

North Lanarkshire Council Educational Endowments  
**SC028079**

Annual Accounts 2017/2018

## Trustees' Annual Report

<b>Charity name</b>	North Lanarkshire Council Educational Endowments	
<b>Registered charity number</b>	<b>SC028079</b>	
<b>Other names charity is known as</b>	<b>Education Trust Funds</b>	
<b>Charity's principal address</b>	North Lanarkshire Council	
	PO Box 14	
	Civic Centre	
	Civic Centre, Motherwell	<b>Postcode</b> ML1 1AB

## Names of the charity trustees on date of approval of Trustees' Annual Report

	<b>Trustee name</b>	<b>Office</b>
<b>1</b>	Mr P Hughes	Head of Financial Services, North Lanarkshire Council (NLC)
<b>2</b>	Cllr N Wilson	NLC Elected Member
<b>3</b>	Cllr F McNally	NLC Elected Member
<b>4</b>	Cllr JJ Linden	NLC Elected Member
<b>5</b>	Cllr Hamilton	South Lanarkshire Council (SLC) Elected Member
<b>6</b>	Cllr McClymont	SLC Elected Member

## Administration

On behalf of the Trustees, North Lanarkshire Council administer the fund but it does not represent assets available to the Council.  
The administration of the Educational Endowments trust fund is covered by North Lanarkshire Council's financial regulations and policies.

## Structure, governance and management

### Type of governing document

Deed of Trust

### Trustee recruitment and appointment

P Hughes, and the Educational Trust Committee, comprising 3 elected members from North Lanarkshire Council and 2 elected members from South Lanarkshire Council, act as Trustees for the charitable funds. During the year, the individuals named above managed and administered the trust funds.

### Charitable purposes

The principal funds of the Lanarkshire Education Trust and the Marshall (Education) Trust were established to provide opportunities for educational advancement. The other educational trust funds consist mainly of prize funds and bursaries for individual schools within the North Lanarkshire area and are usually provided in the form of legacies of former school pupils or parents.

### Summary of the main activities in relation to these objects

During the financial year 2017/18, the Educational Trust Committee awarded grants of £69,897 in relation to educational advancement. A breakdown of this total against each fund is included within the Educational Trust Funds Accounts.

## Trustee Responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law.

The law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year which properly present the receipts and payments of the charity and which have been properly prepared from and are in agreement with the accounting records of the charity and comply with the relevant disclosure requirements.

The trustees are responsible for keeping proper accounting records that 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, Charities Accounts (Scotland) Regulations 2006 and the provisions of the charity's constitution. They are also responsible for choosing suitable accounting policies and applying them consistently, safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The charity trustees have overall responsibility for ensuring that there are appropriate systems of controls, financial and otherwise. They are also responsible for providing reasonable assurance that:

- the charity is operating efficiently and effectively;
- the charitable assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used by the charity is reliable;
- the charity complies with relevant laws and regulations.

## Financial review

### **Brief statement of the charity's policy on reserves**

The level of all financial reserves, including the Educational Endowments, held by North Lanarkshire Council are reviewed annually during the budget setting process.

### **Investment Policy and Performance**

North Lanarkshire Council invests its trust funds in high earning investments (subject to the original investment limitation parameters of the original bequest) or with North Lanarkshire Council's Loans Funds and earn interest accordingly. It is generally the case that the accumulation of income arising from these funds will be distributed on an annual basis thus ensuring that resources are available to meet their continuing requirements.

### **Risk Management**

The administration of the trust fund is covered by North Lanarkshire Council's Risk Management Policies.

### **Strategic Plans**

The administration of the trust fund is covered by North Lanarkshire Council's Treasury Management Strategy in accordance with recognised Codes of Practice.

### **Control Environment**

North Lanarkshire Council's systems of internal control are designed to provide reasonable, but not absolute assurance against material misstatement or loss. In addition, North Lanarkshire Council's Internal Audit Service which is an assurance function provides an independent and objective opinion on the adequacy and effectiveness of the Council's control environment.

### **Accounting Policies**

#### **Basis of Accounting**

The accounts have been prepared on a Receipts and Payments basis in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The accounts have been prepared on a going concern basis.

#### **Resources Expended**

Charitable payments comprise those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

Governance costs include those associated with meeting the constitutional and statutory requirements of the charity.

#### **Audit Fee**

The audit fee for the year has been absorbed by North Lanarkshire Council within their annual audit fee

#### **Receipts and Payments**

The Accounts have been prepared on a receipts and payments basis as the Charity's income is less than £250,000.

**The trustees declare that they have approved the trustees' report above and authorise for issue.**

**Signed on behalf of the charity's trustees**

**Signature**



**Full name**

Paul Hughes

**Position**

Head of Business for Financial Solutions

**Date**

27<sup>th</sup> September 2018

Receipts and payments accounts							
For the period from	Period start date			to	Period end date		
	Day	Month	Year		Day	Month	Year
	01	04	2017		31	03	2018

**Section A Statement of receipts and payments**

	Unrestricted funds to nearest £	Restricted funds to nearest £	Expendable endowment funds to nearest £	Permanent endowment funds to nearest £	Total funds current period to nearest £	Total funds last period to nearest £
<b>A1 Receipts</b>						
Donations	-				-	-
Legacies					-	-
Grants	-				-	-
Receipts from fundraising activities	-				-	-
Gross trading receipts	-				-	-
Income from investments other than land and buildings	-	20,286			20,286	20,264
Rents from land & buildings	-				-	-
Gross receipts from other charitable activities	-				-	-
	-				-	-
<b>A1 Sub total</b>	-	20,286	-	-	20,286	20,264
<b>A2 Receipts from asset &amp; investment sales</b>						
Proceeds from sale of fixed assets	-				-	-
Proceeds from sale of investments	-				-	-
<b>A2 Sub total</b>	-	-	-	-	-	-
<b>Total receipts</b>	-	20,286	-	-	20,286	20,264
<b>A3 Payments</b>						
Expenses for fundraising activities					-	
Gross trading payments					-	
Investment management costs					-	
Payments relating directly to charitable activities		69,897			69,897	76,330
Grants and donations					-	-
Governance costs:					-	-
Audit / independent examination					-	-
Preparation of annual accounts					-	-
Legal costs					-	-
Other - Admin Fees		15,020			15,020	15,020
Other - Debit Balances					-	1,662
Bank Charges		60			60	60
<b>A3 Sub total</b>	-	84,977	-	-	84,977	89,748
<b>A4 Payments relating to asset and investment movements</b>						
Purchases of fixed assets					-	
Purchase of investments					-	
<b>A4 Sub total</b>	-	-	-	-	-	-
<b>Total payments</b>	-	84,977	-	-	84,977	89,748
<b>Net receipts / (payments)</b>	-	(64,690)	-	-	(64,690)	(69,484)
<b>A5 Transfers to / (from) funds</b>						
					-	
<b>Surplus / (deficit) for year</b>	-	(64,690)	-	-	(64,690)	(69,484)

**Section B Statement of balances**

Categories	Details	Unrestricted funds	Restricted funds	Expendable endowment funds	Permanent endowment funds	Total current period	Total last period
		to nearest £	to nearest £	to nearest £	to nearest £	to nearest £	to nearest £
<b>B1 Cash funds</b>	Cash and bank balances at start of year		918,809			918,809	988,293
	Surplus / (deficit) shown on receipts and payments account		(64,690)			(64,690)	(69,484)
						-	
						-	
	<b>Cash and bank balances at end of year</b>	-	854,119	-	-	854,119	918,809
	(Agree balances with receipts and payments account(s))						

Categories	Details	Fund to which asset belongs	Market valuation	Last year
			to nearest £	to nearest £
<b>B2 Investments</b>	Govt. Stock - 3.5% Conversion Stock	Expendable Endowment	-	-
	Govt. Stock - 3.5% War Stock	Expendable Endowment	-	-
	Ord. Shares - Royal Bank of Scotland	Expendable Endowment	4,126	3,861
	Investors Capital Trust Limited	Expendable Endowment	36,038	38,952
	Merchants Trust Limited	Expendable Endowment	80,830	79,139
	Scottish American Investment Trust	Expendable Endowment	90,468	84,168
	F&C Fund Management / ISIS	Expendable Endowment	49,115	48,598
	St James Place Capital plc	Expendable Endowment	200,870	196,498
	Scottish American Investment Co. Ltd.	Expendable Endowment	103,392	96,192
	RIT Capital Partners plc	Expendable Endowment	227,012	223,547
	Taube Hodson Unit Trust	Expendable Endowment	40,524	38,267
		<b>Total</b>		832,375

Categories	Details	Fund to which asset belongs	Cost (if available)	Current value (if available)	Last year
			to nearest £	to nearest £	to nearest £
<b>B3 Other assets</b>					
	<b>Total</b>		-	-	-

Categories	Details	Fund to which liability relates	Amount due	Last year
			to nearest £	to nearest £
<b>B4 Liabilities</b>				
	<b>Total</b>		-	-


Categories	Details	Fund to which liability relates	Amount due (estimate)	Last year
			to nearest £	to nearest £
<b>B5 Contingent liabilities</b>				
	<b>Total</b>		-	-

Signed by one or two trustees on behalf of all the trustees

Signature

Print Name

Date of approval



PAUL HUGHES

27/09/18



**Section C Notes to the Accounts**

**C1 Nature and purpose of funds** (may be stated on analysis of funds worksheets)

See Analysis of Restricted Funds worksheet

**C2 Grants**

Type of activity or project supported	Individual / institution	Number of grants made	£
Educational Advancement	Individual	42	24,897
Educational Advancement	Organisation	0	0
Educational Advancement	Educational Establishment	10	45,000
		<b>Total</b>	<b>69,897</b>

**C3a Trustee remuneration**

If no remuneration was paid during the period to any charity trustee or person connected to a trustee cross this box (otherwise complete section 3b)

x

**C3b Trustee remuneration - details**

Authority under which paid	£

**C4a Trustee expenses**

If no expenses were paid to any charity trustee during the period then cross this box (otherwise complete section 4b)

x

**C4b Trustee expenses - details**

	Number of trustees	£

**C5 Transactions with trustees and connected persons**

Nature of relationship	Nature of transaction	Transaction amount (£)	Balance outstanding at period end (£)

**C6 Other information**

**Additional analysis (1)**

Analysis of receipts and payments

1 Donations

	Unrestricted funds to nearest £	Restricted funds to nearest £	Expendable endowment funds to nearest £	Permanent endowment funds to nearest £	Total current period to nearest £	Total last period to nearest £
					-	
					-	
					-	
<b>Total</b>	-	-	-	-	-	-

2 Grants

	Unrestricted funds to nearest £	Restricted funds to nearest £	Total current period to nearest £	Total last period to nearest £
			-	
			-	
			-	
<b>Total</b>	-	-	-	-

3 Gross receipts from other charitable activities

	Unrestricted funds to nearest £	Restricted funds to nearest £	Expendable endowment funds to nearest £	Permanent endowment funds to nearest £	Total current period to nearest £	Total last period to nearest £
					-	
					-	
					-	
					-	
					-	
					-	
<b>Total</b>	-	-	-	-	-	-

4 Payments relating directly to charitable activities

	Unrestricted funds to nearest £	Restricted funds to nearest £	Expendable endowment funds to nearest £	Permanent endowment funds to nearest £	Total current period to nearest £	Total last period to nearest £
Awards to Individuals and Other Net Costs		24,897			24,897	40,035
Awards to Groups/Organisations		-			-	1,500
Awards to Educational Establishments		45,000			45,000	34,795
					-	
					-	
					-	
					-	
					-	
<b>Total</b>	-	69,897	-	-	69,897	76,330

**Additional analysis (2)**

**5 Breakdown of unrestricted funds**

	Unrestricted fund 1 - enter name of fund below	Unrestricted fund 2 - enter name of fund below	Unrestricted fund 3 - enter name of fund below	Unrestricted fund 4 - enter name of fund below	Total unrestricted funds	Total unrestricted funds last period
<b>Receipts</b>						
Donations					-	
Legacies					-	
Grants					-	
Receipts from fundraising activities					-	
Gross trading receipts					-	
buildings					-	
Rents from land & buildings					-	
Gross receipts from other charitable activities					-	
<b>Sub total</b>	-	-	-	-	-	-
<b>Receipts from asset &amp; investment sales</b>						
Proceeds from sale of fixed assets	-				-	
Proceeds from sale of investments	-				-	
<b>Sub total</b>	-	-	-	-	-	-
<b>Total receipts</b>	-	-	-	-	-	-
<b>Payments</b>						
Expenses for fundraising activities					-	
Gross trading payments					-	
Investment management costs					-	
Payments relating directly to charitable activities					-	
Grants and donations					-	
Governance costs:					-	
Audit / independent examination					-	
Preparation of annual accounts					-	
Legal costs					-	
<b>Sub total</b>	-	-	-	-	-	-
<b>Payments relating to asset and investment movements</b>						
Purchases of fixed assets					-	
Purchase of investments					-	
<b>Sub total</b>	-	-	-	-	-	-
<b>Total payments</b>	-	-	-	-	-	-
<b>Net receipts / (payments)</b>	-	-	-	-	-	-
<b>Transfers to / (from) funds</b>						
<b>Surplus / (deficit) for year</b>	-	-	-	-	-	-

<b>Nature and purpose of funds</b>	

## North Lanarkshire Council Educational Endowments

SC028079

**Additional analysis (3)****6 Breakdown of restricted funds**

	Restricted fund 1 - enter name of fund below	Restricted fund 2 - enter name of fund below	Restricted fund 3 - enter name of fund below	Restricted fund 4 - enter name of fund below	Total restricted funds	Total restricted funds last period
	Lanarkshire Educational Trust	Marshall Trust Lanarkshire	Other Educational Trusts			
<b>Receipts</b>						
Donations					-	
Legacies					-	
Grants					-	
Receipts from fundraising activities					-	
Gross trading receipts					-	
Income from investments other than land and buildings	9,278	10,828	180		20,286	20,264
Rents from land & buildings					-	
Gross receipts from other charitable activities					-	
<b>Sub total</b>	<b>9,278</b>	<b>10,828</b>	<b>180</b>	<b>-</b>	<b>20,286</b>	<b>20,264</b>
<b>Receipts from asset &amp; investment sales</b>						
Proceeds from sale of fixed assets					-	
Proceeds from sale of investments					-	
<b>Sub total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total receipts</b>	<b>9,278</b>	<b>10,828</b>	<b>180</b>	<b>-</b>	<b>20,286</b>	<b>20,264</b>
<b>Payments</b>						
Expenses for fundraising activities					-	
Gross trading payments					-	
Investment management costs					-	
Payments relating directly to charitable activities	32,252	37,644			69,897	76,330
Grants and donations					-	-
Governance costs:					-	-
Audit / independent examination					-	-
Preparation of annual accounts					-	-
Other - Admin Fee	6,931	8,089			15,020	15,020
Legal costs					-	-
Other - debit Balances					-	1,662
Bank Charges	28	32			60	60
<b>Sub total</b>	<b>39,211</b>	<b>45,766</b>	<b>-</b>	<b>-</b>	<b>84,977</b>	<b>89,748</b>
<b>Payments relating to asset and investment movements</b>						
Purchases of fixed assets					-	
Purchase of investments					-	
<b>Sub total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total payments</b>	<b>39,211</b>	<b>45,766</b>	<b>-</b>	<b>-</b>	<b>84,977</b>	<b>89,748</b>
<b>Net receipts / (payments)</b>	<b>(29,933)</b>	<b>(34,937)</b>	<b>180</b>	<b>-</b>	<b>(64,690)</b>	<b>(69,484)</b>
Transfers to / (from) funds					-	
<b>Surplus / (deficit) for year</b>	<b>(29,933)</b>	<b>(34,937)</b>	<b>180</b>	<b>-</b>	<b>(64,690)</b>	<b>(69,484)</b>

**Nature and purpose of funds**

The principal funds are the Lanarkshire Education Trust and the Marshall (Education) Trust which were established under the Educational Endowments (Scotland) Acts 1928 to 1935 to provide opportunities for educational advancement. These funds are accessible to individuals, groups or educational establishments of both North and South Lanarkshire and are administered by the joint Educational Trust Committee.

## **Independent auditor's report to the trustees of North Lanarkshire Council Educational Endowments and the Accounts Commission**

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice approved by the Accounts Commission, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

### **Report on the audit of the financial statements**

#### **Opinion on financial statements**

I certify that I have audited the financial statements in the annual accounts of North Lanarkshire Council Educational Endowments for the year ended 31 March 2018 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of receipts and payments, the Statement of balances and notes to the accounts, including a summary of accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis.

In my opinion the accompanying financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2018 and its statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1), (2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

#### **Basis for opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Responsibilities of the trustees for the financial statements**

As explained more fully in the Trustee Responsibilities, the trustees are responsible for the preparation of financial statements which properly present the receipts and payments of the charity, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibilities for the audit of the financial statements**

My objectives are to achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

#### **Other information in the annual accounts**

The trustees are responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission or required by applicable law to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

#### **Report on other requirements**

##### **Opinion on matter prescribed by the Accounts Commission**


In my opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with The Charities Accounts (Scotland) Regulations 2006.

##### **Matters on which I am required to report by exception**

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.



Carole Grant  
Senior Audit Manager  
Audit Scotland  
4th Floor, South Suite  
The Athenaeum Building  
8 Nelson Mandela Place  
Glasgow G2 1BT

27th September 2018

Carole Grant is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973