

The Trustees present their annual report together with the financial statements and Independent Auditors' report for the year ended 31 March 2019.

### Reference and Administration Information

<b>Charity Name:</b>	South Lanarkshire Council Educational Trusts
<b>Charity Number:</b>	SC028135
<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>	Audit Scotland

### Structure, Governance and Management

#### Governing Document

South Lanarkshire Council Educational Trusts comprises 18 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 funds of the charity are held with South Lanarkshire Council. The interest received from South Lanarkshire Council and HM Treasury 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 objectives of the funds are mainly to provide prizes for school prize givings. Many of the bequests relate to certain areas within South Lanarkshire Council and the schools within those catchment areas. A few of the bequests may be used to support educational projects during the school year, if meeting the specific requirements of the bequests.

### **Achievements and Performance**

During the year to 31 March 2019, the charity paid out grants totalling £4,000 (2017/18: £1,955).

## **Financial Review**

### **Overview**

Income during 2018/19 came from interest calculated on the Trust Funds' revenue balances of £692 (2017/18: £230).

The trust held cash and bank balances of £135,475 (2017/18: £139,401) as at 31 March 2019.

### **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 Educational Trusts for the year ended 31 March 2019 is:

Audit Scotland  
4<sup>th</sup> Floor  
102 West Port  
Edinburgh  
EH3 9DN

### **Donated Services**

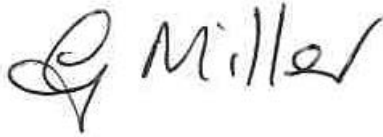
South Lanarkshire Council provides its services for no charge.

### **Declaration**

I confirm that the trustees' report and financial statements were approved for signature by the Trustees at the Risk and Audit Scrutiny Committee meeting on 18 September 2019.

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 2019**

South Lanarkshire Council Educational Trusts  
Statement of Receipts and Payments for the year ended 31 March 2019

	Note	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	Permanent Endowment Funds	Total Funds (current year)	Total funds (last year)
		£	£	£	£	£	£
<b>Receipts</b>							
Grants and Donations	4	-	-	-	-	-	-
Income from investments other than land and buildings	5	-	692	-	-	692	230
<b>Sub Total</b>		-	<b>692</b>	-	-	<b>692</b>	<b>230</b>
<b>Receipts from Assets and Investments sales</b>							
Proceeds from sale of investments	5	-	0	-	-	0	0
<b>Sub Total</b>		-	<b>0</b>	-	-	<b>0</b>	<b>0</b>
<b>Total Receipts</b>		-	<b>692</b>	-	-	<b>692</b>	<b>230</b>
<b>Payments</b>							
External Audit Fee	7	-	618			573	685
Grants and Donations	4	-	4,000	-	-	4,000	1,955
<b>Total Payments</b>		-	<b>4,618</b>	-	-	<b>4,573</b>	<b>2,640</b>
<b>Net (Payments) / Receipts</b>		-	<b>(3,926)</b>	-	-	<b>(3,881)</b>	<b>(2,410)</b>
<b>Surplus / (Deficit) for the year</b>		-	<b>(3,926)</b>	-	-	<b>(3,881)</b>	<b>(2,410)</b>



South Lanarkshire Council Educational Trusts  
Statement of Balances as at 31 March 2019

	Note	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	Permanent Endowment Funds	Total Funds (current year)	Total funds (last year)
		£	£	£	£	£	£
<b>Cash and Bank Balances</b>							
Opening Balance		-	139,401	-	-	139,401	141,811
Deficit shown on receipts and payments account		-	(3,926)	-	-	(3,926)	(2,410)
<b>Closing Balance</b>		-	<b>135,475</b>	-	-	<b>135,475</b>	<b>139,401</b>
<b>Investments</b>							
Market Value of Investments in South Lanarkshire Council		-	-	-	-	-	-
Market Value of Government Bonds		-	-	-	-	-	-
<b>Total Investments</b>		-	-	-	-	-	-

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 2019

**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. Grants and Donations**

In the year to 31 March 2019, no donations were received. In the year to 31 March 2019, grants amounting to £4,000 (2017/18: £1,955) were made to 1 establishment (2017/18: 13 different establishments).

**5. 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 interest of £692 (2017/18: £230) from South Lanarkshire Council.
- There were no transactions between the charity and any trustee or any connected person during the year.

**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. External Audit Fee**

The external audit fee for 2018/19 £618 (2017/18: £685) is paid to Audit Scotland.



## **Independent auditor's report to the trustees of South Lanarkshire Council Educational Trusts 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 South Lanarkshire Council Educational Trusts for the year ended 31 March 2019 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 2019 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)), 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 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 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.

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 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.

### **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.

**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 2019

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