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East Dunbartonshire Council

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EAST DUNBARTONSHIRE COUNCIL CHARITABLE TRUSTS
TRUSTEES' ANNUAL REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017

CONTENTS

| | |
|---|---|
| Annual Trustees' Report | 1 |
| Introduction | 1 |
| Structure and Governance | 1 |
| Management of Funds and Investment Policy | 2 |
| Objectives and Activities | 2 |
| Performance | 2 |
| Financial Review | 3 |
| Declaration | 3 |
| Report of the Independent Auditors to the Trustees of East Dunbartonshire Council Charitable Trusts | 4 |
| Statement of Receipts and Payments for the Year Ended 31 March 2017 | 6 |
| Statement of Balances as at 31 March 2017 | 7 |
| Notes to the Accounts | 8 |

Annual Trustees' Report

Introduction

The Trustees present the annual report together with the audited financial statements for the year ended 31 March 2017.

ADMINISTRATION INFORMATION

| | | |
|------------------------------------|---|-----------------|
| Charity Names & Numbers | East Dunbartonshire Council Charitable Trusts | SC025074 |
| | Kirkintilloch War Memorial Fund | SC011308 |
| | Robert Lillie Trust | SC018495 |
| | Talbot Crosbie Bequest | SC018494 |
| | William Patrick Memorial Library per Strathkelvin District Council | SC013092 |

Principal Office East Dunbartonshire Council HQ
Southbank Marina
12 Strathkelvin Place
Kirkintilloch G66 1TJ

Contact Address East Dunbartonshire Council
Finance
Broomhill Industrial Estate
Kirkintilloch G66 1TF

Trustees to 4 May 2017

Councillor Rhondda Geekie
Councillor Ashay Ghai
Councillor Billy Hendry
Councillor John Jamieson

Trustees Appointed 23 May 2017

Councillor John Jamieson
Councillor Stewart MacDonald
Councillor Vaughn Moody
Councillor Andrew Polson

Auditor Peter Lindsay
Audit Scotland
4th Floor, South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow G2 1BT

Structure and Governance

East Dunbartonshire charitable trusts are registered with the Office of the Scottish Charity Regulator (OSCR).

The governing documents are:

East Dunbartonshire Council Charitable Trusts, Lennoxton Memorial Cairn - extract from Minute of Meeting of Western No.3 Campsie and Baldernock District Council, dated 14 November 1949 re Lennoxton Memorial Cairn.

East Dunbartonshire Council Charitable Trusts, Miss Hutchison's Legacy - extract of Will of Miss Hutchison dated 27 & 28 October 1941.

Kirkintilloch War Memorial Fund – a certified excerpt from the Minutes of Meeting of Kirkintilloch Town Council held on 11 March 1935.

Robert Lillie Trust – the Will of Robert Lillie, dated 26 April 1949.

Talbot Crosbie Bequest – the Will of John Burrell Talbot Crosbie, dated 23 September 1968.

William Patrick Memorial Library – the Will of Mr David Patrick (extract of Trust Disposition and Settlement), dated 17 March 1937.

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 2016/17 financial year.

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 Chief Financial Officer (Section 95 Officer). 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.

The Trustees meet annually and will ensure that the required accounting arrangements are adhered to. Due to the limited ability to spend funds under the current structure, approval was sought from OSCR to reorganise the Trusts. For the Kirkintilloch War Memorial Fund, the Lennoxtown War Memorial Cairn and Miss Hutchison's Legacy this will be achieved by spending the "capital" element of the funds for the purposes for which they were originally donated. For the Robert Lillie and the William Patrick Memorial Trusts this will be achieved by transferring their funds to another charity that is working to achieve the same aims.

Management of Funds and Investment Policy

Decisions regarding the management of East Dunbartonshire Council Charitable Trusts 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 for the Robert Lillie Trust and the Talbot Crosbie Bequest, which have investment funds managed by Brewin Dolphin.

Objectives and Activities

East Dunbartonshire Council Charitable Trusts is an "umbrella" trust comprising two small bequests for the upkeep of Lennoxtown Memorial Cairn and Regent Gardens in Kirkintilloch.

The Kirkintilloch War Memorial Fund was created from a donation by the Kirkintilloch War Memorial Committee to contribute to the upkeep and repair of the Kirkintilloch War Memorial.

The Robert Lillie Trust was a bequest 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.

The Talbot Crosbie Bequest is being treated as Common Good and is available for use, at the Council's discretion, for the benefit of the occupants of the former Burgh of Bearsden. This is primarily achieved by giving grants to appropriate organisations in the area of the former Bearsden and Milngavie District Council.

The William Patrick Memorial Library Trust was a bequest for the provision of a capital fund for depreciation and renewal associated with the William Patrick Memorial Library.

Performance

Income to East Dunbartonshire Council's charitable trusts comes from investment returns. The average interest rate for any internal investments with the Council's loans fund was 0.3% in 2016/17. There are also external investments for the Robert Lillie Trust and the Talbot Crosbie Bequest which are managed by Brewin Dolphin and these achieved an average yield of 3.0% and 3.5% respectively in 2016/17.

The funds from Miss Hutchison's Legacy will be used to refurbish part of Regent Gardens as part of the Kirkintilloch Town Centre Masterplan. The funds for the Lennoxton War Memorial Cairn will be used for some minor work on the cairn.

A major refurbishment of the Kirkintilloch War Memorial was completed in 2016/17, partly funded by the disbursement of all monies held in the Kirkintilloch War Memorial Fund. As the Fund has no resources left, it has been wound up.

The Trustees have approved the transfer of the assets of the Robert Lillie Trust to East Dunbartonshire Leisure and Culture Trust, which runs the Lillie Art Gallery. This process will be pursued in 2017/18. Greater investment returns in 2016/17 meant the amount given to EDLCT to help meet the Gallery's operating costs in 2016/17 was £0.013m.

A total of £0.015m was paid out in grants and donations to community organisations in keeping with the aims of the Talbot Crosbie Bequest.

All the funds of the William Patrick Memorial fund were transferred to the East Dunbartonshire Leisure and Culture Trust in 2016/17 to be used for the maintenance of the library, allowing the trust to be wound up.

Financial Review

The balances available to the Trusts and the income and expenditure during the financial year are set out in the Statement of Balances as at 31 March 2017 and the Statement of Receipts and Payments for the Year Ended 31 March 2017 in the financial statements following.

The Statement of Receipts and Payments overleaf shows deficits for the Kirkintilloch War Memorial Fund and the William Patrick Memorial Library, as the funds of these trusts were disbursed during the year, and a small deficit for the Robert Lillie Trust due to the effects of accruals.

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. In general, the Trusts maintain the original capital sum and any expenditure will be from interest earned. This is in line with the conditions of the foundation of the Trusts. These amounts are shown in the Statement of Balances.

Declaration

This report was signed on behalf of the Trustees on 26 September 2017 by:

Trustee

East Dunbartonshire Council

Report of the Independent Auditors to the Trustees of East Dunbartonshire Council Charitable Trusts

Independent auditor's report to the trustees of Talbot Crosbie Bequest (SC018494), Robert Lillie Trust (SC018495), East Dunbartonshire Council Charitable Trusts (SC025074), Kirkintilloch War Memorial Fund (SC011308), William Patrick Memorial (SC013092) and the Accounts Commission for Scotland

I certify that I have audited the financial statements of Talbot Crosbie Bequest, Robert Lillie Trust, East Dunbartonshire Council Charitable Trusts, Kirkintilloch War Memorial and William Patrick Memorial for the year ended 31 March 2017 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 notes to the accounts. 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 2017 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 Annual Trustees' 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.

Peter Lindsay
Senior Audit Manager
Audit Scotland
4th Floor, South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT

26 September 2017

Peter Lindsay is eligible to act as an auditor in terms of Part VII of the Local Government

Statement of Receipts and Payments for the Year Ended 31 March 2017

| Charity | Unrestricted Funds | | | | | | | Surplus / (Deficit) |
|---------------------------------|---------------------------------|----------------------------|---------------|--------------------------------|--------------------------------------|-----------------------|----------------|------------------------|
| | 2016/17 | | | | | | | |
| | Receipts | | | Payments | | | | |
| | Income from Note Investments | Net Receipt from Broker | | Investment Management Costs | Net Cost of Investment Activities | Grants & Donations | | |
| b c d | £ | £ | £ | £ | £ | £ | | |
| East Dunbartonshire Council | | | | | | | | |
| Charitable Trusts | | 27 | 0 | 0 | 0 | 0 | 27 | |
| Kirkintilloch War Memorial Fund | | 0 | 0 | 0 | 0 | 5,679 | -5,679 | |
| Robert Lillie | | 6,510 | 8,266 | 1,725 | 0 | 13,120 | -69 | |
| Talbot Crosbie | | 26,431 | 23,984 | 5,686 | 0 | 15,112 | 29,617 | |
| William Patrick | | 302 | 0 | 0 | 0 | 100,897 | -100,595 | |
| Total | | 33,270 | 32,250 | 7,411 | 0 | 134,808 | -76,699 | |

| Charity | Unrestricted Funds | | | | | | | Surplus / (Deficit) |
|---------------------------------|---------------------------------|----------------------------|------------|--------------------------------|--------------------------------------|-----------------------|---------------|------------------------|
| | 2015/16 | | | | | | | |
| | Receipts | | | Payments | | | | |
| | Income from Note Investments | Net Receipt from Broker | | Investment Management Costs | Net Cost of Investment Activities | Grants & Donations | | |
| b c d | £ | £ | £ | £ | £ | £ | | |
| East Dunbartonshire Council | | | | | | | | |
| Charitable Trusts | | 15 | 0 | 0 | 0 | 10,299 | -10,284 | |
| Kirkintilloch War Memorial Fund | | 17 | 0 | 0 | 0 | 0 | 17 | |
| Robert Lillie | | 6,153 | 0 | 1,662 | 2,072 | 2,438 | -19 | |
| Talbot Crosbie | | 24,450 | 503 | 5,584 | 0 | 11,440 | 7,929 | |
| William Patrick | | 301 | 0 | 0 | 0 | 0 | 301 | |
| Total | | 30,936 | 503 | 7,246 | 2,072 | 24,177 | -2,056 | |

Statement of Balances as at 31 March 2017

| Unrestricted Funds 2015/16 | | | Unrestricted Funds 2016/17 | | | |
|---------------------------------------|---------------------------|------------------------|---------------------------------------|------------------------|----------------------------------|------------------------|
| Opening Balance | Surplus/ (Deficit) | Closing Balance | Cash and Bank | Opening Balance | Surplus/ (Deficit) | Closing Balance |
| £ | £ | £ | | £ | £ | £ |
| | | | East Dunbartonshire Council | | | |
| 15,328 | -10,284 | 5,044 | Charitable Trusts | 5,044 | 27 | 5,071 |
| 5,662 | 17 | 5,679 | Kirkintilloch War Memorial Fund | 5,679 | -5,679 | 0 |
| 36,748 | -19 | 36,729 | Robert Lillie | 36,729 | -69 | 36,660 |
| 114,135 | 7,929 | 122,064 | Talbot Crosbie | 122,064 | 29,617 | 151,681 |
| 100,294 | 301 | 100,595 | William Patrick | 100,595 | -100,595 | 0 |
| 272,167 | -2,056 | 270,111 | Total Cash and Bank | 270,111 | -76,699 | 193,412 |
| | | | e | | | |
| Market Value 31 March 2016 | | | Investments | | Market Value as at 31 March 2017 | |
| | | | 192,892 | Robert Lillie | 216,609 | |
| | | | 631,825 | Talbot Crosbie | 722,934 | |
| 0 | 0 | 824,717 | Total Investments | f | 0 | 939,543 |
| Value as at 31 March 2016 | | | Other Assets | | Value as at 31 March 2017 | |
| | | | 1,231 | Robert Lillie | 1,336 | |
| | | | 4,397 | Talbot Crosbie | 4,990 | |
| 0 | 0 | 5,628 | Total Other Assets | g | 0 | 6,326 |
| Value as at 31 March 2016 | | | Liabilities | | Value as at 31 March 2017 | |
| | | | 414 | Robert Lillie | 450 | |
| | | | 1,355 | Talbot Crosbie | 1,400 | |
| 0 | 0 | 1,769 | Total Liabilities | h | 0 | 1,850 |
| 272,167 | -2,056 | 1,098,687 | Overall Total Net Assets | 270,111 | -76,699 | 1,137,431 |

The audited annual financial statements were issued on 26 September 2017.

Signed on behalf of the Trustees on 26 September 2017 by:

Trustee

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 or any connected persons during the year 2016/17;
- The Trusts received interest of £682 in total from the Council at 31 March 2017, 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. The Council has also absorbed the cost of the fee payable for the audit of the Trusts' accounts.

c) Investment Activities

As Brewin Dolphin, acting as the Trust's investment manager, bought and sold investments on behalf of the Robert Lillie Trust and the Talbot Crosbie Bequest 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) Payments

No payments were made during 2016/17 for East Dunbartonshire Council Charitable Trusts, although the funds of Doctor Adam's Bequest were disbursed to other charities in 2015/16.

All of the funds of Kirkintilloch War Memorial Fund were used to help fund the major restoration work on the Memorial during 2016/17.

A contribution of approximately £0.013m (2015/16 £0.002m) was allocated from the Robert Lillie Trust as a contribution towards the running cost of the Lillie Art Gallery. This was made possible by the trading of stocks and shares by the investment managers, Brewin Dolphin, and the net cost of this activity is also shown in the Statement of Receipts and Payments.

Grants of £0.015m (2015/16 £0.011m) were made from the Talbot Crosbie Bequest, as detailed below.

| Group Name: | 2016/17 | 2015/16 |
|---|------------------|------------------|
| | £ | £ |
| Castlehill Baptist Church | 500.00 | 460.00 |
| New Kilpatrick Parish Church | 629.00 | |
| Enable Milngavie and Bearsden | 1,500.00 | 1,500.00 |
| Bearsden & Milngavie District Highland Games | 1,500.00 | 1,800.00 |
| Mugstock Festival | 1,000.00 | |
| Milngavie in Bloom | 500.00 | |
| Milngavie Pipe Band | 2,000.00 | 750.00 |
| Milngavie Old People's Welfare Committee | 2,551.00 | 2,430.00 |
| The Royal British Legion Scotland (Milngavie & Bearsden Branch) | 500.00 | 500.00 |
| Milngavie Community Development Trust | 1,632.00 | |
| St Andrews Carpet Bowls Club | 100.00 | 200.00 |
| Bearsden Lawn Tennis Club | 500.00 | |
| Allander Evangelical Church Ladies | | 200.00 |
| The Way Ahead Group | 1,000.00 | 1,000.00 |
| Caledonian Award | | 1,400.00 |
| College of Piping | 1,200.00 | 1,200.00 |
| | 15,112.00 | 11,440.00 |

All of the funds of the William Patrick Memorial fund were transferred to East Dunbartonshire Leisure and Culture Trust in 2016/17, to be used for the maintenance and renewal of the library.

e) Cash and Bank Balances

During the year the balances for the Trusts 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 valuations of £0.217m for the Robert Lillie Trust and £0.723m for the Talbot Crosbie Bequest are the market valuation as at 31 March 2017, provided by Brewin Dolphin and reflect the increase in the market value of the portfolios over the year.

g) Assets

Accrual of income from investments relating to the 2016/17 financial year.

h) Liabilities

Accrual of investment management costs relating to 2016/17.