

Royal Highland Education Trust

Scottish Charity No. SC007492

Company No. SC123813

Report and Financial Statements

for the Year Ended

30 November 2016



Royal Highland Centre
Ingliston
Edinburgh
EH28 8NB

www.rhet.org.uk
rhetinfo@rhass.org.uk

Trustees, Officers and Advisers

Chairman of the Board

Mr JG Dunlop ARAgS

Directors

Mr M Birse ARAgS

Mr AK Brooke

Mr GJ Brown

Mr JG Dunlop ARAgS

Mr SM Hutt

(to 30 April 2016)

Mr A Laidlaw

(from 2 August 2016)

Mrs G Lawrie

Mrs E Muir

(to 1 June 2016)

Mr G Lawrie

RHET Countryside Initiative Forum

Chairman, The Royal Highland and Agricultural Society of Scotland, ex officio

RHET Chairman

Chief Executive, The Royal Highland and Agricultural Society of Scotland, ex officio

Chief Executive, The Royal Highland and Agricultural Society of Scotland, ex officio

Secretary

Mr D Alcorn

Secretary, The Royal Highland and Agricultural Society of Scotland

Treasurer

Mr S Brown

Finance Manager, The Royal Highland and Agricultural Society of Scotland

Trust Manager

Miss K Barclay

Education Manager

Advisers**Bank****The Royal Bank of Scotland**

30 Old Liston Road

Newbridge

Edinburgh

EH28 8NF

Auditor**Ernst & Young LLP**

Ten George Street

Edinburgh

EH2 2DZ

Solicitors**Shepherd & Wedderburn LLP**

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Conference Square

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EH3 8UL

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EH28 8NB

Telephone:

0131 335 6200

Website:www.rhet.org.uk

Company No SC123813

REPORT OF THE DIRECTORS

The Directors present their Report and Financial Statements for the year ended 30 November 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Reference and Administrative Information**

Originally founded in 1990 as the Scottish Farming and Countryside Education Trust, the Trust was renamed the Royal Highland Education Trust (RHET) in 1999. It is a company limited by guarantee which does not have share capital. The Trustees and Officers are listed on page one with the Trust's advisers and its principal address given on page two.

It was established in February 1999 and is a registered charity. Its governing document is a Memorandum of Association.

Governing Bodies and Recruitment of Directors

The Directors of the Royal Highland Education Trust (RHET) are responsible for this Trust in line with Company Law requirements. Core funding is provided by the Royal Highland and Agricultural Society of Scotland (RHASS).

Those nominated for directorship have had involvement in similar educational organisations or are selected from the RHASS board. Those selected from the RHASS board will already have taken part in an induction and training programme.

Organisational Management

RHET Directors, as the Trustees of the Charity, are legally responsible for the overall management and control of the Trust and meet at least four times a year.

The day to day running of RHET is delegated to the Chief Executive of the Royal Highland and Agricultural Society of Scotland, the RHET Manager, Ms Katrina Barclay and her team of three full-time and two part-time staff.

All staff of RHET are employed by the Royal Highland and Agricultural Society of Scotland.

OBJECTIVES, AIMS AND ACTIVITIES**Principal Activity and Objectives**

RHET's principal activity is the promotion of the countryside, food and farming, primarily to young people aged from 3 to 18 years of age. RHET aims to create the opportunity for every child in Scotland to learn about the countryside and to ensure a wider understanding of the environmental, economic and social realities of the Scottish countryside.

Broadly speaking, the key commitments are:

- * Providing the opportunity for schoolchildren to visit a farm or the countryside providing reliable and balanced information on farming and rural issues
- * Supplying resource materials which will assist teachers and pupils in their studies of the Scottish countryside and its environment
- * Promoting a better understanding of the social and environmental changes taking place in Scotland

RHET helps develop a network of local groups, known as RHET Countryside Initiatives. These independent groups who are based in twelve regions throughout Scotland deliver the aims of RHET on a local basis in liaison with local farmers and local schools. The Countryside Initiatives are each set up as companies limited by guarantee.

Assessment of the Achievement of the Objectives for the Year past

The Objectives for 2016 were as follows:

- * To maintain and develop further RHET's partnership role in relation to education about sustainable food, farming and countryside for all young people in Scotland - *This is ongoing.*
- * To continue the development of the leadership role of the RHET central team in building and supporting the network of RHET Countryside Initiatives that delivers the RHET outcomes on a sustainable local basis. *This is ongoing.*
- * To embrace the use of information and communications technology, and to optimise the use of financial and other resources in pursuit of our aims. *This is ongoing.*
- * To ensure that our ethos translates into our day to day practices across the RHET network through a culture of openness, accountability and care. *This is ongoing.*
- * To develop further a framework to support reflection and continuous improvement across all aspects of RHET activities, enabling progress towards our outcomes to be demonstrated.
During 2016, 788 classes visited the working countryside, with 16,400 pupils attending. There were also 1,060 talks delivered in class to 23,500 pupils.

Strategies to achieve the year's objectives

Farm visits and classroom speaker visits are made possible through the network of Countryside Initiatives with the generous support of Scottish Government, Tesco, Bairds Malts, MacRobert Trust, Lantra, QMS, Robertson Trust, Ronald Miller Foundation, NFU Mutual Trust, Mains of Laurieston, HGCA, amongst others. This support enabled RHET to contract eleven part-time Project Co-ordinators to support the network of Initiatives. A twelfth Co-ordinator is locally funded in the north-east. The Charles Brown trophy was awarded in its sixth year to Waid Academy in Fife.

The Countryside Initiatives currently cover 31 of the local authority areas in Scotland with the remaining local authority serviced from the office here at Ingliston. The Countryside Initiative Forum meets three times per year, comprising all eleven Countryside Initiatives.

Continuing Professional Development (CPD) events for teachers took place during the year and training workshops have been held throughout Scotland. During the 2015/16 academic year, over 700 teachers have been introduced to RHET and the use of the working countryside to complement Curriculum for Excellence learning outcomes. We continue to support new and existing volunteers and also invest in our team of coordinators in CPD, namely in Health & Safety related training.

REPORT OF THE DIRECTORS (Cont'd)

OBJECTIVES, AIMS AND ACTIVITIES (Cont'd)**Strategies to achieve the year's objectives (Cont'd)**

The RHET website (www.rhet.org.uk) enables RHET to interact with teachers and farmers, using Information Computer Technology. Feedback from teachers continues to indicate how much they value the range of high quality services offered by RHET. Using the website, teachers have the ability to access some of RHET's resources on-line.

The Royal Highland Show, which is run by the Royal Highland and Agricultural Society of Scotland, welcomed 301 school groups in 2016. Schools attended tours and activities where they learned about the countryside, food and farming, as well as enjoying a good day out.

Risk

The Board of Directors is responsible for the management of risks faced by the Trust. Considerations of risk are detailed at each Board Meeting and delegated to the Chief Executive, the RHET Manager, her team and the Countryside Initiatives.

With its reliance on external funding, the Board of Directors recognise the risk posed by a substantial reduction in income from this source.

The key risk controls used by the Trust include:

- * Formal agendas and minutes for all Committees and Board Activity;
- * Detailed terms of reference for the Board and Management Committees
- * Comprehensive strategic planning, budgeting and management accounting;
- * Established organisational structure and lines of reporting;
- * Health & safety audits and reports;
- * Clear authorisation and approval levels, and
- * Vetting procedures required by law for the protection of the vulnerable

Through the risk management process established for the Trust, the Board of Directors is satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

RECRUITMENT AND TRAINING OF DIRECTORS

In the main, new directors are drawn from the Board of the Royal Highland and Agricultural Society of Scotland, where vacancies are advertised annually to members, and procedures for election are stated within the Royal Charter and Bye-Laws.

The RHET Board also identifies and will approach like-minded bodies, from agricultural and educational communities who will in turn nominate a representative for appointment.

In line with its constitution and OSCR's requirements, each new director is provided with the Memorandum and Articles of Association and informed of RHET's activities.

FINANCIAL REVIEW

In the course of the year, income of £274,964 (2015 - £292,868) has been generated through Restricted Funding, which represents a reduction of £17,904 from last year. Included in this figure is an award from RHASS of £167,263 (2015 - £166,328) as payment of all payroll costs, an award of £27,851 (2015 - nil) as a contribution to the costs of a new website and a further award of £6,000 (2015 - £6,000) as a contribution to PR Fees.

Spending of these funds was substantially reduced from the previous year at £286,989 (2015 - £351,475), overall producing a surplus of £59,381.

Dividends of £2,030 (2015 - £1,985) have been raised by the investment held in the Endowment, whilst £520 (2015 - £1,050) has been expended as an award to one (2015 - three) school, conforming to the requirements of this restricted activity.

Under Unrestricted Funds, the Trust generated a further £70,147 (2015 - £30,193) in contributions and donations, £1,017 (2015 - £1,263) from dividends and £226 (2015 - £879) in other income.

With a total £426,049 (2015 - £400,505) of expenditure, RHET returns an overall deficit of £77,665 (2015 - £73,317) and a Net Movement of Funds (a deficit) of £77,432 (2015 - £73,660).

The investments are held in an Endowment fund. The investments previously held in an Unrestricted fund were sold during the year generating proceeds of £39,524 (2015 - nil).

As a result of a reduction in the level of funding during the year, cash held at the bank is down from 2015 by £47,317 to £49,120 (2015 - £96,437). Overall Net Current Assets are down from £87,974 last year to £49,833 at the end of 2016.

Under Capital and Reserves, the Trust maintains a level of Restricted Funding lower than that held last year, having fallen from £71,406 to £59,381.

RESERVES

Whilst seeking to regularly expend its Restricted Funding, the Trust seeks to hold reserves in excess of the balance of these funds, whilst maintaining an additional amount which is able to cover at least one years trading.

Following the year end, it is clear that the Trust has been unsuccessful in obtaining funding. This is despite a good effort in making applications to a substantial number of funding bodies. In pursuit of this, it has become clear that the funding landscape has altered, where funders are less prepared to support national bodies such as RHET and instead being more favourable to local initiatives. A further pressure has been the clear reluctance of funders to support the core costs of any organisation. As a result of this, funds held in Restricted Funding have fallen substantially. Following a meeting with the Executive Committee of the Royal Highland and Agricultural Society of Scotland (RHASS), the RHET Board received an assurance that RHASS will provide funds where necessary for a period at least until 31st August 2018. RHASS has issued a letter, confirming this provision of financial support.

REPORT OF THE DIRECTORS (Cont'd)

FUTURE PLANS

Directors from the RHET Board and the Countryside Initiatives had been responsible for developing a new Strategic Plan, which was under development through wider consultation. The draft was launched in 2016, confirming our 5 working priorities to which each Initiative report under during their committee meetings. Direction on policies, procedures, strategic approaches regarding marketing and fundraising are positioned at the heart of the plan, to ensure that clear, agreed identifiable projects are developed and achieved in line with the agreed core priorities of RHET. A greater emphasis on digital resources and digital platforms will be used in order to engage with teachers, pupils and supports. This will contribute to our objective to have three points of contact with every pupil during their time in school. The long term aspiration of RHET is to ensure equal access to balanced, unbiased information on the working countryside to all of its stakeholders.

VOLUNTEERS

The Royal Highland Education Trust currently has approximately 500 volunteers who actively help the charity deliver its aims and objectives. The continued help and commitment of these volunteers, most of whom come from the farming community, undoubtedly assist RHET to meet its targets.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and United Kingdom generally accepted accounting practice.

Company Law requires the Directors to prepare Financial Statements for each Financial Year, which give a true and fair view of the State of Affairs of the Company and of the Profit and Loss of the company for that period.

In preparing those Financial Statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the Financial Statements comply with the Companies Act 2006, The Charities and Trustee Investment (Scotland) Act 2005, and The Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

A resolution to re-appoint Ernst & Young LLP, as auditors will be put to members at the Annual General Meeting.

SMALL COMPANY EXEMPTIONS

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.



James G Dunlop
Chairman

30 May 2017

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL HIGHLAND EDUCATION TRUST

We have audited the financial statements of the Royal Highland Education Trust for the year ended 30 November 2016 which comprise the Statement of Financial Activities (incorporating the income and expenditure account), the Statement of Financial Position and the accompanying notes 1 to 16. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's trustees and members, as a body, in accordance with our appointment under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the trustees and members 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 charitable company and the charitable company's trustees and members 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 on page 5), the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they 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 under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 charitable company'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, we read all the financial and non-financial information in the Report of the Directors 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 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 charitable company's affairs as at 30 November 2016 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, including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'; and

- ▶ have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

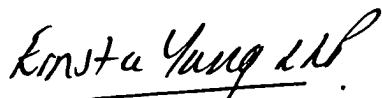
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- ▶ the company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- ▶ the financial statements are not in agreement with the accounting records and returns; or
- ▶ certain disclosures of trustees' remuneration specified by law are not made; or
- ▶ we have not received all the information and explanations we require for our audit; or
- ▶ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime



Stephen Reid (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Edinburgh

Date:

Ernst & Young LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

31 MAY 2017

Company No SC123813

Statement of Financial Activities for the year ended 30 November 2016
Incorporating income and expenditure account

	Note				2016 Year	2015 Year
		Restricted £	Endowment £	Unrestricted £	Total £	Total £
Income and endowments from:						
Donations	7	274,964	-	70,147	345,111	323,061
Charitable activities		-	-	225	225	716
Investment income:						
Bank interest received	5	-	-	1	1	163
Dividends received	5	-	2,030	1,017	3,047	3,248
Total income		274,964	2,030	71,390	348,384	327,188
Expenditure on:						
Charitable activities	9	246,287	520	134,797	381,604	358,955
Raising funds	10	40,702		3,743	44,445	41,550
Total expenditure		286,989	520	138,540	426,049	400,505
Net income/(expenditure) and net movement in funds before gains and losses		(12,025)	1,510	(67,150)	(77,665)	(73,317)
Gains/(losses) on investments						
Realised loss on investments		-	-	(888)	(888)	-
Unrealised gain/(loss) on investments	12,13	-	1,121	-	1,121	(343)
Net income/expenditure		(12,025)	2,631	(68,038)	(77,432)	(73,660)
Total funds brought forward		71,406	49,639	49,352	170,397	244,057
Total funds carried forward		59,381	52,270	(18,686)	92,965	170,397

The Royal Highland Education Trust

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Company No SC123813

Balance Sheet as at 30 November 2016

	Notes	£	2016 £	£	2015 £
Fixed assets					
Investments	12,13		43,132		82,423
Current assets					
Debtors	14	28,198		535	
Cash at Bank		<u>49,120</u>		<u>96,437</u>	
Total current assets		77,318		96,972	
Liabilities					
Creditors falling due within one year	15	<u>(27,485)</u>		<u>(8,998)</u>	
Net current assets			<u>49,833</u>		<u>87,974</u>
Net assets			<u>92,965</u>		<u>170,397</u>
The funds of the charity:					
Restricted Funds	16		59,381		71,406
Endowment Reserve	16		52,270		49,639
Unrestricted Fund	16		<u>(18,686)</u>		<u>49,352</u>
Total charity funds			<u>92,965</u>		<u>170,397</u>

The Financial Statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

James G. Dunlop

James G Dunlop
Chairman

30 May 2017

A. K. Brooke

A Keith Brooke
Director

1 - Accounting Policies**(a) Basis of preparation and assessment of going concern**

The Financial Statements have been prepared under the historical cost convention with exception of the investments which are included at fair value, their market value. The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015), the Charities SORP (FRS102), the Charities and Trustee Investment (Scotland) Act and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The Trust constitutes a public benefit entity as defined by FRS102.

In considering the ability of the the Trust to continue as a going concern the Board note the negative balance of unrestricted reserves of £(18,686), however the Board have received an assurance that RHASS will provide funds where necessary for a period at least until 31 August 2018 and RHASS has issued a letter confirming this provision of support. The balance of restricted reserves of £59,381 can be used solely for those purposes directed on funding and not to support unrestricted funding.

(b) Reconciliation with previous Generally Accepted Accounting Practice

This is the first year that the Trust has prepared its financial statements under the Charities SORP (FRS102). The date of the transition to the Charities SORP (FRS102) was 1 December 2015. In preparing the financial statements, the Trustees have considered whether in applying the accounting policies required by FRS102 and the Charities SORP (FRS102) a restatement of comparative items was needed. No restatements were required.

(c) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Restricted funds donations which the donor has specified are to be solely used for particular areas of the Trust's work.

(d) Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally on notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment manager of the dividend yield of the investment portfolio.

(e) Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair values as at the balance sheet date using the closing market prices as valued by the Trust's appointed investment managers. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

(e) Gains and losses on investments

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are recognised in the Statement of Financial Activities.

(e) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

(f) Taxation

The Trust has charitable status and is exempt from taxation. Donations and legacies to the Trust attract taxation relief for the donor. The Trust is not registered for Value Added Tax and accordingly any such unrecoverable tax is included in the expenditure concerned.

(g) Disclosure

The company has taken advantage of the provisions outlined under FRS102 section 1A not to disclose the following:

- preparation of a cash flow statement
- disclosure of related party transactions with and between parties controlled within the RHASS group.
- disclosures relating to financial instruments

2 - Structure of Funds**a) - Restricted Funds**

The Restricted Funds comprise donations from companies or individuals. The donor stipulates to which specific project their donation should be spent. The RHET Manager maintains a record of the expenditure for each project. As the funds are used, the value of that spending is released as income to the Income Statement.

b) - Endowment Reserve

The Endowment Reserve comprises solely the Charles Brown Memorial Fund. Mr Brown enjoyed a long association with RHET. Shortly after his death in 2009, his sister Mrs Patricia Godsmen, donated on his behalf £25,000. This money has been used to buy a Fund of M&G Charifund Units. The dividend earned to be used in support of an annual schools competition. When required these funds are to be transferred to the Income Statement, and drawn from there (see investments notes 5 and 6).

c) - Going Concern

During the year the Trust reported a net reduction in funds of £77,432 and at the year-end had net assets of £92,965.

The directors of RHET have obtained confirmation of the continued support from core funding provider, the Royal Highland and Agricultural Society of Scotland (RHASS) and are satisfied with the ability of the company to continue to provide such support. Consequently, the directors consider it appropriate that the financial statements are prepared on the going concern basis. The directors therefore consider the company to be a going concern.

3 - Related party transactions and Trustees' remuneration and expenses**a) Key management personnel remuneration**

The Trustees all give freely of their time and expertise without any form of remuneration or other benefit in cash or kind (2015: nil). During the year no reimbursements were made to Trustees for expenses (2015: nil).

No remuneration is made to the chief executive, treasurer and secretary by the trust. Their salaries and related costs are paid by the Royal Highland and Agricultural Society of Scotland in their entirety. However, salary totalling £1,660 (2015:£1,360) as an apportionment of salary has been made to reflect time spent on the Trust, by the chief executive, the treasurer and secretary.

b) Related party disclosures

No payments to the related party, RHASS were made during the year.

4 - Audit Fee

	2016 £	2015 £
Annual Fees	1,800	1,760
Additional work related to Corporation Tax	3,500	-

For 2016 an additional fee of £500 in relation to FRS102 was paid, a cost borne by the Royal Highland and Agricultural Society of Scotland.

5 - Investment Income

	2016 £	2015 £
Investment Income arises from the following sources:		
Bank Interest	1	163
Dividends received:		
M&G Securities Charifund - Charles Brown	2,030	1,985
M&G Securities Charifund - Other	1,017	1,263
	<u>3,048</u>	<u>3,411</u>

6 - Investments

Investments comprise solely of the Endowment Reserve, which is the Charles Brown Memorial Fund, this investment is included at fair value, its market value. The endowment reserve also includes cash reserves of £9,138.

a) Investments (unrestricted)

	2016 £	2015 £
Market value at 1 December 2015	40,244	40,412
Unrealised (losses) on investments	(888)	(168)
Disposed of in year	(39,356)	-
Market value at 30 November 2016	<u>-</u>	<u>40,244</u>

M&G Charifund Units (holding 2808.338 units)

	2016 £	2015 £
	-	40,244

b) Investments (endowment)

	2016 £	2015 £
Market value at 1 December 2015	42,011	42,186
Unrealised gains/(losses) on investments	1,121	(175)
Market value at 30 November 2016	<u>43,132</u>	<u>42,011</u>

M&G Charifund Units (holding 2919.436 units)

	2016 £	2015 £
	43,132	42,011

7 Contributions & Donations

	2016	2015
	£	£
Donations for Year		
Gordon Fraser Foundation	-	1,000
HGCA	1,630	-
Lantra	500	1,000
Laurieston GTCS	-	6,000
MacRobert Trust	-	10,000
Martin Connell	1,000	-
NFU Mutual Charitable Trust	15,000	-
NFU Scotland	-	1,000
Quality Meat Scotland	-	5,000
Robertson Trust	-	14,000
Scottish Government	36,420	56,040
Scottish Power	2,800	5,000
Tesco	16,500	21,500
	<u>73,850</u>	<u>120,540</u>
RHASS Salaries, PR fees and new website donation	201,114	172,328
Total of Donations to Restricted Funds	274,964	292,868
Other Donations to Income		
AEH Salvesen Trust	2,000	2,000
Aldi	1,000	-
Alpha Plus Group Ltd	1,325	-
Batchworth Trust	5,000	-
Dean Clough Foundation	765	-
Farmers & Farmers Wives	-	2,500
L Smellie & Sons	3,350	-
Mainhouse Charitable Trust	2,500	2,500
New Park Educational Trust	-	1,500
NFU Scotland	1,893	2,600
Ronald Miller Foundation	-	2,500
Royal Caledonian Curling Club	2,000	2,000
Royal Highland and Agricultural Society of Scotland	46,078	-
Santander Foundation	-	1,400
Scottish Corn Trade Association	-	2,000
Suffolk Sheep Society	-	500
Other Donations	4,236	10,693
	<u>70,147</u>	<u>30,193</u>
	345,111	323,061

8 Restricted Funds

	2016	2015
	£	£
Restricted Reserves were made up as follows:		
Bairds Group	4,975	6,041
Clydesdale Bank	-	4,591
Gordon Fraser Foundation	-	1,000
HGCA	-	3,000
Lantra	-	1,763
Laurieston GTCS	3,380	5,864
Mains of Laurieston	-	342
NFU Mutual Charitable Trust	15,000	12,826
Quality Meat Scotland	1,435	1,436
RBS Community Fund	-	525
Scottish Government	12,422	3,884
Scottish Power	2,693	2,268
Soft Fruit Growers Association	-	1,214
Tesco	19,476	18,055
The Gordon Cook Foundation	-	6,176
Vion Group	-	2,421
	<u>59,381</u>	<u>71,406</u>

9 Expenditure on Charitable Activities

	2016	2015
	£	£
Restricted Activity:		
- Payroll	126,561	128,760
- Other expenditure	119,726	185,147
	<u>246,287</u>	<u>313,907</u>
Unrestricted funding	134,797	43,998
Endowment	520	1,050
Total	381,604	358,955

Resources expended through restricted activity, is exclusively spending being carried out in accordance within the limitations of the restricted funding instruction. All expenditure incurred relates to grant seeking and awarding activities.

10 Expenditure on Raising Funds

	2016	2015
	£	£
Payroll & related costs	40,702	37,568
Printing Post & Telephone	2,099	2,482
PR Fees and promotional materials	1,644	1,500
	<u>44,445</u>	<u>41,550</u>

11 Staff Costs	2016	2015
	£	£
Wages & Salaries	141,792	142,225
Social Security Costs	12,300	11,770
Pension Costs	13,171	12,333
	167,263	166,328
These have been allocated as follows:		
Charitable activities	126,561	128,760
Fundraising activities	40,702	37,568
	167,263	166,328

The monthly average number of employees during the year was six (2015: Six) four of which were Full-Time and two Part-Time. The split of activity is:

	2016	2015
Fundraising Activity	2	2
Charitable Activity	4	4

No Director received any remuneration for services during the year.

12 Endowment Assets		Market Value	Market Value
		2016	2015
		£	£
Cash		9,138	7,628
M&G Securities Charifund - Charles Brown	Holding 2919.436 Units	43,132	42,011
		52,270	49,639
Change in Value		(1,121)	(175)
Cost of investments		25,000	25,000

13 Other Investments		Market Value	Market Value
		2016	2015
		£	£
M&G Securities Charifund - Other	Holding 2808.338 Units	-	40,412
Change in Value		-	(168)
Cost of investments		-	40,000

14 Debtors and Prepayments	2016	2015
	£	£
Trade Debtors	28,198	535
Prepayments	-	-
	28,198	535

15 Creditors	2016	2015
	£	£
Trade Creditors	11,530	7,198
Accruals	15,955	1,800
	27,485	8,998

16 Analysis of charitable funds

	Balance b/f £	Income £	Expenditure £	Gains/Losses	Total £
Restricted funds	71,406	274,964	(286,989)	-	59,381
Endowment funds	49,639	2,030	(520)	1,121	52,270
Unrestricted funds	49,352	71,390	(138,540)	(888)	(18,686)
Balance at 30 November 2016	170,397	348,384	(426,049)	233	92,965

The Restricted Funds are made up of donations from sponsors who specify very clearly to what educational purpose their donation will be spent by RHET. The Endowment Fund is made up of an investment, where the dividends earned are spent annually on a prize for a schools competition, and cash reserves (see note 6).