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East Dunbartonshire Council

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EAST DUNBARTONSHIRE COUNCIL CHARITABLE TRUSTS

TRUSTEES' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

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Annual Trustees' Report

Introduction

The Trustees present the annual report together with the audited financial statements for the year ended 31 March 2022.

ADMINISTRATION INFORMATION

Charity Names & Numbers	East Dunbartonshire Council Charitable Trusts Talbot Crosbie Bequest	SC025074 SC018494
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Principal Office	East Dunbartonshire Council HQ Southbank Marina 12 Strathkelvin Place Kirkintilloch G66 1TJ
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Contact Address	East Dunbartonshire Council Finance Broomhill Industrial Estate Kirkintilloch G66 1TF
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Trustees to 19 May 2022	Councillor Stewart MacDonald Councillor John Jamieson Councillor Vaughan Moody Councillor Andrew Polson
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Trustees Appointed 19 May 2022	Councillor Gordan Low Councillor Colette McDiarmid Councillor Vaughan Moody Councillor Andrew Polson
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Auditor	Peter Lindsay Senior Audit Manager Audit Scotland 4 th Floor, South Suite The Athenaeum Building 8 Nelson Mandela Place Glasgow G2 1BT
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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, Miss Hutchison's Legacy - extract of Will of Miss Hutchison dated 27 & 28 October 1941.

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

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. Following the Local Government elections on 5 May 2022 new trustees were appointed on 19 May 2022 to replace those appointed on 23 May 2017.

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 system of internal control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The system of internal control follows that of the Council itself and, as such, much of this is delegated to the Chief Finance Officer of the Council (Section 95 Officer), who is also the Treasurer for the Charitable Trusts. The Council continually seeks to improve the effectiveness of its system of internal control so that any irregularities are either prevented or quickly detected. The system of internal control is 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. The funds for Miss Hutchison's Legacy will be utilised for the purposes that the charity was set up for. Miss Hutchison's Legacy will be used for work on Regent Gardens in Kirkintilloch. Consultation has taken place in partnership with Kirkintilloch Community Council and it was anticipated that these funds would be utilised in 2020/21, however, due to disruptions caused by the Covid-19 pandemic, this work was rescheduled to take place in 2022/23.

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 Talbot Crosbie Bequest, which has investment funds managed by Brewin Dolphin.

Objectives and Activities

East Dunbartonshire Council Charitable Trusts is an "umbrella" trust now comprising a small bequest for the upkeep of the Regent Gardens in Kirkintilloch.

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.

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 0.16% in 2021/22. There are also external investments for the Talbot Crosbie Bequest which are managed by Brewin Dolphin and these achieved an average yield of 2.7% in 2021/22.

The funds from Miss Hutchison's Legacy will be used to refurbish part of Regent Gardens as part of the Kirkintilloch Town Centre Masterplan. It is anticipated these funds will be spent in 2022/23.

A total of £0.022m was paid out in grants and donations to community organisations in keeping with the aims of the Talbot Crosbie Bequest.

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 2022 and the Statement of Receipts and Payments for the Year Ended 31 March 2022 in the financial statements following.

The Statement of Receipts and Payments overleaf shows a surplus of £0.003m for the Talbot Crosbie due to a net increase of income over expenditure during 2021/22. There has been by a decrease in the portfolio activity of Brewin Dolphin, with net portfolio income received decreasing by 38% from 2020/21 (£9,100) to 2021/22 (£5,639). There has been a 5% increase in income from 2020/21 (£20,925) to 2021/22 (£22,029) and a 58% increase in expenditure from 2020/21 (£15,827) to 2021/22 (£25,107).

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 25 October 2022 by:

.....
Councillor Gordan Low
Trustee
East Dunbartonshire Council

.....
Councillor Colette McDiarmid
Trustee
East Dunbartonshire Council

.....
Councillor Vaughan Moody
Trustee
East Dunbartonshire Council

.....
Councillor Andrew Polson
Trustee
East Dunbartonshire Council

Independent auditor's report to the trustees of Talbot Crosbie Bequest (SC018494) and East Dunbartonshire Council Charitable Trusts (SC025074) and the Accounts Commission

Reporting 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 Talbot Crosbie Bequest and East Dunbartonshire Council Charitable Trusts for the year ended 31 March 2022 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 charities for the year ended 31 March 2022 and their 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 charities 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

As explained more fully in the Statement of Responsibilities, the trustees are responsible for the preparation of financial statements which properly present the receipts and payments of the charities, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how the charities are complying with that framework;
- identifying which laws and regulations are significant in the context of the charities;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the charities' controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

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. This description forms part of my auditor's report.

Reporting on other requirements

Other information

The trustees are responsible for other information in the statement of accounts. The other information comprises the Trustees' Annual Report.

My responsibility is to read all the other information 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 this gives rise to a material misstatement in the financial statements themselves. 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.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except to the extent explicitly stated in the following opinion prescribed by the Accounts Commission.

Opinion prescribed by the Accounts Commission on the Trustees' Annual Report

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 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.

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.

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

25 October 2022

Peter Lindsay 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 2022

Charity	Unrestricted Funds						
	2021/22						
	Receipts			Payments		Surplus / (Deficit)	
	Note	Income from	Net Receipt from	Refunds of Grants	Investment Management Costs		Grants & Donations
Investments		from Broker					
	b c d	£	£	£	£	£	£
EDC Charitable Trusts		8	0	0	0	0	8
Talbot Crosbie		22,029	5,639	3,600	6,266	22,441	2,561
Total		22,037	5,639	3,600	6,266	22,441	2,569

Charity	Unrestricted Funds						
	2020/21						
	Receipts			Payments		Surplus / (Deficit)	
	Note	Income from	Net Receipt from	Refunds of Grants	Investment Management Costs		Grants & Donations
Investments		from Broker					
	b c d	£	£	£	£	£	£
EDC Charitable Trusts		4	0	0	0	0	4
Talbot Crosbie		20,925	9,100	0	5,927	9,900	14,198
Total		20,929	9,100	0	5,927	9,900	14,202

A column detailing 'Refunds of Grants' has been added to the Statement of Receipts and Payments to show grants which have been returned from organisations. Due to Covid-19 restrictions, some grants from previous years were not spent within the specified timescale.

Statement of Balances as at 31 March 2022

Unrestricted Funds 2020/21			Unrestricted Funds 2021/22				
Opening Balance	Surplus / (Deficit)	Closing Balance	Cash and Bank	Note	Opening Balance	Surplus / (Deficit)	Closing Balance
£	£	£			£	£	£
			East Dunbartonshire Council				
4,995	4	4,999	Charitable Trusts		4,999	8	5,007
184,221	14,198	198,419	Talbot Crosbie		198,419	2,561	200,980
189,216	14,202	203,418	Total Cash and Bank	e	203,418	2,569	205,987
Market Value 31 March 2021			Investments	Market Value as at 31 March 2022			
		765,238	Talbot Crosbie				784,688
0	0	765,238	Total Investments	f	0	0	784,688
Value as at 31 March 2021			Other Assets	Value as at 31 March 2022			
0	0	0	Total Other Assets		0	0	0
Value as at 31 March 2021			Liabilities	Value as at 31 March 2022			
0	0	0	Total Liabilities		0	0	0
189,216	14,202	968,656	Overall Total Net Assets		203,418	2,569	990,675

The unaudited annual accounts were issued on 23 June 2022 and the annual accounts were authorised for issue on 25 October 2022.

Signed on behalf of the Trustees on 25 October 2022 by:

.....
Councillor Gordan Low
 Trustee
 East Dunbartonshire Council

.....
Councillor Colette McDiarmid
 Trustee
 East Dunbartonshire Council

.....
Councillor Vaughan Moody
 Trustee
 East Dunbartonshire Council

.....
Councillor Andrew Polson
 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 2021/22;
- The Trusts received interest of £277 in total from the Council at 31 March 2022, 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 fee of £600 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 Talbot Crosbie Bequest, only the net effect of these transactions are shown in accordance with OSCR's guidelines.

d) Payments

Grants of £0.022m were made from the Talbot Crosbie Bequest in 2021/22 (2020/21 £0.010m), as detailed below.

Group Name:	2021/22	2020/21
	£	£
Bearsden Baptist Church	600	
Bearsden and Milngavie Highland Games	2,000	
Bearsden Festival Association	1,880	
Bearsden in Bloom	2,000	
Bearsden Lawn Tennis Club	1,201	
Cairnhill Woods Group	420	
Creatovators CIC		400
DCB Kessington SCIO		1,500
Friends of Guiding Westerton	800	
Gavins Mill Community Project	1,240	
Milngavie and Bearsden Amateur Swimming Club	1,500	800
Milngavie and Bearsden Men's Shed		2,000
Milngavie Community Development Trust		1,500
Milngavie Community Council		400
Milngavie Football Club		1,300
Milngavie in Bloom	1,600	
Milngavie Old People's Welfare Committee	3,600	
Milngavie Tennis Club		1,500
St Andrew's First Aid	2,000	
The Way Ahead Group	1,600	500
Weekday Wow Factor	2,000	
	22,441	9,900

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 valuation of £0.785m for the Talbot Crosbie Bequest is the market valuation as at 31 March 2022, provided by Brewin Dolphin and reflects the increase in the market value of the portfolios over the year.