

North Lanarkshire Council Educational Endowments
SC028079

Annual Accounts 2016/2017

Trustees' Annual Report

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

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

	Trustee name	Office
1	P Hughes	Head of Financial Services, North Lanarkshire Council
2	J Logue	NLC Elected Member
3	H McGuigan	NLC Elected Member
4	T Morgan	NLC Elected Member
5	E Logan	South Lanarkshire Council (SLC) Elected Member
6	S Wardhaugh	SLC Elected Member
7	C 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 3 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 2016/17, the Educational Trust Committee awarded grants of £76,330 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 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 financial reserve held by North Lanarkshire Council is 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. 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.

Signed on behalf of the charity's trustees

Signature



Full name

Paul Hughes

Position

Head of Business for Financial Solutions

Date

27th September 2017

Section A Statement of receipts and payments

	Unrestricted funds	Restricted funds	Expendable endowment funds	Permanent endowment funds	Total funds current period	Total funds last period
	to nearest £	to nearest £	to nearest £	to nearest £	to nearest £	to nearest £
A1 Receipts						
Donations	-				-	-
Legacies					-	-
Grants	-				-	-
Receipts from fundraising activities	-				-	-
Gross trading receipts	-				-	-
Income from investments other than land and buildings	-	20,264			20,264	21,541
Rents from land & buildings	-				-	-
Gross receipts from other charitable activities	-				-	-
A1 Sub total	-	20,264	-	-	20,264	21,541
A2 Receipts from asset & investment sales						
Proceeds from sale of fixed assets	-				-	-
Proceeds from sale of investments	-				-	-
A2 Sub total	-	-	-	-	-	-
Total receipts	-	20,264	-	-	20,264	21,541
A3 Payments						
Expenses for fundraising activities					-	
Gross trading payments					-	
Investment management costs					-	
Payments relating directly to charitable activities		76,330			76,330	57,817
Grants and donations					-	-
Governance costs:					-	-
Audit / independent examination					-	-
Preparation of annual accounts					-	-
Legal costs					-	-
Other - Admin Fees		15,020			15,020	-
Other - Debit Balances		1,662			1,662	-
Bank Charges		60			60	60
A3 Sub total	-	89,748	-	-	89,748	57,877
A4 Payments relating to asset and investment movements						
Purchases of fixed assets					-	
Purchase of investments					-	
A4 Sub total	-	-	-	-	-	-
Total payments	-	89,748	-	-	89,748	57,877
Net receipts / (payments)	-	(69,484)	-	-	(69,484)	(36,336)
A5 Transfers to / (from) funds						
Surplus / (deficit) for year	-	(69,484)	-	-	(69,484)	(36,336)

Section B Statement of balances

Categories	Details	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 £
B1 Cash funds	Cash and bank balances at start of year		988,293			988,293	1,024,629
	Surplus / (deficit) shown on receipts and payments account		(69,484)			(69,484)	(36,336)
						-	
	Cash and bank balances at end of year (Agree balances with receipts and payments account(s))	-	918,809	-	-	918,809	988,293

Categories	Details	Fund to which asset belongs	Market valuation to nearest £	Last year to nearest £
B2 Investments	Govt. Stock - 3.5% Conversion Stock	Expendable Endowment	-	-
	Govt. Stock - 3.5% War Stock	Expendable Endowment	-	-
	Ord. Shares - Royal Bank of Scotland	Expendable Endowment	3,861	3,552
	Investors Capital Trust Limited	Expendable Endowment	38,952	33,744
	Merchants Trust Limited	Expendable Endowment	79,139	68,443
	Scottish American Investment Trust	Expendable Endowment	84,168	64,764
	F&C Fund Management / ISIS	Expendable Endowment	48,598	39,994
	St James Place Capital plc	Expendable Endowment	196,498	159,962
	Scottish American Investment Co. Ltd.	Expendable Endowment	96,192	74,016
	RIT Capital Partners plc	Expendable Endowment	223,547	187,225
	Taube Hodson Unit Trust	Expendable Endowment	38,267	30,334
		Total		809,222

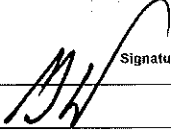
Categories	Details	Fund to which asset belongs	Cost (if available) to nearest £	Current value (if available) to nearest £	Last year to nearest £
B3 Other assets					
		Total			

Categories	Details	Fund to which liability relates	Amount due to nearest £	Last year to nearest £
B4 Liabilities				
		Total		

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

The unaudited accounts were issued on 28 June 2017 and the audited accounts were authorised for issued on 27 September 2017

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


Signature

Print Name

PAUL HUGHES

Date of approval

27/9/17

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	60	40,035
Educational Advancement	Organisation	1	1,500	
Educational Advancement	Educational Establishment	7	34,795	
			Total	76,330

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
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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
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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	
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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 £
					-	
					-	
					-	
Total	-	-	-	-	-	-

2 Grants

	Unrestricted funds to nearest £	Restricted funds to nearest £	Total current period to nearest £	Total last period to nearest £
			-	
			-	
			-	
Total	-	-	-	-

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 £
					-	
					-	
					-	
					-	
					-	
Total	-	-	-	-	-	-

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		40,035			40,035	51,332
Awards to Groups/Organisations		1,500			1,500	6,485
Awards to Educational Establishments		34,795			34,795	-
					-	
					-	
					-	
					-	
					-	
Total	-	76,330	-	-	76,330	57,817

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
Receipts						
Donations					-	
Legacies					-	
Grants					-	
Receipts from fundraising activities					-	
Gross trading receipts					-	
Income from investments other than land and buildings					-	
Rents from land & buildings					-	
Gross receipts from other charitable activities					-	
Sub total	-	-	-	-	-	-
Receipts from asset & investment sales						
Proceeds from sale of fixed assets	-				-	
Proceeds from sale of investments	-				-	
Sub total	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-
Payments						
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					-	
Sub total	-	-	-	-	-	-
Payments relating to asset and investment movements						
Purchases of fixed assets					-	
Purchase of investments					-	
Sub total	-	-	-	-	-	-
Total payments	-	-	-	-	-	-
Net receipts / (payments)	-	-	-	-	-	-
Transfers to / (from) funds						
Surplus / (deficit) for year	-	-	-	-	-	-

Nature and purpose of funds

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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			
Receipts						
Donations					-	
Legacies					-	
Grants					-	
Receipts from fundraising activities					-	
Gross trading receipts					-	
Income from investments other than land and buildings	8,857	11,163	244		20,264	21,541
Rents from land & buildings					-	
Gross receipts from other charitable activities					-	
Sub total	8,857	11,163	244	-	20,264	21,541
Receipts from asset & investment sales						
Proceeds from sale of fixed assets					-	
Proceeds from sale of investments					-	
Sub total	-	-	-	-	-	-
Total receipts	8,857	11,163	244	-	20,264	21,541
Payments						
Expenses for fundraising activities					-	
Gross trading payments					-	
Investment management costs					-	
Payments relating directly to charitable activities	32,630	43,155	1,097		74,688	57,817
Grants and donations					-	
Governance costs:					-	
Audit / independent examination					-	
Preparation of annual accounts					-	
Legal costs					-	
Administration costs	7,500	7,500			15,000	
Bank Charges	60				60	60
Sub total	40,190	50,655	1,097	-	89,748	57,877
Payments relating to asset and investment movements						
Purchases of fixed assets					-	
Purchase of investments					-	
Sub total	-	-	-	-	-	-
Total payments	40,190	50,655	1,097	-	89,748	57,877
Net receipts / (payments)	(31,333)	(39,492)	1,341	-	(69,484)	(36,336)
Transfers to / (from) funds						
Surplus / (deficit) for year	(31,333)	(39,492)	1,341	-	(69,484)	(36,336)

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.

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.

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.

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 2017 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 significant 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 2017 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 of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK and Ireland (ISAs (UK&I)). 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 Standards for Auditors, 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 responsibility is to audit and express an opinion on the financial statements in accordance with applicable legal requirements and ISAs (UK&I) as required by the Code of Audit Practice approved by the Accounts Commission. Those standards require me to comply with the Financial Reporting Council's Ethical Standards for Auditors. 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 circumstances of the charity 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.

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&I) 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.

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 in accordance with ISAs (UK&I), my responsibility is to read all the financial and non-financial information in the annual accounts 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 me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Report on other requirements

Opinion on other prescribed matter

I am required by the Accounts Commission to express an opinion on the following matter. 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

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

Date: 27th September 2017