	181,022	0
Investments	4	1,498	90,723	92,221	92,502
Total Income		1,498	271,745	273,243	92,502
Expenditure:					
Expenditure on raising funds					
Investment management costs		214	11,661	11,875	11,323
Expenditure on charitable activities					
Charitable activities	5	0	112,973	112,973	28,682
Governance and support costs	6	415	9,411	9,826	10,156
Other expenditure					
Reorganisations to external charities		0	0	0	0
Total Expenditure		629	134,045	134,674	50,161
Net gains/(losses) on investments	8	124	6,754	6,878	139,923
Net income/(expenditure)		993	144,454	145,447	182,264
Reconciliation of funds:					
Total funds brought forward		29,506	2,406,204	2,435,710	2,253,446
Transfer to/(from)		16,019	(16,019)	0	0
Total funds carried forward	12	46,518	2,534,638	2,581,156	2,435,710

PERTH AND KINROSS COUNCIL CHARITABLE FUNDS

Balance Sheet as at 31 March 2025

	Notes	Total Funds 31 March 2025 £	Prior year funds 31 March 2024 £
Fixed assets:			
Investments	7 & 8	<u>2,260,635</u>	<u>2,265,632</u>
Total fixed assets		<u>2,260,635</u>	<u>2,265,632</u>
Current assets:			
Debtors	9	5,249	3,663
Cash at bank and in hand	10	<u>323,368</u>	<u>174,361</u>
Total current assets		<u>328,617</u>	<u>178,024</u>
Liabilities:			
Creditors: Amounts falling due within one year	11	<u>8,096</u>	<u>7,946</u>
Total current liabilities		<u>8,096</u>	<u>7,946</u>
Net current assets		320,521	170,078
Total assets less current liabilities		2,581,156	2,435,710
Total net assets		<u>2,581,156</u>	<u>2,435,710</u>
The funds of the charity:			
Endowment funds	12	2,534,640	2,406,204
Restricted income funds	12	46,516	29,506
Total charity funds		<u>2,581,156</u>	<u>2,435,710</u>

The unaudited accounts were issued on 25 June 2025.

Scott Walker CPFA
Trustee

PERTH AND KINROSS COUNCIL CHARITABLE FUNDS

Statement of Cash Flows for year ending 31 March 2025

	Total Funds 31 March 2025 £	Prior year funds 31 March 2024 £
Cash flows from operating activities:		
Net cash used in operating activities	<u>56,786</u>	<u>(49,236)</u>
	<u>56,786</u>	<u>(49,236)</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	<u>92,221</u>	<u>92,502</u>
Net cash provided by/(used in) investing activities	<u>92,221</u>	<u>92,502</u>
Change in cash and cash equivalents in the reporting period	149,007	43,266
Cash and cash equivalents at the beginning of the reporting period	<u>174,361</u>	<u>131,095</u>
Cash and cash equivalents at the end of the reporting period	<u><u>323,368</u></u>	<u><u>174,361</u></u>

Reconciliation of net expenditure to net cash flow used in operating activities:-

	Total Funds 31 March 2025 £	Prior year funds 31 March 2024 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	145,447	182,264
Adjustments for:-		
Gains on investments	(6,878)	(139,923)
Management Fees	11,875	11,323
Dividends, interest and rents from investments	(92,222)	(92,502)
Increase in debtors	(1,586)	(1,128)
Increase/(decrease) in creditors	150	(9,270)
Net cash used in operating activities	<u>56,786</u>	<u>(49,236)</u>

Analysis of cash and cash equivalents:-

	Total Funds 31 March 2025 £	Prior year funds 31 March 2024 £
Cash in hand	<u>323,368</u>	<u>174,361</u>

PERTH AND KINROSS COUNCIL CHARITABLE FUNDS

Notes forming part of the financial statements for the year ended 31 March 2025

1 Basis of preparation

These financial statements are prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with the Charities Accounts (Scotland) Regulations 2006 (as amended) and the principles of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), commonly referred to as the Charities SORP.

In line with Regulation 7 of the 2006 Regulations, these financial statements have been prepared on the basis that the Trust funds for which the Trustees act are connected charities. As such, the accounts of the individual charities have been prepared on a collective basis. These financial statements contain all the relevant information that the individual charity accounts would have contained if they had been prepared on an individual basis.

2 Principal accounting policies

(a) Incoming resources

Investment income is accounted for in the period in which the receipt due to the charitable trusts is probable and the amount can be measured reliably.

(b) Resources expended

Expenditure and liabilities are recognised as soon as there is a legal or constructive obligation committing the charitable funds to pay out resources.

Costs of raising funds comprise those costs directly attributable to managing the investment portfolio and raising the investment income.

(c) Investments

Investments are included at market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

(d) Investment Property

Investment property is measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. Investment properties are not depreciated and are instead revalued annually according to market conditions at year-end.

(e) Cash at bank and in hand

Cash at bank and in hand is held to meet short-term cash commitments as they fall due rather than for investment purposes. Perth and Kinross Council manages the funds on behalf of the trusts; the deposits are therefore held within the Council's Loans Fund and the trusts do not hold separate bank accounts.

PERTH AND KINROSS COUNCIL CHARITABLE FUNDS

Notes (continued)

3 Donations and Legacies

	2025	2024
	£	£
Fothergill - Bequest	93,531	0
Welfare Trust - Non-Charitable Trust Reorganisation	84,991	0
Welfare Trust - Donation	2,500	0
	<u>181,022</u>	<u>0</u>

4 Investment Income

	2025	2024
	£	£
Rental Income	9,280	9,280
Dividends and interest on listed investments	82,941	83,222
	<u>92,221</u>	<u>92,502</u>

5 Charitable activities

Information on the £112,973 (2023/24 £28,682) grants awarded to claimants is included in the Trustees' Annual Report on page 3 under "Achievements and performance".

6 Governance and Support costs

No trustee received any remuneration or expenses during either of the two years ending 31 March 2025. There are no employees of the Perth and Kinross Council Charitable Funds.

	2025	2024
	£	£
Audit Fees	6,550	6,400
Legal Fees	813	2,060
Finance & Admin Support Costs	2,463	1,696
	<u>9,826</u>	<u>10,156</u>

7 Investment Properties

The Fraser Mortification Trust owns a property at 17 High Street, Perth. This was revalued by Ashley Peace MRICS, Senior Estates Surveyor, on an open market basis as at 31 March 2025.

	2025	2024
	£	£
Balance at start of year	80,000	80,000
Balance at end of year	<u>80,000</u>	<u>80,000</u>

8 Investments

	2025	2024
	£	£
Market value at beginning of year	2,185,632	2,057,032
Management Fees	(11,875)	(11,323)
Net gain/(loss) on acquisitions, disposals and revaluation	6,878	139,923
Market value at end of year	<u>2,180,635</u>	<u>2,185,632</u>

PERTH AND KINROSS COUNCIL CHARITABLE FUNDS

Notes (continued)

Analysis of investments at market value:

	2025	2024
	£	£
Overseas Equities	534,256	542,349
UK Equities	446,867	463,739
International Bonds	366,139	398,777
GBP Bonds	307,149	282,534
Structured Return	175,725	119,848
Hedge Funds	172,648	199,567
Overseas Bonds	101,362	101,436
UK Commercial Property	55,580	56,164
Cash Funds	20,909	21,218
	<u>2,180,635</u>	<u>2,185,632</u>

9 Debtors: amounts falling due within one year

	2025	2024
	£	£
Investment Manager – income due	5,249	3,663
	<u>5,249</u>	<u>3,663</u>

10 Related Parties

Perth and Kinross Council manage funds on behalf of the charities and trusts. The charitable and other trusts do not have separate bank accounts and the revenue balance is held within the Council's Loans Fund. The balance held at 31 March is noted within the Balance Sheet as 'Cash at bank and in hand' as the funds are held to meet short term cash commitments as they fall due.

The balance held on deposit with Perth and Kinross Council was £323,368 at 31 March 2025 (2023/24 £174,361).

There is a Finance & Administration recharge in respect of the time incurred by Council staff supporting the charitable trusts of £2,463 (£1,696 in 2023/24).

11 Creditors: amounts falling due within one year

	2025	2024
	£	£
Audit Fee	6,550	6,400
Rents paid in advance	1,546	1,546
	<u>8,096</u>	<u>7,946</u>

PERTH AND KINROSS COUNCIL CHARITABLE FUNDS

Notes (continued)

12 Funds of the charity

	2025	2024
	£	£
Charitable trusts	2,534,640	2,406,204
Restricted income funds:		
Kinnoull Hill Endowment Fund	20,182	19,645
St Magdalene's Hill Endowment Fund	10,129	9,860
Clow Bequest	7,104	0
Den O' Alyth Fund	9,101	0
	<u>2,581,156</u>	<u>2,435,710</u>

The majority of funds are presently treated as endowment funds due to custom and practice over a long period of time and to ensure the long term sustainability of the funds. The Trust Deeds for the Clow Bequest and the Den O' Alyth Fund were updated in 2024/25 and these funds are treated as Restricted due to the specific trust purposes, along with the Kinnoull Hill Endowment Fund and the St Magdalene's Hill Endowment Fund.

13 Post Balance Sheet Events

There were no adjusting events after the balance sheet date.

14 Analysis of charitable funds

As detailed below there is one trust where there is no governance documentation, however there are details of the original purpose and this information is also held by OSCR.

Detailed information for individual charities: summary of movements on funds during the year:-

Name of fund	Charity number	Governance Documentation	Funds brought forward at 01/04/2024 £	Transfer In/(Out) £	Income in year £	Expenditure in year £	Gain/(loss) on investment £	Funds carried forward at 31/03/2025 £
Welfare Fund	SC040516	Yes	1,501,060	84,991	54,688	(126,142)	4,328	1,518,925
Fraser Mortification	SC017114	No	230,894	0	16,877	(1,917)	630	246,484
Kinnoull Hill Endowment Fund	SC019650	Yes	19,645	0	646	(163)	54	20,182
St Magdalene's Hill Endowment Fund	SC009422	Yes	9,860	0	324	(82)	27	10,129
Perth and Kinross Charitable Funds	SC025085	See below	16,019	0	527	(385)	44	16,205
Fothergill Bequest	SC051007	Yes	658,232	0	115,188	(5,985)	1,796	769,231
			<u>2,435,710</u>	<u>84,991</u>	<u>188,250</u>	<u>(134,674)</u>	<u>6,879</u>	<u>2,581,156</u>

PERTH AND KINROSS COUNCIL CHARITABLE FUNDS

Analysis of charitable funds (continued)

Name of fund	Charity number	Governance Documentation	Funds brought forward at 01/04/2024 £	Transfer In/(Out) £	Income in year £	Expenditure in year £	Gain/(loss) on investment £	Funds carried forward at 31/03/2025 £
Public Trusts included in Perth and Kinross Charitable Funds:	SC025085							
Clow Bequest	Public Trust	Yes	7,040		232	(187)	19	7,104
Den O' Alyth Fund	Public Trust	No	8,979		295	(198)	25	9,101
			16,019	0	527	(385)	44	16,205