

The Ryvoan Trust
Report and Financial Statements
for the year ended 30 September 2013

Charity number: SC040707

The Ryvoan Trust

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The Ryvoan Trust

Legal and Administrative Information

Charity name	The Ryvoan Trust
Charity registration number	SC040707
Trustees	Alan McFarlane Anne McFarlane Fiona Burrough Alastair McFarlane
Principal office	41 Northumberland Street Edinburgh EH3 6JA
Auditors	Alexander Sloan Chartered Accountants 1 Atholl Place Edinburgh EH3 8HP
Bankers	Adam & Company 22 Charlotte Square Edinburgh EH2 4DF
Solicitors	Turcan Connell Princes Exchange 1 Earl Grey Street Edinburgh EH3 9EE

The Ryvoan Trust

Trustees' Annual Report for the year ended 30 September 2013

The Trustees present their report and the financial statements of the charity for the year ended 30 September 2013.

Trustees

The Trustees serving during the year and since the year end are detailed on page 1.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Ryvoan Trust ("the Trust") is an unincorporated charity and is governed by its Trust Deed. The Trust was established on 30 June 2009 and an Endowment Fund was transferred to the Trust on 16 November 2009. The Trust is a registered Scottish charity, No. SC040707.

Appointment of Trustees

The Trust settlor, Alan McFarlane, has power to appoint new Trustees.

Trustees' induction and training

New Trustees are given a copy of the Trust Deed and the policies developed by the Trustees. New Trustees undergo instruction to brief them of their legal obligations under charity law.

Organisational structure

The Trustees are responsible for the management of the Trust and for all decisions on who should benefit from the Trust income. The Trustees serve voluntarily.

Risk management

The Trustees monitor carefully the principal risks facing the Trust including the security and liquidity of its assets, the status of applicants and the receipt of funds allocated by the Trust. The management and security of the Trust assets are considered at each Board meeting. The investment objectives and strategy are detailed in the paragraph below.

OBJECTIVES AND ACTIVITIES

The object of the Trust is to use the income arising from the Endowment Fund to benefit such charitable purposes, objects and institutions as the Trustees think fit and that are in accordance with the Trust Deed.

ACHIEVEMENTS AND PERFORMANCE

Awards

During the period under review the Trust made awards to nine charities. Eight further awards were made shortly after the year end. The broad themes of earlier years continued, with donations made to charities working with children and those supporting adults with mental or physical challenges.

The Trust provided funds to two projects which offer swimming for physically handicapped clients, contributing to the cost of heating pools in Edinburgh and Islay.

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Trustees' Annual Report for the year ended 30 September 2013

The award to L'Arche Edinburgh helped with the capital cost of a new purpose built residential home for people with special needs, particularly as they get older.

The Back-Up Trust offers courses for clients who need to gain more confidence in using their wheelchairs in cities. The Trust contributed to the cost of a week-long residential course.

The Glasgow Children's Holiday Scheme and Discovery Camps provide holidays for children who would not otherwise be able to do so. Similarly, the Trust's support for Lothian Autistic Society and Edinburgh Young Carers contributes to their work with vulnerable and excluded young people, offering respite and support.

As in previous years, the Trust has been able to offer funding to charities working with the most vulnerable to give add-on support, therapy and services which are beyond the remit of Social Services.

Award policy

Inspiring, Effective and Innovative are the words on the front page of the Trust's website and they inform how the Trustees decide which applicants will benefit from an award.

In the four years since the Trust started, awards have fallen into two broad categories.

By number, most awards made have been less than £5,000 in value. The organisations supported have tended to be smaller, lesser known charities with limited budgets where a payment from the Trust can make an important contribution.

Where larger awards have been made of up to £25,000, the Trustees have felt that the project or organisation merits such a large proportion of the Trust's annual budget. From discussions with fundraisers, we have learned that pilot projects can be the most difficult to gain support and so the Trust has been willing to back a number of them. In the year under review, no projects of this type have been supported but we expect to do so in future.

Visits

The Chairman attended an event run by The Back-Up Trust which pulled together Back-Up Trust staff, clients, volunteers and funders to review and plan for the future. We intend to make more visits to recipients.

Website

During the year, the Trust commissioned a website with the principal objective of simplifying administration for both applicants and the Trustees. Even for a small Trust, the weight of paper applications at each meeting was daunting.

The website was up and running shortly after the year end. We are quite proud of it and pleased with the benefits already evident in terms of efficiency, reduced paper and the way it allows the Trustees to consider and respond to applications. We encourage all applications to be made online via the website.

The Trustees are grateful to Shona Leisk who ran the project from start to finish, to the team at Inigo for the design and build and to Mike Letchford of Diagknows.

The Ryvoan Trust
Trustees' Annual Report
for the year ended 30 September 2013

FINANCIAL REVIEW

Per the Statement of Financial Activities on page 8, the Trust reported Net Incoming Resources (i.e a surplus) for the year of £24,916 (2012 - surplus £11,423) and a positive Net Movement in Funds of £30,824 (2012 - positive £11,423) after net unrealised gains on investments totalling £5,908. At 30 September 2013, the Trust had total funds of £5,239,745 (2012 - £5,208,921) of which £5,100,000 was held in the permanent Endowment Fund.

Principal funding sources

The principal source of funds is the income generated from the Endowment Fund.

Reserves policy

It is the policy of the Trustees to maintain unrestricted funds, which are the free reserves of the charity, at a level to provide sufficient funds to cover management, administration and support costs. However, the Trustees aim to distribute at least two thirds of the income each year and to build up reserves so that they can commit to make grants over several years. As indicated on page 8, the Trust's unrestricted funds amounted to £139,745.

Income and investment policy

During the year, the majority of the Trust's funds remained on deposit at Bank of Scotland with the interest earned used to make awards. Income from this account declined as interest rates were reduced. After careful consideration and following discussion with advisors, the Trustees decided to commence investment into equity assets in line with the investment policy described in prior reports. The Trust began to invest in the Heriot Fund, a UK based global equity fund which is managed for long term dividend and capital growth above inflation. Switches from the Trust's cash deposits into the Heriot Fund have been made in increments.

The Trust's principal investment objective is to achieve income growth to keep its spending power intact after taking inflation into account. Given that the Trust's capital is permanent, short term fluctuations in share prices are not too important. However it is hoped that good long term dividend growth will lead to similar returns for the Trust's capital.

At the year end, 19.6% of the Trust's capital was invested in the Heriot Fund with 80.4% held at Bank of Scotland.

The Ryvoan Trust
Trustees' Annual Report
for the year ended 30 September 2013

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, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the charity's Trust Deed 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 in the Charities SORP;
- make judgements 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 operation.

The Trustees are responsible for keeping proper accounting records which 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 and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the charity's 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.

Auditors

Alexander Sloan, Chartered Accountants, were appointed auditors to the charity and a resolution proposing their reappointment will be put to the Annual General Meeting.

This report was approved by the Trustees on 10 June 2014 and signed on their behalf by



Anne McFarlane
Trustee

The Ryvoan Trust

Independent Auditor's Report to the Trustees of The Ryvoan Trust

We have audited the financial statements of The Ryvoan Trust for the year ended 30 September 2013 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made exclusively to the charity's Trustees, as a body, in accordance with Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and Auditor

As explained more fully in the Trustees' Responsibilities Statement (set out in the Trustees' Annual Report), the Trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as Auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act. 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). Those standards require us to comply with the Auditing Practices Board's [APB's] Ethical Standards for Auditors.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in Note 16 to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and 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 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 Trustees' Annual Report to identify material inconsistencies with the audited financial statements. 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 30 September 2013 and of its incoming resources and application of resources, including its income and expenditure, 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 Trustees Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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Independent Auditor's Report to the Trustees of The Ryvoan Trust (continued)

Matters on which we are required to report by exception

In respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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.

Alexander Sloan

Alexander Sloan
Chartered Accountants and
Statutory Auditor

1 Atholl Place
Edinburgh
EH3 8HP

Alexander Sloan is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Dated: 16 June 2014

The Ryvoan Trust

Statement of Financial Activities

for the year ended 30 September 2013

	Notes	Unrestricted funds £	Endowment funds £	2013 Total £	2012 Total £
Incoming resources					
Incoming resources from generated funds					
Investment income	2	81,405	-	81,405	109,049
Total incoming resources		<u>81,405</u>	<u>-</u>	<u>81,405</u>	<u>109,049</u>
Resources expended					
Charitable activities	3	(52,927)	-	(52,927)	(95,746)
Governance costs	5	(3,562)	-	(3,562)	(1,880)
Total resources expended		<u>(56,489)</u>	<u>-</u>	<u>(56,489)</u>	<u>(97,626)</u>
Net incoming resources before other recognised gains and losses		24,916	-	24,916	11,423
Other recognised gains/(losses)					
Gains and losses on investment assets		5,908	-	5,908	
Net movement in funds		<u>30,824</u>	<u>-</u>	<u>30,824</u>	<u>11,423</u>
Reconciliation of funds					
Total funds brought forward		108,921	5,100,000	5,208,921	5,197,498
Total funds carried forward		<u>139,745</u>	<u>5,100,000</u>	<u>5,239,745</u>	<u>5,208,921</u>

The notes on pages 10 to 14 form an integral part of these financial statements.

The Ryvoan Trust

**Balance Sheet
as at 30 September 2013**

		2013		2012	
Notes	£	£	£	£	
Fixed assets					
Investments	8		1,005,908		
Current assets					
Debtors	9	2,612		9,300	
Cash at bank and in hand		4,234,513		5,206,541	
		<u>4,237,125</u>		<u>5,215,841</u>	
Creditors: amounts falling due within one year	10	<u>(3,288)</u>		<u>(6,920)</u>	
Net current assets			4,233,837		5,208,921
Net assets			<u>5,239,745</u>		<u>5,208,921</u>
Funds					
Unrestricted funds					
General funds	12		139,745		108,921
Endowment funds	13		5,100,000		5,100,000
			<u>5,239,745</u>		<u>5,208,921</u>

The financial statements were approved and authorised for issue by the Trustees on 10 June 2014 and signed on their behalf by



Alan McFarlane
Trustee

The notes on pages 10 to 14 form an integral part of these financial statements.

The Ryvoan Trust

Notes to the Financial Statements for the year ended 30 September 2013

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and where appropriate modified to include the revaluation of certain fixed assets and in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) issued in March 2005, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The principal accounting policies adopted in the preparation of the financial statements are set out below.

1.2. Incoming resources

Income from investments is included in the year in which it is receivable.

1.3. Resources expended

Expenditure is recognised on an accruals basis when a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

1.4. Investments

Investments quoted on a recognised stock exchange are valued at market value at the year end. Any gain or loss resulting from revaluing investments to market value is taken to the Statement of Financial Activities.

2. Investment income

	2013	2012
	£	£
Interest received	81,405	109,049
	<u>81,405</u>	<u>109,049</u>

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Notes to the Financial Statements for the year ended 30 September 2013

3. Costs of charitable activities

	2013	2012
	£	£
Grants payable	42,500	94,400
Stationery	-	60
Website and computer costs	10,053	614
Secretarial services	324	612
Bank charges	50	60
	52,927	95,746

4. Grants payable

	2013	2012
	£	£
The following grants were paid out to institutions by the charity:		
Sue Ryder	2,500	-
Islay & Jura Community Enterprises Ltd	2,500	-
Edinburgh Young Carers Project	5,000	-
Discovery Camps Trust	2,500	-
Lothian Autistic Society	5,000	-
ECAS	-	1,250
Glasgow Children's Holiday Scheme	5,000	5,000
Penumbra	-	3,000
CLIC Sargeant	-	5,000
The Back-Up Trust	5,000	5,000
Edinburgh World Heritage	-	2,500
Special Needs Adventure Playground	-	7,000
Scottish Adoption	-	2,000
Sightsavers	-	3,000
Bobath	5,000	2,500
The Yard Adventure Centre	-	5,000
The Memory Box	-	650
St Columba's Hospice	-	3,000
Edinburgh International Book Festival	-	2,000
Orcadia Creative Learning Centre	-	2,500
L'Arche Edinburgh	10,000	5,000
Columba 1400	-	40,000
	42,500	94,400

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**Notes to the Financial Statements
for the year ended 30 September 2013**

5. Governance costs		2013	2012
		£	£
	Audit	3,562	1,880
		<u>3,562</u>	<u>1,880</u>

6. Net incoming resources for the year		2013	2012
		£	£
	Net incoming resources is stated after charging:		
	Auditors' remuneration	<u>3,562</u>	<u>1,880</u>

7. Trustees' emoluments

There were no individuals employed by the charity during the year.

No Trustees nor any person connected with them received remuneration or reimbursed expenses in the year (2012 - £nil).

8. Fixed asset investments		Listed	Total
		investments	£
		£	£
	Market Value		
	Additions	1,000,000	1,000,000
	Revaluations	5,908	5,908
	At 30 September 2013	<u>1,005,908</u>	<u>1,005,908</u>
	Historic cost		
	At 30 September 2013	<u>1,000,000</u>	<u>1,000,000</u>

9. Debtors		2013	2012
		£	£
	Prepayments and accrued income	<u>2,612</u>	<u>9,300</u>

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Notes to the Financial Statements for the year ended 30 September 2013

10. Creditors: amounts falling due within one year	2013	2012
	£	£
Other creditors	-	5,100
Accruals and deferred income	3,288	1,820
	<u>3,288</u>	<u>6,920</u>

11. Analysis of net assets between funds			
	Unrestricted funds	Endowment funds	Total funds
	£	£	£
Fund balances at 30 September 2013 as represented by:			
Investment assets	-	1,005,908	1,005,908
Current assets	143,033	4,094,092	4,237,125
Current liabilities	(3,288)	-	(3,288)
	<u>139,745</u>	<u>5,100,000</u>	<u>5,239,745</u>

12. Unrestricted General Funds	1 Oct '12	Incoming	Outgoing	Gains	30 Sep '13
	£	£	£	£	£
General Fund	108,921	81,405	(56,489)	5,908	139,745
	<u>108,921</u>	<u>81,405</u>	<u>(56,489)</u>	<u>5,908</u>	<u>139,745</u>

Purpose of the General Fund

General Fund

The General Fund is a revenue Fund which the Trustees can use to pay out grants as they see fit.

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Notes to the Financial Statements for the year ended 30 September 2013

13. Endowment funds	1 Oct '12	30 Sep '13
	£	£
Permanent Endowment Fund	5,100,000	5,100,000
	<u>5,100,000</u>	<u>5,100,000</u>

Purpose of the Endowment Fund

The Permanent Endowment Fund is a restricted capital Fund which cannot be expended for the purpose of the Trust.

During the year, the Trust invested part of this Fund (£1,000,000) in the Heriot Fund.

14. Transactions with Trustees

At the year end, £nil (2012: £5,000) was due to Trustee, Alan McFarlane. In 2012, £5,000 represented a grant payment made by Alan McFarlane on behalf of the Trust. At the year end, £nil (2012: £100) was due to Trustee, Anne McFarlane. In 2012, petty cash of £100 was introduced by Anne McFarlane.

15. Related party transactions

During the year, the Trust invested in the Heriot Fund which is managed by Dundas Global Investors. Alan McFarlane, Trustee, is a Partner of Dundas Global Investors.

16. Ethical matters

In common with many other charities of our size and nature, we use our auditors to assist with the preparation of the financial statements.

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The following pages do not form part of the statutory accounts.

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Detailed Income and Expenditure Account for the year ended 30 September 2013

	2013		2012	
	£	£	£	£
Income				
Investment income				
Interest received	81,405		109,049	
		81,405		109,049
Total income		81,405		109,049
Total expenditure		(56,489)		(97,626)
Net surplus for the year		24,916		11,423

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Schedule of Expenditure for the year ended 30 September 2013

	2013		2012	
	£	£	£	£
Expenditure				
Charitable activities				
<i>Grants payable</i>				
Sue Ryder	2,500		-	
Islay & Jura Community Enterprises Ltd	2,500		-	
Edinburgh Young Carers Project	5,000		-	
Discovery Camps Trust	2,500		-	
Lothian Autistic Society	5,000		-	
ECAS	-		1,250	
Glasgow Children's Holiday Scheme	5,000		5,000	
Penumbra	-		3,000	
CLIC Sargeant	-		5,000	
The Back-Up Trust	5,000		5,000	
Edinburgh World Heritage	-		2,500	
Special Needs Adventure Playground	-		7,000	
Scottish Adoption	-		2,000	
Sightsavers	-		3,000	
Bobath	5,000		2,500	
The Yard Adventure Centre	-		5,000	
The Memory Box	-		650	
St Columba's Hospice	-		3,000	
Edinburgh International Book Festival	-		2,000	
Orcadia Creative Learning Centre	-		2,500	
L'Arche Edinburgh	10,000		5,000	
Columba 1400	-		40,000	
		42,500		94,400
<i>Running costs</i>				
Stationery	-		60	
Website and computer costs	10,053		614	
Secretarial services	324		612	
		10,377		1,286
<i>Finance costs</i>				
Bank charges	50		60	
		50		60
Total of charitable activity expenditure		52,927		95,746
Governance Costs				
Audit	3,562		1,880	
		3,562		1,880
Total expenditure		56,489		97,626