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East Dunbartonshire Council

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ROBERT LILLIE TRUST

TRUSTEES' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2015

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Trustees' Annual Report

Introduction

The Trustees present the annual report together with the audited financial statements and the Auditor's Report for the year ended 31 March 2015.

ADMINISTRATION INFORMATION

Charity Name	Robert Lillie Trust
Charity Number	SC018495
Contact Address	East Dunbartonshire Council Finance and Shared Services 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 2014/15 financial year. This audited 2014/15 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 Director of Finance and Shared Services. 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 will only meet as and when required during the year, and will ensure that the required accounting arrangements are adhered to. The Trustees held a meeting with Brewin Dolphin during 2014/15 to discuss the investment strategy to ensure the Trust's funds were 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 2014/15. There are also external investments which are managed by Brewin Dolphin, and these achieved an average yield of 3.1% in 2014/15.

A total sum of approximately £0.009m was allocated to the Lillie Art Gallery from the Trust in 2014/15 in keeping with the charity objectives.

Financial Review

The total sum available to this Trust is £0.205m. Income earned during the year comprised approximately £0.006m of interest on investments. In addition, stocks and shares were bought and sold in year, generating some additional income in year. The net figure of £0.004m is shown in the Statement of Receipts and Payments as 'Net Receipt from Broker'.

The Trust held cash and bank balances at 31 March 2015 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 28 September 2015 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 2015 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 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 annual trustees 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 2015 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.

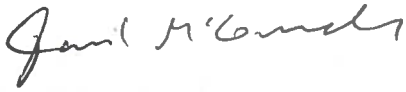
Matters on which I am required to report by exception

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

29 September 2015

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 2015

	Note	2014/15		2013/14
		Unrestricted Funds	Total	Total
		£	£	£
RECEIPTS				
Income from investments		5,871	5,871	5,220
Net Receipt from Broker		3,964	3,964	1,165
Total Receipts		9,835	9,835	6,385
PAYMENTS				
Investment management costs		0	0	300
Payments - Charitable activities	<i>d</i>	9,493	9,493	6,191
Total Payments		9,493	9,493	6,491
Surplus / (Deficit) for the Year		342	342	(106)

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Statement of Balances as at 31 March 2015

	Note	2014/15		2013/14
		Unrestricted Funds	Total	Total
		£	£	£
Cash at Bank - 31/03/2014		36,406	36,406	36,512
Surplus / (Deficit) for the year		342	342	(106)
Cash at Bank - 31/03/2015	e	36,748	36,748	36,406
Investment				
Market Value as at 31 March 2015	<i>f</i>	167,376	167,376	135,661
Total Investments		167,376	167,376	135,661
Other Assets	<i>g</i>	1,226	1,226	1,140
Liabilities	<i>h</i>	(428)	(428)	0
Contingent Liabilities		0	0	0
Closing Balance		204,922	204,922	173,207

The audited annual financial statements were issued on 28 September 2015.

Signed on behalf of the Trustees on 28 September 2015 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. They are designed to give a true and fair view of the financial performance and position of the Trust for the financial year.

b) Trustee Remuneration, Expenses and Related Party Transactions

- No remuneration or expenses were paid to the trustees of any connected persons during the year 2014/15;
- The Trust received interest of £13 from the Council at 31 March 2015, 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) Prior Year Adjustments

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. The 2013/14 figures are restated on this basis. This reduces both the receipts and payments for the year by £0.027m but has no effect on the recorded deficit for the year.

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. Income of £0.001m for 2013/14 is shown as an asset on that basis and the closing balance as at 31 March 2014 is greater by that amount at £0.173m.

d) Grants/Charitable Activities

No grants were disbursed during 2014/15, but a sum of approximately £0.009m was allocated from the Trust in 2014/15 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 £0.167m is the market valuation as at 31 March 2015, provided by Brewin Dolphin and reflects the increase in the market value of the portfolio over the year.

g) Assets

Income from investments relating to the 2014/15 financial year.

h) Liabilities

Investment management costs relating to 2014/15.

