

The Trustees present their annual report together with the financial statements and Independent Auditors' report for the year ended 31 March 2018.

Reference and Administration Information

Charity Name:	South Lanarkshire Council Charitable Trusts
Charity Number:	SC025089
Principal Office:	Finance Services Council Offices Almada Street Hamilton ML3 0AA
Current Trustees:	Finance and Corporate Resources Committee, South Lanarkshire Council
Independent Auditors:	Audit Scotland

Structure, Governance and Management

Governing Document

South Lanarkshire Council Charitable Trusts comprises 50 Charitable Trust Funds / Bequests established under previous local authorities. Each Trust Fund / Bequest is restricted for the purpose which it was set up.

Appointment of Trustees

The trustees of the charities are elected members (Councillors) of South Lanarkshire Council. Trustees are appointed through their election to the Finance and Corporate Resources Committee of South Lanarkshire Council.

Organisational Structure

The trustees delegate the day to day administration of the charities to officers of the Council through the Scheme of Delegation as approved by South Lanarkshire Council on 18 May 2017.

The trustees (as elected members of the Council) meet to consider and approve the Annual Accounts for South Lanarkshire Council which includes the financial statements for all South Lanarkshire Council Trust Funds. An annual report on Governance of Trust Funds is presented to the Finance and Corporate Resources Committee. This report details expenditure for the preceding financial year.

Related Parties

Trustees hold this position because they are elected members of South Lanarkshire Council. South Lanarkshire Council provides administration services to the Trust.

Risk Management

It is recognised that there is a risk that the funds of the Trusts are not used for the purpose that they were intended. To mitigate this risk, the governance arrangements in place ensure that the Finance and Corporate Resources Committee are advised of the balance and distribution of funds. In addition OSCR also receive an annual report on the Trusts and their purpose.

Management of Funds and Investment Policy

The trustees rely upon the expertise of South Lanarkshire Council to manage the investments to ensure the maximum return at least risk to the charity is achieved.

The majority of the funds of the charity are managed on behalf of the Council by Barclays Wealth. The investment objective is to provide a sustainable level of income, along with the prospect of growth in both capital and income through investment in a diversified portfolio of investments. The market value of these funds as at 31 March 2018 was £896,089 (2016/17: £933,718).

The remaining funds of the charity are managed by South Lanarkshire Council and externally with Clydeport Operations Limited. There are 2 external loans totalling £10,379 (2016/17: £10,379). For the external loans the charity receives interest ranging from 3.000% to 4.000%. The interest received is shown in the Statement of Receipts and Payments.

During 2017/18 income of £35,245 (2016/17: £9,733) was received and is shown in the Statement of Receipts and Payments.

Trustee Indemnity Insurance

No such insurance has been taken out.

Reorganisation of South Lanarkshire Council Trust Funds

To ensure that funds can be used to benefit residents of South Lanarkshire, a scheme of amalgamation and rationalisation has been approved by trustees (members) and is currently in the process of being formally adopted by the Office of the Scottish Charity Regulator (OSCR).

This amalgamation and rationalisation will simplify trusts and make funds more readily accessible to current and future potential beneficiaries.

Objectives and Activities

The most significant fund is the Loudon Bequest Trust Fund which is used to help finance holidays for elderly people within 12 Local Authority areas in the West of Scotland.

Other Trust Funds are those held by the previous District Councils and provide financial assistance to organisations and individuals who meet the terms set by the specific funds.

Within the Clydesdale area, grants are made to the elderly, the poor and the needy. Specific grants are also made for optical and dental treatment.

Within the Rutherglen area, grants are used to cater for a free annual lunch for the elderly to foster spirit within the community. Cash gifts are also presented.

Within the East Kilbride area, the grants are made to local churches for use in their charitable work to benefit the poor and needy.

Within the Hamilton Area, individual grants are given to the poor and needy, the elderly, specified schools and youth groups.

Achievements and Performance

During the year to 31 March 2018, the charity paid out grants totalling £29,512 (2016/17: £56,317) to assist the elderly, poor and needy within the boundaries of the specified Trust Funds.

Financial Review

Overview

Income during 2017/18 came from income on external investments of £34,978 (2016/17: £9,380); interest calculated on the Trust Funds' revenue balances of £267 (2016/17: £353).

Proceeds from the sale of investments of £28,000 (2016/17: £47,369) were received.

The trust held cash and bank balances of £181,864 (2016/17: £155,101) as at 31 March 2018 and investments with a book value of £906,468 (2016/17: £944,097).

Reserves Policy

The trusts are managed in order to allow the full potential benefit of the trusts to be realised. By ensuring distributed funds are of sufficient value to make a beneficial impact to recipients, there may be some erosion of capital. The Reserves of the Trust will be used in line with the specific requirements of the Trust.

Donated Services

South Lanarkshire Council provides its services for no charge.

External Audit

The auditor with responsibility for the audit of the accounts of South Lanarkshire Council Charitable Trusts for the year ended 31 March 2018 is:

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

Declaration

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

Signed on behalf of the charity's trustees

Signature(s):

A handwritten signature in black ink, appearing to read "G. Miller".

Full Name(s):

COUNCILLOR GLADYS MILLER

Position:

**CHAIR OF FINANCE AND CORPORATE RESOURCES
COMMITTEE**

Date:

18 SEPTEMBER 2018

South Lanarkshire Council Charitable Trusts
Statement of Receipts and Payments for the year ended 31 March 2018

	Note	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	Permanent Endowment Funds	Total Funds (current year)	Total Funds (last year) Restated
		£	£	£	£	£	£
Receipts							
Donations		-	-	-	-	-	-
Income from investments other than land and buildings	4	-	35,245	-	-	35,245	9,733
Sub Total		-	35,245	-	-	35,245	9,733
Receipts from Assets and Investments sales							
Proceeds from sale of investments	4	-	28,000	-	-	28,000	47,369
Sub Total		-	28,000	-	-	28,000	47,369
Total Receipts		-	63,245	-	-	63,245	57,102
Payments							
External Audit Fee	8	-	4,613	-	-	4,613	3,431
Investment Management Costs	7	-	2,357	-	-	2,357	2,861
Grants and Donations	5	-	29,512	-	-	29,512	56,317
Total Payments		-	36,482	-	-	36,482	62,609
Net Receipts		-	26,763	-	-	26,763	(5,507)
Surplus / (Deficit) for the year		-	26,763	-	-	26,763	(5,507)



South Lanarkshire Council Charitable Trusts
Statement of Balances as at 31 March 2018

	Note	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	Permanent Endowment Funds	Total Funds (current year)	Total Funds (last year) Restated
		£	£	£	£	£	£
Cash and Bank Balances							
Opening Balance		-	155,101	-	-	155,101	160,608
Deficit shown on receipts and payments account		-	26,763	-	-	26,763	(5,507)
Closing Balance		-	181,864	-	-	181,864	155,101
Investments							
Market Value of Investments (Clydeport)	7	-	10,379	-	-	10,379	10,379
Market Value of Investments (Managed by Barclays Wealth)	7	-	896,089	-	-	896,089	933,718
Total Investments		-	906,468	-	-	906,468	944,097

Note: The 2016/17 figures have been restated due to a minor adjustment of £2,861 relating to the recognition of income from investments other than land and buildings that was used to pay the investment management costs.

Signed on behalf of the charity's trustees

Signature(s):

Full Name(s):

COUNCILLOR GLADYS MILLER

Position:

CHAIR OF FINANCE AND CORPORATE RESOURCES
COMMITTEE

Date:

18 SEPTEMBER 2018

1. Basis of Accounting

These financial statements have been prepared on the Receipts and Payments basis in accordance with the Charities & Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

2. Fund Accounting

Restricted funds are those funds that can only be applied for particular purposes.

3. Taxation

The charity is not liable to income or capital gains tax on its charitable activities.

4. Trustee Remuneration, Expenses and Related Party Transactions

- No remuneration or expenses were paid to charity trustees or persons connected to a trustee during the year.
- The trust received income from external investments of £34,978 (2016/17: £9,380) and £267 (2016/17: £353) from South Lanarkshire Council. All transactions incoming and outgoing are made via South Lanarkshire Council's accounts.
- Proceeds from the sale of the Loudon Bequest investment of £28,000 (2016/17: £47,369) were received.
- There were no transactions between the charity and any trustee or any connected person during the year.

5. Grants

In the year to 31 March 2018, grants for the poor and needy amounting to £2,090 (2016/17: £2,150 to 137 individuals) were made to 144 individuals and £680 (2016/17: £683 to 18 institutions) to 17 institutions. Grants for holidays for elderly people amounting to £26,742 (2016/17: £53,484) were made to 11 institutions.

6. Cash and Bank Balances

During the year the Trust's balances were held by South Lanarkshire Council, which manages the administration of the funds on behalf of the Trustees. No costs were incurred by the Trust for this administration. South Lanarkshire Council also acts as the banker for the charity and, as detailed above, all transactions incoming and outgoing are made via the Council's accounts. The balances are repayable on demand and interest is payable on balances.

7. Investments

The charity has 2 investments in Clydeport Operations Limited £10,379 (2016/17: £10,379). Barclays Wealth manages £896,089 (2016/17: £933,718) on behalf of the Council with an objective of achieving a balance between income and capital growth subject to a medium level of risk. Barclays Wealth charged a portfolio management fee of £2,357 (2016/17; £2,861.53)

8. External Audit Fee

The external audit fee for 2017/18 £4,613 (2016/17: £3,431) is paid to Audit Scotland.

Independent auditor's report to the trustees of South Lanarkshire Council Charitable Trusts 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 statement of accounts of South Lanarkshire Council Charitable Trusts 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 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 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

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

Other information in the statement of accounts

The trustees are responsible for the other information in the statement of 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 statement of 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.

Dave Richardson

Dave Richardson FCCA
Senior Audit Manager
Audit Scotland
4th Floor South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT

18 September 2018

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