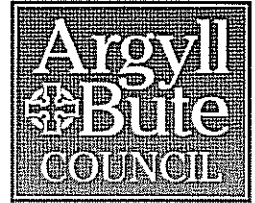


Argyll and Bute Council
Comhairle Earra Ghàidheal agus Bhòid



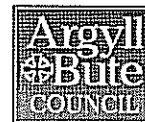
McCaig Trust

Annual Report and Financial Statements 2013-2014

For the Year ended 31 March 2014

Scottish Charity Number: SC019599

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The Trustees present their annual report together with the financial statements and the Independent Auditor's report for the year ended 31 March 2014.

REFERENCE AND ADMINISTRATION INFORMATION

Charity Name:	McCaig Trust
Scottish Charity Number:	SC019599
Principal Office:	Argyll and Bute Council Kilmory Lochgilphead Argyll PA31 8RT
Current Trustees:	Councillor Len Scoullar Councillor Douglas Philand Councillor Dick Walsh Councillor Isobel Strong Councillor Ellen Morton Councillor Roddy McCuish Councillor James Robb Councillor Aileen Morton Councillor Alex McNaughton Councillor Alexander Taylor Councillor Alistair MacDougall Councillor Anne Horn Councillor Bruce Marshall Councillor David Kinniburgh Councillor Donald Kelly Councillor Donald Macmillan Councillor Duncan MacIntyre Councillor Elaine Robertson Councillor Gary Mulvaney Councillor George Freeman Councillor Iain MacDonald Councillor James McQueen Councillor John McAlpine Councillor John Semple Councillor Louise Glen-Lee Councillor Mary Jean Devon Councillor Maurice Corry Councillor Michael Breslin Councillor Richard Trail Councillor Robert Graham MacIntyre Councillor Robert Macintyre



Current Trustees continued:	Councillor Robin Currie Councillor Rory Colville Councillor Vivien Dance Councillor William Blair
Other Trustees who served during the year:	Councillor Frederick Hall (Resigned 16/03/14)
Honorary Secretary:	Douglas Hendry Director of Customer Services Argyll and Bute Council
Honorary Treasurer:	Bruce West, FCCA Head of Strategic Finance Argyll and Bute Council
Independent Auditor:	Fiona Mitchell-Knight Assistant Director, Audit Services Audit Scotland 4 th Floor, 8 Nelson Mandela Place Glasgow G2 1BT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Toward the cost of library and institute, Oban

Appointment of Trustees

The trustees of the charities are the elected members (councillors) of Argyll and Bute Council. Trustees are appointed through their election to Argyll and Bute Council.



Organisational Structure

The trustees (as the elected members of the council) meet once a year at the AGM to consider and approve the annual report and financial statements and any other business such as future plans and the reorganisation of trust funds. The trustees delegate the day to day administration of the charities to officers of the Council. The Council has established a range of committees with delegated powers to allow it to discharge its business effectively. This includes the management of charities. The Council has an approved constitution that governs the conduct of business by the Council and covers standing orders for meetings, a scheme of administration and delegation, financial and security regulations, contract standing orders and an ethical framework.

Related Parties

Trustees hold this position because they are elected members of Argyll and Bute Council. Argyll and Bute Council provides administration services to the Trust at no cost to the Trust.

Risk Management

The Head of Strategic Finance of Argyll and Bute Council has taken the steps required by trustees to consider the major risks to which the charity is exposed, in particular those related to its operation and finance, and to be satisfied that the systems are in place to mitigate the exposure to the major risks.

Management of Funds and Investment Policy

The Trustees rely upon the expertise of Argyll and Bute Council to manage the investments to ensure the maximum return at least risk to the charity. In this way, the income stream for the future benefit of the charity is protected.

The Section 95 Officer of the Council (Head of Strategic Finance) is responsible for securing the proper management of the investments of the trust. The day-to-day management of investments is performed by external investment managers under a discretionary agreement.

OBJECTIVES AND ACTIVITIES

The object of the fund is to contribute towards the cost of a library and institute in Oban.

ACHIEVEMENTS AND PERFORMANCE

In the year to 31 March 2014, there were no grants made.

FINANCIAL REVIEW

Investments and Reserves

The funds increased by £304 (2013 - £3,635). The reserves of the trust at 31 March 2014 amount to £80,625, £46,165 in unrestricted (revenue) funds and £34,460 in endowment (capital) funds. These funds are invested as follows:

	31 March 2014	31 March 2013
	£	£
Local Government Bonds	7,600	7,600
Government Bonds	6,083	6,294
Stocks and Shares	20,777	20,339
Cash in Investment Portfolio	-	-
Investments in Endowment Funds	34,460	34,233
Debtor Barclays Wealth Undistributed Income	91	93
Creditor Audit Scotland Audit Fee	1,101	-
Cash and Bank - Argyll & Bute Council	47,175	45,995
Current Assets in Unrestricted Funds	46,165	46,088
Total Funds	80,625	80,321

Over the year, the value of investments increased from £34,233 to £34,460. The stockbrokers, Barclays Wealth, did not buy or sell any shares during the year therefore the cash holding remained at £nil. An investment gain of £227 brings the investments in the financial statements to market value on 31 March 2014.

The change in cash balances from £45,995 to £47,175 is due to investment income receivable of £1,236 less investment management costs paid by cheque of £57.

Reserves Policy

Unrestricted free reserves at 31 March 2014 were £46,165. The Trust has no explicit reserves policy, but the endowment funds of the trust are held for capital growth and to provide an annual income. Income only from the investments may be distributed on an annual basis to ensure that the original funds grow over time. No specific targets have been set for either the endowment or unrestricted funds. Any unspent income is held in the unrestricted funds.

Income and Expenditure

The Statement of Financial Activities on page 9 provides an analysis of the income and expenditure for the twelve months to 31 March 2014.

Income for the year amounted to £1,236 (2013 - £1,284). Expenditure was incurred on stockbrokers' fees of £58 (2013- £95) and Audit fee of £1,101 (2013 Nil). An unrealised "paper" gain of £227 (2013 – £2,446) was recognised for changes in the market value of investments.

FUTURE PLANS

Argyll and Bute Council are continuing to conduct a review of all its charitable trusts with a view to gaining approval from OSCR to reorganise under Section 39-45 of the Charities and Trustees Investment (Scotland) Act 2005 and the 2007 Regulations.

CONCLUSION

The reserves of the trust increased by £304 in the year.



The trust made no awards during the year.

From 2013-2014 an audit is required to be carried out by the appointed auditor of Argyll & Bute Council in accordance with the requirements of the Local Government (Scotland) Act 1973.

The appointed auditor of Argyll and Bute Council is Audit Scotland and the Trustees would like to thank them for undertaking this task.

DECLARATION

Approved and authorised for issue by the trustees on 25th September 2014 and signed on their behalf by:

Signature(s):		
Full names(s):	ROBERT MCCUISH	Bruce West
Position:	Trustee	Honorary Treasurer
Date:	25/09/14	25/09/14

Independent auditor's report to the trustees of the McCaig Trust and the Accounts Commission for Scotland

I have audited the financial statements of the McCaig Trust for the year ended 31 March 2014 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, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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, I 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

The trustees are responsible for the preparation of the financial statements which give a true and fair view. My 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 me 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, I read all the financial and non-financial information in the annual 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 me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2014 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.

Other matter - unaudited comparative amounts

The financial statements for the year ended 31 March 2013 were not audited. The comparative amounts in the financial statements for the year ended 31 March 2014 are therefore unaudited.

Opinion on other prescribed matter

In my 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 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.



Fiona Mitchell-Knight
Assistant Director, Audit Services
Audit Scotland
4th Floor, The Athenaeum Building
8 Nelson Mandela Place, Glasgow, G2 1BT

30 September 2014

Fiona Mitchell-Knight is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973.

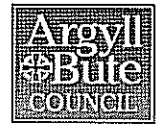


	Note	Unrestricted Funds £	Permanent Endowment Funds £	Total Funds 2014 £	Total Funds 2013 £
INCOMING RESOURCES					
Incoming resources from generating funds:					
Investment income from managed funds	5	1,073	-	1,073	1,106
Interest from short-term deposits		163	-	163	178
Total Incoming Resources		1,236	-	1,236	1,284
RESOURCES EXPENDED					
Costs of generating funds:					
Investment management costs	6	58	-	58	95
Audit Fee	7	1,101	-	1,101	-
Charitable Activities:					
Grants awarded	8	-	-	-	-
Total Resources Expended		1,159	-	1,159	95
Net incoming/(outgoing) resources before other recognised gains/(losses)		77	-	77	1,189
OTHER RECOGNISED GAINS AND (LOSSES)					
Gains/(losses) on investment assets					
Realised gains/(losses)	9	-	-	-	-
Unrealised gains/(losses)		-	227	227	2,446
Total Gains and (Losses) on Investment Assets		-	227	227	2,446
Net Movement in Funds		77	227	304	3,635
Total funds brought forward	10	46,088	34,233	80,321	76,686
Total funds carried forward		46,165	34,460	80,625	80,321

All incoming resources and resources expended derive from continuing activities.

The notes on pages 11 to 14 form an integral part of these accounts.

McCaig Trust
Balance Sheet as at 31 March 2014



	Note	Unrestricted Funds £	Permanent Endowment Funds £	Total Funds 2014 £	Unrestricted Funds £	Permanent Endowment Funds £	Total Funds 2013 £
Fixed Assets							
Investments	10	-	34,460	34,460	-	34,233	34,233
Total Fixed Assets		-	34,460	34,460	-	34,233	34,233
Current Assets							
Debtors	12	91	91	93	93	-	93
Cash at Bank and at Hand	11	47,175	-	47,175	45,995	-	45,995
Total Current Assets		47,266	-	47,266	46,088	-	46,088
Current Liabilities							
Creditor	7	1,101	-	1,101	-	-	-
Total Current Assets		1,101	-	1,101	-	-	-
Net Assets		46,165	34,460	80,625	46,088	34,233	80,321
Funds of the Charity							
Unrestricted Funds	13	46,165	-	46,165	46,088	-	46,088
Endowment Funds		-	34,460	34,460	-	34,233	34,233
Total Funds		46,165	34,460	80,625	46,088	34,233	80,321

The notes on pages 11 to 14 form an integral part of these financial statements.

Approved and authorised for issue by the trustees on 25th September 2014 and signed on their behalf by:

Signature(s):		
Full names(s):	ROBERT MCCAIG	Bruce West
Position:	Trustee	Honorary Treasurer
Date:	25/09/14	25/09/14

1. Basis of Preparation

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

1.1. Basis of Accounting

The financial statements are prepared under the historic cost convention and in accordance with:

- a) Accounting and Reporting by Charities – Statement of Recommended Practice (SORP 2005 - 2nd Edition); and the Financial Reporting Standard for Smaller Entities (FRSSE) (Effective April 2008)
- b) The Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

2. Accounting Policies

2.1. Form of Financial Statements

- a) Unrestricted funds are those that may be used at the discretion of the trustees in the furtherance of the objects of the charity.
- b) The permanent endowment funds are invested in perpetuity and derive an annual investment income which is available for distribution.

2.2 Incoming Resources

- a) All incoming resources are recognised and included in the Statement of Financial Activities when the charity becomes entitled to the resources; the trustees are virtually certain they will receive the resources and the monetary value can be measured with sufficient reliability. The following specific policies are applied to particular categories of income.
- b) Income from investments is included in the year to which it relates.
- c) Investments gains and losses includes any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.
- d) The value of the services provided free of charge by Argyll & Bute Council has not been included in the accounts but is described in the trustees' annual report.

2.3 Resources Expended

- a) All expenditure is included in the Statement of Financial Activities on an accrual basis and is recognised when there is a legal or constructive obligation to pay out resources.

2.4 Investments

- a) Investments held as fixed assets quoted on a recognised stock exchange are valued at mid-market value at the balance sheet date.
- b) Barclays Wealth manages the investment portfolio of the trust under a discretionary agreement.



3. Taxation

The charity is not liable to income or capital gains tax on its charitable activities. Irrecoverable VAT is included in the expense to which it relates.

4. Trustee Remuneration, Expenses and Related Party Transactions

- (a) No remuneration or expenses were paid to charity trustees or persons connected to a trustee during the year (2013: Nil).
- (b) The trust received interest of £163 (2012/13 £178) from Argyll & Bute Council on unrestricted reserves placed on short-term deposit with them and also local bond interest of £78 (2012/13: £100). All transactions incoming and outgoing are made via the Council's accounts.
- (c) There were no other transactions between the charity and any trustee or any connected person during the year (2013: Nil)

5. Investment Income

	Unrestricted Funds £	Permanent Endowment Fund £	Total Funds 2014 £	Total Funds 2013 £
Dividends and Interest from Investments	995	-	995	1,006
Income from Local Government Bond	78	-	78	100
Interest on Short-term deposits with Argyll and Bute Council	163	-	163	178
Total Investment Income	1,236	-	1,236	1,284

6. Investment Management Costs

In the year to 31 March 2014 investment management fees of £57 (2013 - £95) were paid to Barclays Wealth. Broking costs associated with the sale of an investment are deducted from the proceeds available to reinvest under the arrangement with the Stockbroker and are normally fully charged to the "capital" permanent endowment funds. In 2013-2014, because no purchases or sales were made, the fees of £58 were met from unrestricted funds.

7. Independent Auditors Report.

The independent auditor's fee of £1,101 is included as an accrual within current liabilities.

8. Grants Awarded

During the year to 31 March 2014 no grants were awarded.

9. Gains and Losses on Investment Assets

No shareholdings were bought or sold during the year. A "paper" gain of £227 was recognised on changes in the market value of investments (see note 10) and is an unrealised revaluation gain.

10. Fixed Asset Investments

	Total
	£
Carrying (market) value at 1 April 2013	34,233
Add/(deduct): net gain/loss on revaluation	227
Add/(deduct): change in uninvested cash balance in Capital Account	0
Carrying (market) value at 31 March 2014	34,460
Analysis of Investments	
Investments listed on recognised stock exchange	26,860
Local Government Bonds	7,600
Cash held as part of the investment portfolio	0
Total	34,460

The charity holds two three-year fixed term deposit local bonds from Argyll & Bute Council, one for £7,000 with a rate of 1.02% repayable on 30 September 2015, and the other for £600 with a rate of 1.08% repayable on 31 March 2015 in a continuation of historic practice.

An analysis of the net assets between funds for current and comparative figures is provided in the balance sheet.

Material Investment Holdings

The following investments are worth more than 10% of the charity's total investments:

- Schroder Unit TST Strategic Credit A Inc (£3,880)
- Aberdeen UK Track ORD GBPO.10 (£6,121)
- For & Col Inv TST Ord (£3,718)
- Martin Currie Equity (£3,816)
- Veritas Funds plc Equity (£5,249)

11. Cash and Bank Balances

	Unrestricted Funds £	Permanent Endowment Funds £	Total Funds £
Short-term deposits with Argyll and Bute Council:			
Carrying value at 1 April 2013	45,994	-	45,994
Add: lodgements during year	1,238	-	1,238
(Deduct): withdrawals during year	(57)	-	(57)
Carrying value at 31 March 2014	47,175	-	47,175

During the year the above short term deposits were held by Argyll and Bute Council, which manages the administration of the funds on behalf of the Trustees. The Council also acts as the banker for the charity and, as detailed above, all transactions incoming and outgoing are made via the Council's accounts. No costs were incurred by the trust for this work. The balances are repayable on demand. Interest is payable on balances.

12. Debtors: Amounts Falling Due within One Year

Debtors at 31 March 2014 were £91 (2013 - £93) and relate to undistributed dividends and interest in the revenue account held by the stockbroker.

13. Movement in Funds

	At 1 April 2013 £	Incoming Resources £	Outgoing Resources	Transfers	Gains/ Losses £	At 31 March 2014 £
Unrestricted Revenue Funds	46,088	1,236	(1,159)	-	-	46,165
Permanent Endowment Funds	34,233	-	0	-	227	34,460
Total Funds	80,321	1,236	(1,159)	-	227	80,625

