

Making Clackmannanshire Better



**Clackmannanshire
Council**

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**Sundry Trust Funds
Financial Statements
2015-2016**

Better Services

Better Opportunities

Better Communities

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Clackmannanshire Council Sundry Trust Funds

TRUSTEES' ANNUAL REPORT

1. INTRODUCTION

Clackmannanshire Council acts as sole trustee for the Sundry Trust Funds listed below which have charitable status and are registered with the Office of the Scottish Charity Regulator (OSCR):

Charity Number	Charity Name
SC011479	Clackmannan District Council Charitable Trust
SC008282	Clackmannanshire Educational Trust
SC002564	Tillicoultry Old Age Pensioners Outing Fund
SC004079	Old Folks Welfare Fund

The principal address of the Sundry Trust Funds is:

Clackmannanshire Council
Resources and Governance
Kilncraigs
Alloa
FK10 1EB

The financial statements have been prepared on a receipts and payments basis under Schedule 3 of The Charities Accounts (Scotland) Regulations 2006 , this allows aggregated financial statements to be prepared where charities have common control or unity of administration. Clackmannanshire Council administers the Sundry Trust Funds and separately accounts for them. They do not form part of the Council's single entity balance sheet, although under s222 of the Local Government (Scotland) Act 1973, the property of the Sundry Trusts "vest(s) in" the relevant local authority. However they are included in the financial statements of the Council as a Note to the main financial statements.

Clackmannanshire Council Sundry Trust Funds

TRUSTEES' ANNUAL REPORT (CONTINUED)

1. INTRODUCTION (CONTINUED)

Independent Auditor:

Deloitte LLP
Chartered Accountants and Statutory Auditor
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2DB

TRUSTEES

In terms of the "Trustees" of the Sundry Trusts, the guidance provided by OSCR is that those who have "general control and management" of the charity are the charity Trustees. Decisions regarding the general control and management of the Sundry Trust Funds are made by the full Council of elected members.

The following individuals were the Trustees of the Sundry Trust Funds in their capacity as elected members of Clackmannanshire Council for the full year, and up to the date of this report.

Alastair Campbell
Archie Drummond
Craig Holden
Derek Stewart
Donald W. Balsillie
Ellen Forson
Gary Womersley
George Matchett QPM
Graham Watt
Irene Hamilton
Janet Cadenhead
Jim Stalker
Kathleen Martin
Kenneth Earle
Les Sharp
Robert McGill
Tina Murphy
Walter McAdam MBE

Clackmannanshire Council Sundry Trust Funds

TRUSTEES' ANNUAL REPORT (CONTINUED)

1. INTRODUCTION (CONTINUED)

TRUSTEES (CONTINUED)

All of the Trustees are normally elected or re-elected at local government elections. By-elections are held on the occasions of elected members vacating their positions to elect new members, who automatically become Trustees.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

The Sundry Trusts are constituted in a variety of ways, many coming in the form of bequests by individuals or families who have entrusted a predecessor local authority with the task of disbursing the funds for a charitable purpose.

HISTORY

The following table gives an indication of the purpose of the Trusts:

Charity No.	Name	Purpose
SC011479	Clackmannan District Council Charitable Trust	Extract Decree by Lords of Council and Session dated 30 March 1990 whereby the income of the trust fund capital, thereof may be applied at the discretion of the Trustees for the benefit of poor, sick, aged and handicapped persons and generally all persons in necessitous or deserving circumstances and who are normally resident within the boundary for the time being of the District of Clackmannanshire.
SC008282	Clackmannanshire Educational Trust	To provide financial support in the form of Educational Grants, to aid with travel expenses, educational research and experiments and practical experience.
SC002564	Tillicoultry Old Age Pensioners Outing Fund	To meet the cost of the annual excursion for old age pensioners.
SC004079	Old Folks Welfare Fund	Bequest from Tillicoultry and District Nursing Association. Income to be applied by Clackmannanshire Council for the welfare of the old people of Tillicoultry and District.

Clackmannanshire Council Sundry Trust Funds

TRUSTEES' ANNUAL REPORT (CONTINUED)

STATEMENT OF RESPONSIBILITIES

Responsibilities of Trustees

The Trustees are responsible for the strategic direction and governance of the Sundry Trust Funds. The Trustees are responsible for the distribution of funds from the Sundry Trust Funds and hold regular meetings, with any resulting payments made at their sole discretion. The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to Trusts in Scotland requires the trustees to prepare financial statements for each financial year which properly present the receipts and payments of the state of affairs of the Trust and of the incoming resources and application of resources of the Trust for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Provost on behalf of the Trusts is required to approve the Financial Statements. As the funds of the Sundry Trust Funds are held by Clackmannanshire Council the responsibilities of the Council in respect of these funds are detailed below.

The Council's Responsibilities as Sole Trustee

The Council is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. The Depute Chief Executive has been designated as that officer in Clackmannanshire Council. This officer manages the affairs of the Council to secure the economic, efficient and effective use of resources and safeguard its assets and those of any charitable trust it administers. Given the Sundry Trust Funds are administered by the Council; these specific provisions are supplemented by general provisions relating to the administration of local authority monies, i.e. the duty to obtain best value.

Clackmannanshire Council Sundry Trust Funds

TRUSTEES' ANNUAL REPORT (CONTINUED)

STATEMENT OF RESPONSIBILITIES (CONTINUED)

The Council's Responsibilities as Sole Trustee (continued)

The Council provides administrative services to the Trusts and prepares the Financial Statements of the Sundry Trust Funds free of charge.

The Depute Chief Executive's Responsibilities

The Depute Chief Executive has responsibility for ensuring an effective system of internal financial control is maintained and operated. This system of internal financial control can only provide reasonable and not absolute assurance that assets are safeguarded, transactions are recorded and properly authorised and that material errors or irregularities are either prevented or would be detected within a timely period. The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures and a system of delegation and accountability. The Depute Chief Executive is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trusts and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Trusts constitution. They are also responsible for safeguarding the assets of the Trusts and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Clackmannanshire Council Sundry Trust Funds

TRUSTEES' ANNUAL REPORT (CONTINUED)

3. OBJECTIVES AND ACTIVITIES

Income to the Sundry Trust Funds is solely from investment returns and bank interest - no donations to the Funds are solicited.

Name	Objective	Activities
Clackmannan District Council Charitable Trust	The income of the Trust Fund capital may be applied at the discretion of the Trustees for the benefit of the poor, sick, aged and handicapped persons and generally all persons in necessitous circumstances who normally reside within the boundary of Clackmannanshire.	The Trustees generally meet twice in a year (September and March) to consider applications. In recent years it is noted that the benefits from the trust have been to grant assistance in the form of essential household goods e.g. electric cooker, fridge, washing machine, beds and bedding totalling £1,340
Clackmannanshire Educational Trust	The income of the trust may be applied to supplementary bursaries for Students attending Universities, Central Institutions etc. Assistance in obtaining practical experience of trades etc. Grants for student apprentices, travel grant, educational excursions, educational travel, adult education and educational experiments and research.	The main activity undertaken this year has been the assistance of 3 individuals with awards totalling £225. £75 was awarded to a student to attend a school trip and two payments of £75 were paid to two individuals to support adult Education courses.
Tillicoultry Old Age Pensioners Outing Fund	To meet the cost of the annual excursion for old age pensioners.	This year as in recent years the income has been used to fund the hire of a coach £420 to enable a day trip for the benefit of the old age pensioners of Tillicoultry.
Old Folks Welfare Fund	Bequest from Tillicoultry and District Nursing Association. Income to be applied by Clackmannanshire Council for the welfare of the old people of Tillicoultry and District.	No trip was funded this year.

Clackmannanshire Council Sundry Trust Funds

TRUSTEES' ANNUAL REPORT (CONTINUED)

4. ACHIEVEMENTS AND PERFORMANCE

The Clackmannan District Council Charitable Trust made payments, in respect of charitable activities, totalling £1,340 (2014/15: £4,158) over this period. These payments granted assistance in the form of household goods, to various applicants residing within the boundary of Clackmannanshire. The total number of payments made was 3 (2014/15: 29). The interest received over this period was £93 (2014/15: £178).

The Clackmannanshire Educational Trust made payments, in respect of charitable activities, totalling £225 (2014/15: £200) over this period. These payments were made to cover the costs associated with adult education courses. The total number of payments made was 3 (2014/15: 3). The interest received over this period was £133 (2014/15: £180).

The Tillicoultry Old Age Pensioners Outing Fund made one payment of £420, in respect of charitable activities, over this period (2014/15: no payments). This payment covered the cost of bus hire for a day trip. The interest received over this period was £12 (2014/15: £18).

The Old Folks Welfare Fund made no payments in respect of charitable activities over this period (2014/15: 1 payment of £320). The interest received over this period was £33 (2014/15: £46).

The combined monies of the Sundry Trusts were invested in the Council's Loans Fund on the basis that the returns available were better than those available commercially. The average rate of interest achieved in the period was 0.46% (2014/15: 0.59%).

The external audit fee of £5,000 has been apportioned across the 4 Trusts weighted between the number of transactions in the year and the closing balance held by the Trust at 31 March 2016.

Clackmannanshire Council Sundry Trust Funds

TRUSTEES' ANNUAL REPORT (CONTINUED)

5. FINANCIAL REVIEW

As a general principle the "capital" of the funds is held effectively as a permanent endowment, with only the annual income available for disbursement in the year. However this is not a legal obligation and capital can be reduced on the agreement of the Trustees.

In recent years the Trustees have taken the decision to award above the annual income and reduce the capital that is held. This has been in response to increased applications to the Trusts brought on by the economic downturn and a reduction of income, due to historically low interest rates.

Whilst the Sundry Trust Funds have incurred an operating deficit this year each of the individual funds remain in surplus.

6. CHANGES WITHIN YEAR AND FUTURE PLANS

There are currently no plans to significantly change the purpose or allocation bases of any of the Sundry Trust Funds. However, active steps are being taken to appoint independent members to each of the Sundry Trust Funds.

The Trustees wish to thank the Clackmannanshire Council officers involved in producing the Annual Report and Financial Statements.

Signed:

Nikki Bridle
Depute Chief Executive
Clackmannanshire Council

Date: 15 September 2016

On behalf of the Trustees
Signed:

Provost Derek Stewart
Sundry Trust Chairperson
Clackmannanshire Council

Date: 15 September 2016

Clackmannanshire Council Sundry Trust Funds

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the trustees of Clackmannan District Council Charitable Trust, Clackmannanshire Educational Trust, Tillicoultry Old Age Pensioners Outing Fund, Old Folks Welfare Fund and the Accounts Commission for Scotland

We certify that we have audited the financial statements of Clackmannan District Council Charitable Trust, Clackmannanshire Educational Trust, Tillicoultry Old Age Pensioners Outing Fund, Old Folks Welfare Fund 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 Trustee's annual report, statement of Receipts and Payments, a statement of balances as at the last day of the financial year, 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

As explained more fully in the Responsibilities of the Trustees, the trustees are 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 Sundry Trust Funds 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.

Clackmannanshire Council Sundry Trust Funds

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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.

Sarah Anderson, FCCA (for and on behalf of Deloitte LLP)
1 City Square
Leeds
LS1 2AL
United Kingdom

15 September 2016

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

Clackmannanshire Council Sundry Trust Funds

SUNDRY TRUST ACCOUNTS FINANCIAL STATEMENTS OVERVIEW

1. INTRODUCTION

The following pages 13 to 18 detail the Statement of Receipts and Payments, the Statement of Balances and relevant Notes to the Financial Statements, as required by The Charities Accounts (Scotland) Regulations 2006. A Cash Flow Statement is not required as all of the charities are classified as small charities as defined in the Charities SORP and therefore are exempt from producing a Cash Flow Statement.

2. STATEMENT OF RECEIPTS AND PAYMENTS

The Statement of Receipts and Payments provides an analysis of the incoming and outgoing cash and bank transactions for the period. The Sundry Trust Funds have receipts and payments in their respective unrestricted funds.

3. STATEMENT OF BALANCES

The Statement of Balances reconciles the cash and bank balances at the beginning and end of the financial year with the surplus or deficit shown in the Statement of Receipts and Payments. The Statement of Balances also summarises final closing balances at the end of the year.

4. NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements expand on or explain the information contained in the Statement of Receipts and Payments and Statement of Balances.

Clackmannanshire Council Sundry Trust Funds

STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31ST MARCH 2016

	Clackmannan District Council Charitable Trust SC011479	Clackmannanshire Educational Trust SC008282	Tillicoultry Old Age Pensioners Outing Fund SC002564	Old Folks Welfare Fund SC004079
	Total £	Total £	Total £	Total £
<u>Receipts</u>				
Receipts from investments other than land and building	93	133	12	33
Investment Reimbursed	853	0	0	0
Total Receipts	946	133	12	33
<u>Payments</u>				
Charitable Activities	(1,340)	(225)	(422)	0
Audit Fee	(1,071)	(2,852)	(367)	(710)
Investment Reimbursed	(853)	0	0	0
Total Payments	(3,264)	(3,077)	(789)	(710)
(Deficit) for year	(2,318)	(2,944)	(777)	(677)

All funds are unrestricted

Clackmannanshire Council Sundry Trust Funds

STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (restated)

	Clackmannan District Council Charitable Trust SC011479	Clackmannanshire Educational Trust SC008282	Tillicoultry Old Age Pensioners Outing Fund SC002564	Old Folks Welfare Fund SC004079
	Total £	Total £	Total £	Total £
<u>Receipts</u>				
Receipts from investments other than land and building	178	180	18	46
Investment Reimbursed	1,553	0	0	0
Total Receipts	1,731	180	18	46
<u>Payments</u>				
Charitable Activities	(4,158)	(200)	0	(320)
Audit Fee	(1,413)	(2,531)	(342)	(713)
Investment Reimbursed	(1,553)	0	0	0
Total Payments	(7,124)	(2,731)	(342)	(1,033)
(Deficit) for year	(5,393)	(2,551)	(324)	(987)

All funds are unrestricted

Clackmannanshire Council Sundry Trust Funds

STATEMENT OF BALANCES AS AT 31ST MARCH 2016

	Clackmannan District Council Charitable Trust SC011479	Clackmannanshire Educational Trust SC008282	Tillicoultry Old Age Pensioners Outing Fund SC002564	Old Folks Welfare Fund SC004079
	Total £	Total £	Total £	Total £
Bank and Cash in hand				
Opening Balances	5,432	27,599	2,693	6,808
Surplus/(deficit) for year	(2,318)	(2,944)	(777)	(677)
Closing Balance	3,114	24,655	1,916	6,131

All funds are unrestricted

Signed:

Nikki Bridle

Depute Chief Executive

Clackmannanshire Council

Date: 15 September 2016

Clackmannanshire Council Sundry Trust Funds

STATEMENT OF BALANCES AS AT 31ST MARCH 2015 (restated)

	Clackmannan District Council Charitable Trust SC011479	Clackmannanshire Educational Trust SC008282	Tillicoultry Old Age Pensioners Outing Fund SC002564	Old Folks Welfare Fund SC004079
	Total £	Total £	Total £	Total £
Bank and Cash in hand				
Opening Balances	10,825	30,150	3,017	7,795
(Deficit) for year	(5,393)	(2,551)	(324)	(987)
Closing Balance	5,432	27,599	2,693	6,808

All funds are unrestricted

Clackmannanshire Council Sundry Trust Funds

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

RESOURCES EXPENDED

Liability Recognition

Liabilities are recognised when cash is paid out.

Charitable Activities

Decisions regarding the way the Sundry Trust Funds' income is spent are taken by the Trustees of each respective Sundry Trust Fund.

Costs of Generating Funds

The internal cost of administering the Sundry Trust Funds is borne entirely by Clackmannanshire Council.

Governance Costs

Governance Costs, where applicable, include the:

- costs of the preparation and examination of statutory Financial Statements;
- cost of any legal advice to Trustees on governance or constitutional matters.

Grants Payable Without Performance Conditions

These are recognised in the Financial Statements when the grant has been paid.

INCOME RECEIVED

Receipts

Receipts comprise interest received from the investments held within the Councils Loan Fund which are recognised when received.

The statement of receipts and payments and Balance Sheet relating to the Clackmannan District Council Charitable Trust have been restated to re-allocate the Endowment balance of £853 to unrestricted funds as no restrictions apply to these funds.

Clackmannanshire Council Sundry Trust Funds

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. ANALYSIS OF PAYMENTS

Details are provided in the Trustees' Annual Report (pages 7 and 8) explaining the grants that have been paid out by the relevant Sundry Trust Funds.

3. TRUSTEES' REMUNERATION AND EXPENSES

Neither the Trustees of the Sundry Trust Funds nor any associated person connected with them have received any remuneration for their services. Further, no directly incurred expenses were reimbursed to the Trustees during the period 2015/16.

4. RELATED PARTIES

During the period, the Sundry Trust Fund balances were invested by Clackmannanshire Council, who manage the administration of the Funds on behalf of the Trustees. No costs were incurred by the Sundry Trust Funds for this administration. The Council also acts as the banker for the Sundry Trust Funds and all transactions, incoming and outgoing are made via the Council's Financial Statements.

5. INVESTMENT HOLDINGS

Only one of the Sundry Trust Accounts currently held external stock. At the beginning of the year the Clackmannan District Council Charitable Trust held £853 in treasury stock, providing a return for this period of £70 (2014/15: £131). During the year the stock was reimbursed in full, leaving a closing balance of nil.