

THE RYVOAN TRUST
REPORT AND FINANCIAL STATEMENTS
for the year ended 30 September 2016

Scottish Charity Number: SC040707

THE RYVOAN TRUST

Reference and Administrative Details

Scottish Charity Number: SC040707

Trustees

Anne McFarlane Chair
Alan McFarlane
Fiona Burrough
Alastair McFarlane
James McFarlane

Principle Office

41 Northumberland Street
Edinburgh
EH3 6JA

Auditor

Geoghegans
Chartered Accountants
6 St Colme Street
Edinburgh
EH3 6AD

Bankers

Bank of Scotland
Head Office
The Mound
Edinburgh
EH1 1YZ

Adam & Company
22 King Street
London
SW1Y 6QY

Fund Manager

T. Bailey Fund Services Limited
64 St James's Street
Nottingham
NG1 6JF

Solicitor

Turcan Connell
Princess Exchange
1 Earl Grey Street
Edinburgh
EH3 9EE

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THE RYVOAN TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016

The Trustees present their Annual Report together with the audited Financial Statements of The Ryvoan Trust ("The Trust") for the year ended 30 September 2016.

Objectives and Activities

The object of the Trust is to use the income arising from the funds 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 totalling £76,500 (2015: £139,950). The recipients and amounts are listed on page 10 of this report. The organisations supported work in the same areas as those supported in the past with emphasis upon organisations working with children living in "tough realities", a phrase coined by Columba 1400, one of the charities the Trust has supported previously, and others supporting adults with mental or physical challenges.

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

Award policy

All charities are now asked to apply to the Trust through the website www.ryvoantrust.com. They find us through word of mouth or trust and grant giving databases. The website indicates the kind of projects we are keen to support, those that are inspiring, effective and innovative.

Since starting in 2009, the awards continue to fall into two broad categories, social impact and health.

By value, most awards are between £2,000 to £5,000, to smaller lesser-known charities with limited budgets and resources, where a donation from the Trust can make a significant impact or contribution to their work. In a situation where our investments produce a windfall payment to the Trust's fund we may consider larger one off grants.

We have now completed two out of three years of funding to Scottish charity, Penumbra, who are running workshops to improve mental health wellbeing of people living in Edinburgh and Perthshire. This is in line with our aim of funding innovative projects.

FINANCIAL REVIEW

Per the Statement of Financial Activities on page 6, the Trust reported net income for the year of £1,000,502 (2015: net expenditure of £252,355) after unrealised gains on investments totalling £1,004,327 (2015: unrealised losses of £175,126). At 30 September 2016, the Trust had total funds of £6,029,388 (2015: £5,028,886) of which £6,026,364 (2015: £5,022,037) was held in the Trust Fund.

Principal funding sources

The Trust's principal source of funds is the income generated by the investments held under Trust Fund.

Reserves policy

The Trustees aim to distribute at least two thirds of the Trust's annual income and build up unrestricted reserves so that they can commit to make grants over several years.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2016

Income and investment policy

The Trust has invested in the Heriot Global Fund, a UK based global equity fund which is managed for long term dividend and capital growth above inflation. There were additions to this Fund during the year of £2,000,000.

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 largely 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Trust is an unincorporated charity and is governed by its Trust Deed. The Trust was founded on 30 June 2009 and a Trust Fund was established on 16 November 2009 by a donation from the settlor, Alan McFarlane. The Trust is a Scottish registered charity, No. SC040707.

Appointment of Trustees

The Trust settlor, Alan MacFarlane, and Anne McFarlane, have 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.

PLANS FOR THE FUTURE

The Trust intends to continue as before with a focus on supporting children and adults living through tough realities. This is in line with the direction of awards given over previous years.

AUDITOR

Geoghegans were appointed as auditor of the Trust in the current year and, in accordance with the Charity's articles, a resolution proposing that they be re-appointed will be put at a general meeting.

THE RYVOAN TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2016

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 Trust and of the income and expenditure of the Trust for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP 2015 (FRSSE);
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust 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 (as amended) and the provisions of the charity's Trust Deed.

The Trustees are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Trustees



.....
Anne McFarlane
Chair

16 June 2017

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 2016 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 January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely 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 (as amended). 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 the charity's 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 Statement of Trustees' Responsibilities set out on page 3, the Trustees are responsible for the preparation of 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 Ethical Standards for Auditors.

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 applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustee's; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements 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 30 September 2016 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 (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

We have nothing to report in respect of the following matters where the Charity Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the Trustees' 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.



Iain Binnie (Senior Statutory Auditor)
For and on behalf of Geoghegans

16 June 2017

Chartered Accountants
Statutory Auditor

6 St Colme Street
Edinburgh
EH3 6AD

THE RYVOAN TRUST

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 30 September 2016

	Notes	2016 £	2015 £
Income			
Investment income	3	<u>78,613</u>	<u>68,526</u>
Total income		<u>78,613</u>	<u>68,526</u>
Expenditure			
Charitable activities – donations	4	78,755	141,389
– support costs	6	<u>3,683</u>	<u>4,366</u>
Total expenditure		<u>82,438</u>	<u>145,755</u>
Net expenditure before gains and losses on investments		(3,825)	(77,229)
Unrealised gains/(losses) on investments	7	<u>1,004,327</u>	<u>(175,126)</u>
Net income/(expenditure) and movement in funds		1,000,502	(252,355)
Fund balances brought forward		<u>5,028,886</u>	<u>5,281,241</u>
Fund Balances carried forward		<u>6,029,388</u>	<u>5,028,886</u>

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BALANCE SHEET as at 30 September 2016

	Notes	2016 £	2015 £
Fixed assets:			
Investments	7	<u>5,415,255</u>	<u>2,423,681</u>
Current assets:			
Debtors	8	590	1,490
Cash at bank		<u>627,316</u>	<u>2,627,753</u>
		627,906	2,629,243
Liabilities:			
Creditors: amounts falling due within one year	9	<u>13,773</u>	<u>24,038</u>
Net current assets		<u>614,133</u>	<u>2,605,205</u>
Net assets		<u>6,029,388</u>	<u>5,028,886</u>
Funds			
Unrestricted Funds	10	<u>6,029,388</u>	<u>5,028,886</u>

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved and authorised for issue by the Trustees on 16 June 2017.



.....
Anne McFarlane
Chair

THE RYVOAN TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 September 2016

1 Accounting policies

Accounting Convention

The financial statements have been prepared under the historic cost convention, as modified by the revaluation of fixed asset investments to market value as at the balance sheet date, and in accordance with the Charities Accounts (Scotland) Regulations 2006 (as amended), Financial Reporting Standard for Smaller Entities (effective January 2015), and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015).

Going Concern

The financial statements have been prepared on a going concern basis. The Trustees have assessed the Trust's ability to continue as a going concern and are confident that the Trust has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these financial statements.

Income

Income is accounted for in the year in which the entitlement arises, when it is probable that the income will be received and when the monetary value can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust, which is normally upon notification of the interest payable by the bank.

Dividends are recognised once the dividend has been declared and notification received of the dividends due. This is normally upon notification by the fund manager.

Expenditure

All expenditure is included on an accruals basis and recognised when there is a legal or constructive obligation to pay and the monetary value can be measured reliably. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities (Costs of raising funds and charitable activities, including support and governance costs). The Trust is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

Donations authorised to be paid during the accounting year, where the recipient has an expectation of receipt, are provided for in the financial statements.

Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes net gains and losses arising on revaluations at the year end and on disposals during the year (proceeds less purchase cost if purchased in the year or market value at the end of the previous year).

Fund Accounting

All funds are held as unrestricted funds. As per note 10 they are split between General Funds and Trust Funds to differentiate between the initial capital donation received and the Trust's annual income and expenditure.

2 Taxation

The Trustees are of the opinion that no liability to tax arises in the year as all income and gains are applied for charitable purposes.

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NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 30 September 2016

3	Investment income	2016	2015
		£	£
	Dividends	68,140	49,086
	Interest on deposited funds	<u>10,473</u>	<u>19,440</u>
		<u>78,613</u>	<u>68,526</u>
4	Charitable activity - donations	2016	2015
		£	£
	Grants payable (note 5)	76,500	139,950
	Printing, postage and stationery	44	129
	Website and computer costs	496	432
	Secretarial services	1,685	342
	Research	-	476
	Bank charges	<u>30</u>	<u>60</u>
		<u>78,755</u>	<u>141,389</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 30 September 2016

5 Grants payable	2016	2015
	£	£
3D Drumchapel	2,500	-
Aberdeen Cyrenians	2,500	5,000
Befriend A Child	-	1,000
Befrienders Highland	-	5,000
Bobath Scotland	-	5,000
Children 1 st	5,000	7,000
Coatbridge Citizens Advice Bureau	-	2,500
Comas	4,000	-
Cornerstone	2,000	-
Cue and Review Recording Services	4,500	-
Cyrenians	2,000	-
Dyslexia Action	-	2,000
ECAS	2,000	2,000
Edinburgh Garden Partners	1,000	-
Edinburgh Headway Group	2,000	-
Edinburgh International Book Festival	2,000	2,000
Edinburgh Young Carers Project	2,500	-
Friends of Redhall School	-	1,050
Home Link Family Support	-	2,500
L'Arche	5,000	-
Marie Curie Cancer Care	5,000	10,000
Mindroom	5,000	-
Move On	1,000	-
MS Society Scotland	-	1,000
Multi-Cultural Family Base	3,000	-
Penumbra	-	30,000
Quarries	-	5,000
Red Squirrel Survival Trust	-	2,200
Redburn School	-	2,000
Salvation Army	-	1,200
Scotland's Charity Air Ambulance	2,500	5,000
Scottish Huntingdon's Society	2,500	2,500
Scottish Spina Bifida Association	5,000	-
Smart Works Edinburgh	-	2,500
Special Needs Action Project	5,000	5,000
St Andrew's Children's Society	-	4,500
Sue Ryder	1,000	-
The Back-Up Trust	2,500	5,000
The Broomhouse Centre	2,500	-
The Great Scottish Tapestry	-	1,000
The Royal Lyceum Theatre	-	5,000
The Teapot Trust	-	3,000
The Yard Adventure Centre	2,500	5,000
Trees For Life	2,000	-
Unicef	-	5,000
World Vision UK	-	10,000
	<u>76,500</u>	<u>139,950</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 30 September 2016

6 Allocation of governance and other support costs

The breakdown of support costs and how these were allocated between governance and other supports costs is shown in the table below

	Basis of apportionment	Governance £	Support £	Total 2016 £	Total 2015 £
Audit	Direct costs	3,683	-	3,683	3,948
Legal and Professional	Direct costs	-	-	-	312
Trustees' expenses	Direct costs	-	-	-	106
		<u>3,683</u>	<u>-</u>	<u>3,683</u>	<u>4,366</u>

Trustees receive no remuneration, however expenses were paid in the prior year to James McFarlane in respect of attendance at conferences and reimbursement of travel.

All support and governance costs have been allocated against the single charitable activity.

7 Investments	2016 £	2015 £
Listed investments at market value brought forward	2,423,681	2,598,807
Investments bought at cost	2,000,000	-
Equalisation	(12,753)	-
Unrealised gain/(loss)	<u>1,004,327</u>	<u>(175,126)</u>
Total investments at market value as at 30 September 2016	<u>5,415,255</u>	<u>2,423,681</u>
Listed investments at cost as at 30 September 2016	<u>4,487,247</u>	<u>2,500,000</u>

The charity holds the following investment which exceeds 5% of the portfolios market value:

	2016 £	2015 £
Heriot Global Fund	<u>5,415,255</u>	<u>2,423,681</u>

8 Debtors	2016 £	2015 £
Prepayments and accrued income	<u>590</u>	<u>1,490</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 30 September 2016

9	Creditors: amounts falling due within one year	2016	2015
		£	£
	Accruals for grants payable	10,000	20,000
	Other creditors	173	162
	Accruals	<u>3,600</u>	<u>3,876</u>
		<u>13,773</u>	<u>24,038</u>

10	Analysis of net assets between funds	General Funds	Trust Funds	Unrestricted Total
		£	£	£
	Investments	-	5,415,255	5,415,255
	Net current assets	<u>3,024</u>	<u>611,109</u>	<u>614,133</u>
		<u>3,024</u>	<u>6,026,364</u>	<u>6,029,388</u>

The Trust Funds represents the initial donation awarded to the Trust and is unrestricted with effect from 1 October 2014. As a proportion of this fund was subsequently invested, all gains and losses on investments are allocated against this fund.

The General Funds are unrestricted and represent a revenue fund. All investment income is recognised through this Fund along with all donations and support costs.

11 Control

In the opinion of the trustees there is no controlling party.

12 Related party transactions

There were no related party transactions during the year.