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East Dunbartonshire Council

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ROBERT LILLIE TRUST

TRUSTEES' ANNUAL REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2016

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Trustees' Annual Report

Introduction

The Trustees present the annual report together with the audited financial statements for the year ended 31 March 2016.

ADMINISTRATION INFORMATION

Charity Name	Robert Lillie Trust
Charity Number	SC018495
Contact Address	East Dunbartonshire Council Finance Broomhill Industrial Estate Kirkintilloch G66 1TF
Current Trustees	Councillor Rhondda Geekie Councillor John Jamieson Councillor Billy Hendry Councillor Ashay Ghai
Auditor	David McConnell MA CPFA Audit Scotland 4 th Floor, South Suite The Athenaeum Building 8 Nelson Mandela Place Glasgow G2 1BT

Structure and Governance

Robert Lillie Trust is registered with the Office of the Scottish Charity Regulator (OSCR).

The governing document is the Will of Robert Lillie, dated 26 April 1949.

The governance arrangements are now under the control of East Dunbartonshire Council (the Council), who appoint Trustees as required. All Trustees are elected members of East Dunbartonshire Council. The Council agreed to the appointment of four Trustees on 15 November 2012 and these Trustees remained in post throughout the 2015/16 financial year. This audited 2015/16 Annual Report has been authorised by the designated signatory.

The charity trustees have overall responsibility for ensuring that there are appropriate systems of controls, financial and otherwise. They are also responsible for keeping proper accounting records which 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 Accounts (Scotland) Regulations 2006. 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 and to provide reasonable assurances that:

- The charities are operating efficiently and effectively
- The charitable assets are safeguarded against unauthorised use and disposition
- Proper records are maintained and financial information used by the charities is reliable
- The charities comply with relevant laws and regulations.

The systems of internal controls are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The systems of internal control follow that of the Council itself and, as such, much of this is delegated to the Group Director of Finance and Corporate Assets. The Council continually seeks to improve the effectiveness of its systems of internal control so that any irregularities are either prevented or quickly detected. The systems of internal control are based on a framework of regular management information, financial regulations, financial and administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability.

The Accounts and Trustees Report are prepared by the Finance service of the Council.

The appointed auditors are Audit Scotland. The Council has agreed to meet the cost of this audit and not pass this on to the Trust. This is to provide additional financial support to the Trust, ensuring that core funds are not eroded, and objectives can continue to be achieved.

The Trustees meet annually and will ensure that the required accounting arrangements are adhered to. The annual meeting included a discussion with Brewin Dolphin on the investment strategy and this allows the Trustees to ensure the Trust's funds are being used to their best advantage. The existing arrangement is that income in year is allocated at the year end to assist with the running cost of the Lillie Art Gallery in Milngavie.

Management of Funds and Investment Policy

Decisions regarding the management of Robert Lillie Trust are made by the Trustees. They rely on the expertise of the Council to manage the investments to ensure the maximum return at the least risk to the charity. In this way, the income stream for the future benefit of the charity is protected.

Funds available are invested each year with interest earned. Investments are made both internally, with the Council's Loans Fund, and externally, managed by Brewin Dolphin.

Objectives and Activities

This bequest was for the building and upkeep of an art gallery in or near Milngavie, to be called the Lillie Art Gallery. The original bequest was used to fund the creation of the Lillie Art Gallery in Milngavie, which is owned by the Council but currently managed by East Dunbartonshire Leisure and Culture Trust.

Performance

Income to Robert Lillie Trust comes from investment returns. The average interest rate for any internal investments with the Council's loans fund was 0.3% in 2015/16. There are also external investments which are managed by Brewin Dolphin, and these achieved an average yield of 3.4% in 2015/16.

A total sum of approximately £0.002m was allocated to the Lillie Art Gallery from the Trust in 2015/16 in keeping with the charity objectives.

Financial Review

The total sum available to this Trust is £0.230m. Income earned during the year comprised approximately £0.006m of interest on investments. However, trading in stocks and shares resulted in net cost of £0.002m and the full impact of changes to the structure of portfolio management charges further increased expenditure by £0.002m in year, allowing only £0.002m to be allocated to the upkeep of the Lillie Art Gallery for 2015/16. The Statement of Receipts and Payments overleaf shows a minor deficit due to the effects of accruals.

The Trust held cash and bank balances at 31 March 2016 of £0.037m.

Reserves are held by the Council on behalf of the Trust and revenue income, generated from capital that has not been disbursed at 31 March every year, is invested in line with the investment policy outlined above.

Declaration

This report was signed on behalf of the Trustees on 27 September 2016 by:



Councillor Rhondda Geekie

Leader
East Dunbartonshire Council

Report of the Independent Auditors to the Trustees of Robert Lillie Trust

Independent auditor's report to the trustees of the Robert Lillie Trust (SC018495) and the Accounts Commission for Scotland

I certify that I have audited the financial statements of the Robert Lillie Trust 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, I 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 trustees are responsible for the preparation of the financial statements which properly present the receipts and payments of the charity. My 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 me 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, I 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 me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on financial statements

In my 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 my 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 I am required to report by exception

I am required by The Charities 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.



David McConnell MA CPFA

Assistant Director, Audit Services
Audit Scotland
4th Floor, The Athenaeum Building
8 Nelson Mandela Place, Glasgow, G2 1BT

28 September 2016

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

Statement of Receipts and Payments for the Year Ended 31 March 2016

	Note	2015/16		2014/15
		Unrestricted Funds	Total	Total
		£	£	£
RECEIPTS				
Income from investments		6,153	6,153	5,871
Net Receipt from Broker		0	0	3,964
Total Receipts		6,153	6,153	9,835
PAYMENTS				
Investment management costs		1,662	1,662	0
Net Cost of Investment Activities	<i>c</i>	2,072	2,072	0
Payments - Charitable activities	<i>d</i>	2,438	2,438	9,493
Total Payments		6,172	6,172	9,493
Surplus / (Deficit) for the Year		(19)	(19)	342

Statement of Balances as at 31 March 2016

	Note	2015/16		2014/15
		Unrestricted Funds	Total	Restated
		£	£	£
Cash at Bank - 31/03/2015		36,748	36,748	36,406
Surplus / (Deficit) for the year		(19)	(19)	342
Cash at Bank - 31/03/2016	e	36,729	36,729	36,748
Investment				
Market Value as at 31 March 2016	f	192,892	192,892	199,385
Total Investments		192,892	192,892	199,385
Other Assets	g	1,231	1,231	1,226
Liabilities	h	(414)	(414)	(428)
Contingent Liabilities		0	0	0
Closing Balance		230,438	230,438	236,931

The audited annual financial statements were issued on 27 September 2016.

Signed on behalf of the Trustees on 27 September 2016 by:

R. Geekie

Councillor Rhondda Geekie

Leader
East Dunbartonshire Council

Notes to the Accounts

a) Basis of Accounting

The financial statements have been prepared in accordance with the Charities & Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

b) Trustee Remuneration, Expenses and Related Party Transactions

- No remuneration or expenses were paid to the trustees of any connected persons during the year 2015/16;
- The Trust received interest of £13 from the Council at 31 March 2016, and all transactions incoming and outgoing are made via the Council's bank accounts;
- The Council has not charged the charity any fees for legal, financial or administrative services provided during the year.

c) Investment Activities

As Brewin Dolphin, acting as the Trust's investment manager, bought and sold investments on behalf of the Trust only the net effect of these transactions is shown in accordance with OSCR's guidelines.

Income and expenditure due but not received or paid in the financial year is shown as an asset or liability in the Statement of Balances so that the closing balance reflects the balance sheet for the Trust. Assets and liabilities are shown at *g* and *h*.

d) Grants/Charitable Activities

No grants were disbursed during 2015/16, but a sum of approximately £0.002m was allocated from the Trust in 2015/16 as a contribution towards the running cost of the Lillie Art Gallery.

e) Cash and Bank Balances

During the year the Trust's balances were held by the Council, which manages the administration of the funds on behalf of the Trustees. No costs were incurred by the Trust for this administration. The 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. Interest is paid on balances.

f) Investments

The investment valuation of £0.193m is the market valuation as at 31 March 2016, provided by Brewin Dolphin and reflects the decrease in the market value of the portfolio over the year. In previous years the book value had been shown as the portfolio value so this figure has been restated for 2014/15 to reflect the market valuation on 31 March 2015.

g) Assets

Accrual of income from investments relating to the 2015/16 financial year.

h) Liabilities

Accrual of investment management costs relating to 2015/16.

