

North Lanarkshire Council Educational Endowments
SC028079

Annual Report and Accounts
For the year ended 31 March 2021

Reference and administration details

Charity name	North Lanarkshire Council Educational Endowments	
Other names charity is known by	Education Trust Funds	
Registered charity number	SC028079	
Charity's principal address	North Lanarkshire Council	
	PO Box 114	
	Civic Centre	
	Motherwell	Postcode ML1 1AB

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

	Trustee name	Office (if any)	Dates acted if not for whole year	Name of person (or body) entitled to appoint trustee (if any)
1	Elaine Kemp	Head of Financial Solutions, North Lanarkshire Council (NLC)		North Lanarkshire Council
2	Agnes Duncan Magowan	Councillor NLC		North Lanarkshire Council
3	Nathan Wilson	Councillor NLC		North Lanarkshire Council
4	Frank McNally	Councillor NLC		North Lanarkshire Council
5	Catherine McClymont	Councillor SLC		South Lanarkshire Council (SLC)
6	Poppy Corbett	Councillor SLC		South Lanarkshire Council
7	Eileen Logan	Councillor SLC		South Lanarkshire Council

Names of all other charity trustees during the period.

Name	Dates acted if not for whole year

Structure, governance and management

Type of governing document	Statutory Instrument No. 629 The Educational Endowments (Strathclyde Region) Transfer Scheme Order 1996.
Trustee recruitment and appointment	<p>The Head of Financial Solutions of North Lanarkshire Council 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.</p> <p>Lynsey Hamilton (Councillor SLC) Left on 26-08-19 and was replaced by Eileen Logan (Councillor SLC). This was omitted from 2019/20 Education Trust Accounts in Error.</p>

Objectives and activities

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 2020/21, the Trust paid grants of £5,269 in relation to educational advancement. A breakdown of this total against each fund is included within the Educational Trust Funds Accounts.

Achievements and performance

Summary of the main achievements of the charity during the financial period	<p>The principal funds of the Lanarkshire Education Trust and the Marshall (Education) Trust were established to provide opportunities for educational advancement. The trust administers a range of grant awards reflecting the origins of trust funds, which provides grants to individuals, schools and groups/clubs under a number of award categories.</p> <p>The Trust funded 9 awards in 2020/21 at a cost of £5,269.</p>
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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.

Details of deficit

The trust had a deficit of £7,608 in 2020/21 and a deficit of £74,026 in 2019/20. The trust has had a deficit during every year since 2009/10.

The charity has no fundraising activities, as such, their annual income is earned through investment income. Consequently, the trust's annual income will reflect the current low interest rates and investment returns.

The trust has funded its deficit from distributable reserves. The trust is likely to continue to incur managed deficits for a number of years, given the level of reserves.

Other information

Trustees Responsibilities

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

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 required to:

- select suitable accounting policies and apply them consistently;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and

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.

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.

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.

Risk Management

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

Strategic Plans

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

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 payment 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.

Declaration

The trustees declare that they have approved the trustees' report above.

Signed on behalf of the charity's trustees

Signature(s)		
Full name(s)	Elaine Kemp	
Position (e.g. Chair)	Head of Financial Solutions, North Lanarkshire Council	
Date	09 December 2021	

North Lanarkshire Council Educational Endowments

SC028079



Receipts and payments accounts							
For the period from	Period start date			to	Period end date		
	Day	Month	Year		Day	Month	Year
	1	April	2020		31	March	2021

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 £
A1 Receipts						
Donations					-	
Legacies					-	
Grants					-	
Receipts from fundraising activities					-	
Gross trading receipts					-	
Income from investments other than land and buildings		12,661			12,661	23,038
Rents from land & buildings					-	
Gross receipts from other charitable activities					-	
					-	
A1 Sub total	-	12,661	-	-	12,661	23,038
A2 Receipts from asset & investment sales						
Proceeds from sale of fixed assets					-	
Proceeds from sale of investments					-	
A2 Sub total	-	-	-	-	-	-
Total receipts	-	12,661	-	-	12,661	23,038
A3 Payments						
Expenses for fundraising activities					-	
Gross trading payments					-	
Investment management costs					-	
Payments relating directly to charitable activities		5,269			5,269	81,985
Grants and donations					-	
Governance costs:					-	
Audit / independent examination					-	
Preparation of annual accounts					-	
Legal costs					-	
Other		15,000			15,000	15,078
					-	
A3 Sub total	-	20,269	-	-	20,269	97,063
A4 Payments relating to asset and investment movements						
Purchases of fixed assets					-	
Purchase of investments					-	
A4 Sub total	-	-	-	-	-	-
Total payments	-	20,269	-	-	20,269	97,063
Net receipts / (payments)	-	(7,608)	-	-	(7,608)	(74,026)
A5 Transfers to / (from) funds						
					-	
Surplus / (deficit) for year	-	(7,608)	-	-	(7,608)	(74,026)

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 £
B1 Cash funds	Cash and bank balances at start of year		739,294			739,294	813,320
	Surplus / (deficit) shown on receipts and payments account		(7,608)			(7,608)	(74,026)
						-	
						-	
	Cash and bank balances at end of year	-	731,686	-	-	731,686	739,294
	(Agree balances with receipts and payments account(s))	-	-	-	-	-	-

B2 Investments	Details	Fund to which asset belongs	Market valuation	Last year
			to nearest £	to nearest £
	Ord Shares -Royal Bank of Scotland	Expendable Endowments	3,130	1,801
	Investors Capital Trust Limited	Expendable Endowments	34,215	25,774
	Merchants Trust Limited	Expendable Endowments	83,874	62,482
	Scottish American Investment Trust	Expendable Endowments	116,928	87,948
	F&C Fund Management / ISIS	Expendable Endowments	53,706	41,877
	St James Place Capital plc	Expendable Endowments	245,316	175,812
	Scottish American Investment Co. Ltd.	Expendable Endowments	133,632	100,512
	RIT Capital Partners plc	Expendable Endowments	286,752	215,781
	GAM Global Diversified	Expendable Endowments	48,971	35,885
		Total	1,006,525	747,873

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

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

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

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

Signature	Print Name	Date of approval
<i>Elaine Kemp</i>	Elaine Kemp	09 December 2021

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	9	5,269
		Total	5,269

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

The accounts have been prepared under the going concern concept on the basis that Trustees have considered it and are satisfied that the going concern concept is appropriate.

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		269			269	32,235
Awards to Groups/Organisations					-	5,000
Awards to Educational Establishments		5,000			5,000	44,750
					-	
					-	
					-	
					-	
					-	
					-	
Total	-	5,269	-	-	5,269	81,985
	-	-	-	-	-	-

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					-	
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

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	7,664	4,665	332		12,661	23,038
Rents from land & buildings					-	-
Gross receipts from other charitable activities					-	-
Sub total	7,664	4,665	332	-	12,661	23,038
Receipts from asset & investment sales						
Proceeds from sale of fixed assets					-	-
Proceeds from sale of investments					-	-
Sub total	-	-	-	-	-	-
Total receipts	7,664	4,665	332	-	12,661	23,038
Payments						
Expenses for fundraising activities					-	-
Gross trading payments					-	-
Investment management costs					-	-
Payments relating directly to charitable activities	3,267	2,002	-		5,269	81,985
Grants and donations					-	-
Governance costs:					-	-
Audit / independent examination					-	-
Preparation of annual accounts					-	-
Legal costs					-	-
Other	9,300	5,700			15,000	15,078
Sub total	12,567	7,702	-	-	20,269	97,063
Payments relating to asset and investment movements						
Purchases of fixed assets					-	-
Purchase of investments					-	-
Sub total	-	-	-	-	-	-
Total payments	12,567	7,702	-	-	20,269	97,063
Net receipts / (payments)	(4,903)	(3,037)	332	-	(7,608)	(74,026)
Transfers to / (from) funds					-	
Surplus / (deficit) for year	(4,903)	(3,037)	332	-	(7,608)	(74,026)

Nature and purpose of funds

The principal funds are the Lanarkshire Educational 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 in line with Statutory Instrument No. 629 The Educational Endowments (Strathclyde Region) Transfer Scheme Order 1996.

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.

Independent auditor's report to the trustees of the North Lanarkshire Educational Endowment and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of the North Lanarkshire Educational Endowment for the year ended 31 March 2021 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, Statement of Balances and notes to the financial statements, 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 charities for the year ended 31 March 2021 and their 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)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. 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 charities 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

The trustees are responsible for the preparation of financial statements which properly present the receipts and payments of the charities, 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 obtain 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how the charities are complying with that framework;
- identifying which laws and regulations are significant in the context of the charities;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the charities' controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

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. This description forms part of my auditor's report.

Reporting on other requirements

Statutory other information

The trustees are responsible for the statutory other information in the statement of accounts. The statutory other information comprises the Trustees' Annual Report.

My responsibility is to read all the statutory other information and, in doing so, consider whether the statutory 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this statutory other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the statutory other information and I do not express any form of assurance conclusion thereon except to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

Opinion 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; or
- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

Use of my report

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, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.



Brian Howarth ACMA CGMA

Audit Director

Audit Scotland
4th Floor
102 West Port
Edinburgh
EH3 9DN

09 December 2021