

The Trustees present their annual report together with the financial statements and Independent Auditors' report for the year ended 31 March 2016.

### Reference and Administration Information

<b>Charity Name:</b>	South Lanarkshire Council Charitable Trusts
<b>Charity Number:</b>	SC025089
<b>Principal Office:</b>	Finance Services Council Offices Almada Street Hamilton ML3 0AA
<b>Current Trustees:</b>	Finance and Corporate Resources Committee, South Lanarkshire Council
<b>Independent Auditors:</b>	PricewaterhouseCoopers LLP

### Structure, Governance and Management

#### Governing Document

South Lanarkshire Council Charitable Trusts comprises 51 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 17 May 2012.

The trustees (as elected members of the Council) meet to consider and approve the annual report and financial statements 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 2016 was £825,750 (2014/15: £855,997). During 2015/16 income of £4,743 (2014/15: £24,571) was received and is shown in the Statement of Receipts and Payments.

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 (2014/15: £13,210). 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.

### **Trustee Indemnity Insurance**

No such insurance has been taken out.

### **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 2016, the charity paid out grants totalling £5,245 (2014/15: £30,171) to assist the elderly, poor and needy within the boundaries of the specified Trust Funds.

## **Financial Review**

### **Overview**

Income during 2015/16 came from a contribution from Rutherglen Common Good of £1,462 (2014/15: £0) interest from external loans of £2,650 (2014/15: £24,033); and interest calculated on the Trust Funds' revenue balances of £631 (2014/15: £526). As the trust no longer has any balances on deposit with South Lanarkshire Council, no interest was received on these in 2015/16 (2014/15 £12).

The trust held cash and bank balances of £160,608 (2014/15: £158,279) as at 31 March 2016 and investments with a book value of £889,371 (2014/15: £866,035).

### **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.

## **Declaration**

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

Signed on behalf of the charity's trustees


<b>Signature(s):</b>	
<b>Full Name(s):</b>	WALTER M TALLERIE BRADY
<b>Position:</b>	Co-ordinator
<b>Date:</b>	22/9/2016

South Lanarkshire Council Charitable Trusts  
Statement of Receipts and Payments for the year ended 31 March 2016

	Note	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	Permanent Endowment Funds	Total Funds (current year)	Total funds (last year)
		£	£	£	£	£	£
<b>Receipts</b>							
Donations		-	-	-	-	-	-
Income from investments other than land and buildings	4	-	4,743	-	-	4,743	24,571
<b>Sub Total</b>		-	<b>4,743</b>	-	-	<b>4,743</b>	<b>24,571</b>
<b>Receipts from Assets and Investments sales</b>							
Proceeds from sale of investments	4	-	2,831	-	-	2,831	130,057
<b>Sub Total</b>		-	<b>2,831</b>	-	-	<b>2,831</b>	<b>130,057</b>
<b>Total Receipts</b>		-	<b>7,574</b>	-	-	<b>7,574</b>	<b>154,628</b>
<b>Payments</b>							
Investment Management Costs	7	-	-	-	-	-	3,147
Grants and Donations	5	-	5,245	-	-	5,245	30,171
<b>Total Payments</b>		-	<b>5,245</b>	-	-	<b>5,245</b>	<b>33,318</b>
<b>Net Receipts</b>		-	<b>2,329</b>	-	-	<b>2,329</b>	<b>121,310</b>
<b>Surplus for the year</b>		-	<b>2,329</b>	-	-	<b>2,329</b>	<b>121,310</b>

	Note	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	Permanent Endowment Funds	Total Funds (current period)	Total funds (last period)
		£	£	£	£	£	£
<b>Cash and Bank Balances</b>							
Opening Balance		-	158,279	-	-	158,279	36,969
Surplus shown on receipts and payments account		-	2,329	-	-	2,329	121,310
<b>Closing Balance</b>		-	<b>160,608</b>	-	-	<b>160,608</b>	<b>158,279</b>
<b>Investments</b>							
Market Value of Investments (Clydeport)	7	-	10,379	-	-	10,379	13,210
Market Value of Investments (Managed by Barclays Wealth)	7	-	825,750	-	-	825,750	855,997
<b>Total Investments</b>		-	<b>836,129</b>	-	-	<b>836,129</b>	<b>869,207</b>

Signed on behalf of the charity's trustees

<b>Signature(s):</b>	
<b>Full Name(s):</b>	Walter McAllister Beddoe
<b>Position:</b>	Councillor
<b>Date:</b>	22/9/2016

**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 external investment income of £2,650 (2014/15: £24,033). All transactions incoming and outgoing are made via South Lanarkshire Council's accounts.
- 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 2016, grants for the poor and needy amounting to £1,933 (2014/15: £2,699 to 156 individuals) were made to 124 individuals. No payments were made to any institutions (2014/15: £730 to 18 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 (2014/15: £13,210). Barclays Wealth manages £825,750 (2014/15: £855,997) on behalf of the Council with an objective of achieving a balance between income and capital growth subject to a medium level of risk.

## **Independent auditor's report to the trustees of South Lanarkshire Council Charitable Trusts and the Accounts Commission for Scotland**

We certify that we have audited the financial statements of South Lanarkshire Council Charitable Trusts for the year ended 31 March 2016 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 the related notes. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis.

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 125 of the Code of Audit Practice approved by the Accounts Commission for Scotland, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

### **Respective responsibilities of the trustees and auditor**

The Chair of the Finance and Corporate Resources Committee is responsible for the preparation of the financial statements which properly present the receipts and payments of the charity. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts or 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 charity's circumstances 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. In addition, we read all the financial and non-financial information in the Trustees' Annual Report 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 us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2016 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.



**Opinion on other prescribed matter**

In our opinion 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.

**Matters on which we are required to report by exception**

We are required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in our opinion:

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

We have nothing to report in respect of these matters.



Martin Pitt, (for and on behalf of PricewaterhouseCoopers LLP)  
141 Bothwell Street  
Glasgow  
G2 7EQ

28 September 2016

Martin Pitt is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.