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Shepherd + Wedderburn

THE HIGHLANDS AND ISLANDS EDUCATIONAL TRUST

Accounts

For The Year Ended

30 June 2026

Registered Scottish Charity No: SC014655

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THE HIGHLANDS AND ISLANDS EDUCATIONAL TRUST

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THE HIGHLANDS AND ISLANDS EDUCATIONAL TRUST

General Information and Report of the Governors

For Year Ended 30 June 2026

Reference and Administrative Information

Charity Number:	SC016455	
Address of Principal Office:	Shepherd and Wedderburn LLP 9 Haymarket Square Edinburgh EH3 8FY	
Governors and Nominating Bodies:	Matthew MacIver	An Comunn Gaidhealach
	Catherine Gibb	General Assembly of the Church of Scotland
	Malcolm Maciver	Educational Institute of Scotland
	Malcolm Rust	Society in Scotland for Propagating Christian Knowledge
	Aonghas MacCoinnich	University Court of Glasgow
	Susan Ross	University Court of Aberdeen
	Rob Dunbar	University Court of Edinburgh
	Ruth Innes	Co-opted member
	Peigi Macarthur	Co-opted member
	Zander McIvor	Co-opted member
Charity Secretary:	Marianne McIvor	
Bankers:	Bank of Scotland 33 Old Broad Street London PO Box 1000 BX2 1LB	Bank of Scotland Corstorphine West Branch 206 St John's Road Edinburgh EH12 8SH
Solicitors:	Shepherd and Wedderburn LLP 9 Haymarket Square Edinburgh EH3 8FY	
Independent Examiner:	Neil McNab 40 Hawkhill Edinburgh EH7 6LB	
Investment Managers:	RBC Brewin Dolphin Sixth Floor, Atria One 144 Morrison Street Edinburgh EH3 8EX	

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Structure, Governance and Management

Overview: The trust is governed by The Highlands and Islands Educational Trust Scheme 1969 made by Order in Council 1969 No 1687 for the administration and management of the educational endowments specified in the Scheme.

Charitable Status: The trust is a registered Scottish charity. As such, the governors must ensure the circumstances and operations of the trust continue to meet the charity test and the governors are required to comply with their statutory duty to supply information to the Scottish Charity Regulator, the Office of the Scottish Charity Regulator.

Governor Tenure: In accordance with the 1969 scheme the composition of the governing body shall be 12 nominated governors and, if the nominated governors so resolve, not more than 3 co-opted governors. The governors shall hold office for periods of 3 years and all nominated governors shall be eligible for further nomination and all co-opted governors shall be eligible for further co-option.

The following persons shall be the nominated governors; 1 person to be nominated by the General Assembly of the Church of Scotland; 1 person to be nominated by the Directors of the Society in Scotland for Propagating Christian Knowledge; 1 person to be nominated by the Educational Institute of Scotland; 1 person to be nominated by An Comunn Gaidhealach; 1 person to be nominated by the University Court of the University of Glasgow; 1 person to be nominated by the University Court of the University of Aberdeen; 1 person to be nominated by the University Court of the University of Edinburgh; and 5 persons to be nominated by the Association of County Councils in Scotland to represent the county councils within the area of benefit.

There are currently no nominated council representatives.

The governor induction process involves awareness of a governor's responsibilities, the governing document, administration procedures, and the history of the charity. A new governor should receive a copy of the previous year's account and also an extract from the Charities and Trustee Investment (Scotland) Act 2005 relating to the duties and responsibilities of running a charity.

Objectives of Trust

Trust Objectives: The purposes comprise the award of senior school and higher education bursaries, grants for student apprentices and trainees, travel grants for students, grants and prizes for the promotion of Gaelic and proficiency in the language, and grants for special equipment for schools. Beneficiaries must reside or be located within the area of benefit of the trust which comprises of the local government areas administered by Highland Council, Argyll & Bute Council, Western Isles Council, Orkney Islands Council and Shetland Islands Council.

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Objectives of Trust (Contd)

Grant Making Policy: The governors, after paying all necessary expenses of management and other outgoings affecting the trust, are directed by the 1969 scheme to apply in each financial year as nearly as possible the whole of the free income of the trust in executing the purposes of the scheme. The governors are required to meet at least once per annum to considered the award of funds and a quorum of 7 governors is required. Resolutions are passed by a simple majority.

Financial Review

Overview: The period closed with unrestricted funds of £388,838.73 (2025; £350,063.82). Total incoming resources amounted to £9,056.02 (2025; £9,301.64) and total payments amounted to £16,308.61 (2025; £18,745.06). Grant payments amounting to £8,250.00 were made to 36 students in the accounting period (2025; £9,150.00 amongst 40 students). The governors report an overall surplus for the period of £1,357.83 (2025; £4,911.38 deficit).

The governors note the performance of the trust portfolio over the period. Overall investment gains for the period were £46,027.50 (2025; £5,314.59 gains) which reflects the general market and economic sentiment over the year. On a total return basis the value of the portfolio rose by 16.05% before investment costs over the period which compares with an increase of the composite benchmark of 20.55%. The composite benchmark is a weighted average of various indices to best reflect the underlying asset allocations. The governors review the investment performance on a regular basis and will take action as and when necessary.

Investment Policy: In accordance with the Trust Deed and statutory provision, the governors have the power to invest in such stocks, shares and investments in the United Kingdom or overseas as they in their sole discretion think fit. The governors have appointed RBC Brewin Dolphin as Investment Manager. The governors' investment policy is geared towards a balanced return between capital and income from a medium risk perspective and this policy is reviewed on a regular basis.

Reserves Policy: All assets are held for the charitable purposes and the governors are satisfied the assets of £388,838.73 at the end of the period are adequate to fulfil the charity's obligations.

Charitable Activities During Year: Grant payments amounting to £8,250.00 were made to 36 students in the accounting period (2025; £9,150.00 amongst 40 students).

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Risk Review

Risk Management Policy:	The governors have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the trust and are satisfied systems are in place to mitigate exposure to the major risks.
Related Parties:	No remuneration or expenses were paid to any governor. Malcolm Hamilton Rust is a Partner of Shepherd and Wedderburn LLP. Shepherd and Wedderburn LLP provide legal and accounting services to the trust for which fees are charged. In the accounting year Shepherd and Wedderburn LLP fees amount to £3,690.00 (2025; £4,800.00). These fees are inclusive of VAT at the prevailing rate of 20%.
Plans for the Future	The governors do not anticipate any material changes to the operations of the charity.

Approved by the governors and signed on their behalf:

Signed: ……
Matthew MacIver, governor

Date 9 September 2026

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THE HIGHLANDS AND ISLANDS EDUCATIONAL TRUST

Statement of Receipts and Payments for the year ended 30 June 2026

	Note	Capital Endowment	Revenue	Total 2026 £	Total 2025 £
Receipts					
Investment income	2	-	8,978.69	8,978.69	9,163.12
Bank interest	2	-	77.33	77.33	138.52
Total incoming resources		-	9,056.02	9,056.02	9,301.64
Payments					
Costs of generating funds:-					
Investment management costs	3	(2,698.61)	-	(2,698.61)	(2,654.71)
Charitable distributions	4	-	(8,250.00)	(8,250.00)	(9,150.00)
Support costs	5	-	(2,422.50)	(2,422.50)	(3,170.35)
Governance costs	6	(2,937.50)	-	(2,937.50)	(3,770.00)
Total resources expended		(5,636.11)	(10,672.50)	(16,308.61)	(18,745.06)
Net (outgoing) resources before asset and investment movements, and transfers		(5,636.11)	(1,616.48)	(7,252.59)	(9,443.42)
Asset and investment movements					
Proceeds from sale of investments	7	27,515.99	-	27,515.99	65,122.14
Purchase of investments	7	(18,905.57)	-	(18,905.57)	(60,590.10)
Net receipts/(payments) after asset and investment movements		2,974.31	(1,616.48)	1,357.83	(4,911.38)
Transfers to/(from) funds		-	-	-	-
Surplus/(deficit) for year		2,974.31	(1,616.48)	1,357.83	(4,911.38)

All movements relate to unrestricted funds

The notes on pages 7 to 10 form part of these accounts

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THE HIGHLANDS AND ISLANDS EDUCATIONAL TRUST

Statement of Balances as at 30 June 2026

	Note	2026 £	2025 £
Funds reconciliation			
Cash at bank and in hand 30/06/2025		8,379.66	13,291.04
Surplus/(deficit) for year		1,357.83	(4,911.38)
Cash at bank and in hand 30/06/2026		9,737.49	8,379.66
Represented by			
Bank accounts	8	9,737.49	8,379.66
		9,737.49	8,379.66
Other Assets			
Investments as at market value	7	379,101.24	341,684.16
Liabilities			
		2026 £	**2025** £
RBC Brewin Dolphin fee	9	(711.54)	(640.68)
Shepherd and Wedderburn LLP fee	9	(810.00)	-
Neil McNab, Independent Examiner fee	9	(170.00)	(170.00)
Secretary's honorarium and expenses payment	9	(750.00)	(750.00)
		(2,441.54)	(1,560.68)

All funds are unrestricted

The notes on pages 7 to 10 form part of these accounts

Approved by the governors and signed on their behalf:

Signed: M. MacIver
Matthew MacIver, governor

Date 9 September 2026

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THE HIGHLANDS AND ISLANDS EDUCATIONAL TRUST

Notes To The Accounts

For The Year Ended 30 June 2026

1 Accounting Policies

These accounts have been prepared on a receipts and payments basis in accordance with the Charities and Trustees Investment Act (Scotland) 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Incoming Resources

All incoming resources are included in the Statement of Receipts and Payments when the trust is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

* Investment Income is included when receivable.

Resources Expended

Expenditure is recognised on a receipts and payments basis. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates:

* Costs of generating funds comprise the costs associated with the attracting voluntary income and the investment administration fees.

* Charitable expenditure includes grants paid by the Governors in accordance with the provisions of the Trust Deed and an apportionment of support costs as shown in note 5.

* Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examination fees and costs linked to the strategic management of the charity. Support costs include the secretary's honorarium payments and expenses. Shepherd and Wedderburn's fee is split between governance and support costs in the ratio 75:25.

* All costs are allocated between the expenditure categories of the Statement of Receipts and Payments on a basis designed to reflect the use of its resource.

Investments

Investments are included at market value at the year end, with realised gains and losses on disposal and unrealised gains and losses on revaluation being recognised in the Statement of Receipts and Payments.

2 Investment Income

	2026	2025
UK dividends	£ 3,426.24	£ 3,621.73
UK interest	1,867.12	1,652.18
UK property income distributions	-	486.57
Overseas dividends	2,373.12	1,851.57
Overseas interest	1,312.21	1,551.07
Bank interest	77.33	138.52
	£ 9,056.02	£ 9,301.64

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3 Cost of Generating Funds

	2026	2025
Investment Management Costs:		
RBC Brewin Dolphin, portfolio management fees (including VAT)	£ 2,698.61	£ 2,654.71

4 Charitable Distributions

	2026
Grant payments were made to 36 students in the accounting period	£ 8,250.00
40 students received grant payments in the previous accounting period	£ 9,150.00

5 Support Costs

	2026	2025
Shepherd and Wedderburn LLP, fees to 30/06/2024 (including VAT)	£ -	£ 300.00
Shepherd and Wedderburn LLP, fees to 30/06/2025 (including VAT)	-	900.00
Shepherd and Wedderburn LLP, fees to 30/06/2026 (including VAT)	922.50	-
Secretary's honorarium and expenses payments to 30/06/2025	1,500.00	1,970.35
	£ 2,422.50	£ 3,170.35

6 Governance Costs

	2026	2025
Shepherd and Wedderburn LLP, fees to 30/06/2024 (including VAT)	£ -	£ 900.00
Shepherd and Wedderburn LLP, fees to 30/06/2025 (including VAT)	-	2,700.00
Shepherd and Wedderburn LLP, fees to 30/06/2026 (including VAT)	2,767.50	-
Independent Examiner's fee:		
Neil McNab, fee for 2025 accounts	170.00	170.00
	£ 2,937.50	£ 3,770.00

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7 Investments

	2026	2025
Market value at 30 June 2025	£ 341,684.16	£ 340,901.61
Additions during the year	18,905.57	60,590.10
Disposals during the year	(27,515.99)	(65,122.14)
Realised gains on investments	1,726.62	1,299.10
Unrealised gains on investments	44,300.88	4,015.49
Market Value at 30 June 2026	£ 379,101.24	£ 341,684.16

UK domiciled securities are held on the trust's behalf by RBC Brewin Dolphin and registered in their nominee name. Overseas domiciled securities are held on the trust's behalf by a sub-custodian appointed by RBC Brewin Dolphin and registered in the name of the sub-custodian's nominee. As at 30 June 2026 the market value of the UK domiciled securities was £204,361.75 and the market value of the overseas domiciled securities was £174,739.49.

Investments with a current market value in excess of 5% of total:

	2026
BNY Mellon Asian Income Fund 11342.118 U income units	£ 19,931.50
Brown US Sustainable Growth Fund 1,109 SI income units	£ 22,523.79
Fidelity US Quality Income ETF 4,451 ordinary US$ NPV shares	£ 44,404.29
Vanguard S&P500 ETF 530 ordinary US$ NPV shares	£ 56,621.89

8 Breakdown of Closing Bank Balances

	2026	2025
RBC Brewin Dolphin:		
Capital account	£ 1,421.66	£ 3,261.25
Income account	988.32	994.64
Bank of Scotland plc:		
Grants account	2,750.00	600.00
Current account		
Shepherd and Wedderburn LLP	4,577.51	3,523.77
	£ 9,737.49	£ 8,379.66

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9 Liabilities

		2026		2025
RBC Brewin Dolphin, fee to 30/06/2026 (including VAT)	£	711.54	£	640.68
Shepherd and Wedderburn LLP, fee to 30/06/2026 (including VAT)		810.00		-
Independent Examiner's fee:				
Neil McNab, fee for 2026 accounts		170.00		170.00
Secretary's honorarium and expenses payment to 30/06/2026		750.00		750.00
	£	2,441.54	£	1,560.68

10 Related Party Transactions

No remuneration or expenses were paid to any governor. Malcolm Hamilton Rust is a Partner of Shepherd and Wedderburn LLP. Shepherd and Wedderburn LLP provide legal and accounting services to the trust for which fees are charged. In the accounting year Shepherd and Wedderburn LLP fees amount to £3,690.00 (2025; £4,800.00). These fees are inclusive of VAT at the prevailing rate of 20%.

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THE HIGHLANDS AND ISLANDS EDUCATIONAL TRUST

Independent Examiner's Report To The Governors

I report on the accounts of the charity for the year ended 30 June 2026, set out on pages 5 to 10.

Respective responsibilities of the Governors and the Independent Examiner

As described in the Governor's Report, the governors are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity's governors consider that the audit requirements of Regulation 10 (d) of the Accounts Regulations does not apply. It is my responsibility to examine the financial statements as required under 44 (1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out in accordance with Regulation 11 of The Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the governors concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

In the course of my examination, no other matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements;

    * to keep accounting records in accordance with Section 44 (1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations (as amended); and

    * to prepare accounts which accord with the accounting records and comply with Regulation 9 of the 2006 Accounts Regulations (as amended);

    have not been met; or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Name: Neil McNab
Relevant professional qualification/professional body; Society of Law Accountants in Scotland

Address: 40 Hawkhill
Edinburgh
EH7 6LB

Date: 13/10/2026

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