

EAST RENFREWSHIRE COUNCILAUDIT AND SCRUTINY COMMITTEE26 September 2024Report by Head of Accountancy (Chief Financial Officer)2023/24 ANNUAL ACCOUNTS FOR THE COUNCIL'S CHARITABLE TRUSTS**PURPOSE OF REPORT**

1. The 2023/24 Annual Accounts for the six charitable trusts that the Council acts as trustee for, have been amalgamated into one document and a copy is now submitted for consideration by the Audit and Scrutiny Committee. In February 2024, Audit Scotland published guidance on the audit requirements for Charity Accounts and in following the guidance the Council appointed an external trustee, thus removing the requirement to obtain a costly full ISA-compliant audit. Instead, the six charitable accounts underwent an independent examination carried out by South Ayrshire Council's internal audit team.

**RECOMMENDATION**

2. The Committee is invited to: -
- Note and comment on the content of the 2023/24 amalgamated Annual Accounts for the six charitable trusts that the Council acts as trustee for, including the Independent Examiner's Report; and
  - Remit the report to the Council for consideration.

**REPORT**

3. The independent examination of the 2023/24 Annual Accounts for the six charitable trusts that the Council acts as trustee for has now been completed and the Council has been awarded a certificate for the amalgamated accounts, which has no material concerns. A copy of the Accounts is attached as Appendix 1.

4. No charge was made by South Ayrshire Council's Internal Audit team for the work carried out by them in order to provide the Independent Examination, however, under reciprocal arrangements East Renfrewshire Council's Internal Audit Team might be asked to carry out a similar review for another Council in future years.

**RECOMMENDATION**

5. The Committee is invited to: -
- Note and comment on the content of the 2023/24 amalgamated Annual Accounts for the six charitable trusts that the Council acts as trustee for, including the Independent Examiner's Report; and
  - Remit the report to the Council for consideration.

**REPORT AUTHOR**

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Chief Accountant - Barbara Clark Tel 0141 577 3068  
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Report Date - 10 September 2024

**BACKGROUND PAPERS**

This report refers to the 2023/24 amalgamated Annual Accounts for the six charitable trusts that the Council acts as trustee for (Lieutenants Duff Memorial Institute, Newton Mearns Benevolent Association, Janet Hamilton Memorial Fund, John Pattison Memorial Fund, Hugh & Janet Martin Memorial Fund, Netherlee School 1937 Endowment) and includes the Independent Examination report 2023/24 in respect of the trusts.



**East Renfrewshire Council Trusts**

**Trustees' Annual Report and Financial Statements  
(Independently Examined)**

**For Year Ended 31 March 2024**

**East Renfrewshire Council  
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# TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2024

## 1. INTRODUCTION

The Trustees present the annual report together with the financial statements and the Independent Examination Report for the year ended 31 March 2024.

### ADMINISTRATION INFORMATION

<u>Charity Number</u>	<u>Charity Name</u>	<u>Charity Number</u>	<u>Charity Name</u>
SC005976	Lieutenants Duff Memorial Institute	SC019475	Janet Hamilton Memorial Fund
SC016641	Newton Mearns Benevolent Association	SC037293	Netherlee School 1937 Endowment
SC019473	Hugh & Janet Martin Memorial Fund	SC019474	John Pattison Memorial Fund

**Contact Address**                      East Renfrewshire Council  
 Accountancy Section  
 Rouken Glen Road  
 Glasgow G46 6UG

<u>Charity Name</u>	<u>Names of Charity Trustees during the year and to date of approval of Trustees' Annual Report</u>
Lieutenants Duff Memorial Institute	Margaret McCrossan, John Fitzpatrick
Newton Mearns Benevolent Association	Margaret McCrossan, John Fitzpatrick
Hugh & Janet Martin Memorial Fund	Margaret McCrossan, John Fitzpatrick
John Pattison Memorial Fund	Margaret McCrossan, John Fitzpatrick
Janet Hamilton Memorial Fund	Margaret McCrossan, John Fitzpatrick
Netherlee School 1937 Endowment	Margaret McCrossan, John Fitzpatrick Yvonne Donaldson, Julie Roberts, Lynn Sweeny

John Fitzpatrick was appointed as an external trustee on 28<sup>th</sup> March 2024.

## **Trust Deeds**

Copies of Trust Deeds are available for Lieutenants Duff Memorial and Netherlee School 1937 Endowment and can be obtained from:

East Renfrewshire Council  
Rouken Glen Road  
Glasgow G46 6UG

Deeds for other charitable trusts are unavailable as this information was not passed to the Council at Local Government reorganisation from the outgoing authorities. All trusts are registered as charities with OSCR, and their activity reflects historically agreed and approved activity in line with the descriptions outlined through registration with OSCR, approved on an annual basis by the Trustees.

## 2. STRUCTURE AND GOVERNANCE

East Renfrewshire Council Trust Funds are registered with the Office of the Scottish Charity Regulator (OSCR).

The trustees of all but one of the charities comprise the Chief Financial Officer of East Renfrewshire Council as well as an external trustee John Fitzpatrick. For the Netherlee School 1937 Endowment, the Head, Depute Head, Principal Teachers and John Fitzpatrick assume the role and the Council's Chief Financial Officer is entitled to be a trustee in certain circumstances.

The Chief Financial Officer is the designated officer within East Renfrewshire Council with responsibility for the proper administration of the charitable trust's financial affairs. The Chief Financial Officer is responsible for keeping proper accounting records that are up to date and which ensure that financial statements comply with the Charities Accounts (Scotland) Regulations 2006.

## 3. MANAGEMENT OF FUNDS AND INVESTMENT POLICY

The trustees rely on the expertise of East Renfrewshire Council to manage the investments to ensure the maximum return at the least risk to each charity. In this way, the income stream for the future benefit of each charity is protected.

The funds of each charity are deposited with East Renfrewshire Council (see note 6).

## 4. OBJECTIVES AND ACTIVITIES

The objectives of each trust are as follows:

<b>Charity Name</b>	<b>Purpose</b>
Lieutenants Duff Memorial Institute	Provision of a building to house the Busby School District library and fund repairs to the building as required.
Newton Mearns Benevolent Association	Provision of comforts for the needy of the parish of Mearns.
Hugh & Janet Martin Memorial Fund	Charitable and Educational purposes for the residents of Barrhead
John Pattison Memorial Fund	Assisting the deserving poor in Barrhead
Janet Hamilton Memorial Fund	Assisting the sick of Barrhead requiring nursing or hospital treatment.
Netherlee School 1937 Endowment	Advance the education of the pupils and former pupils of the school by the provision of financial assistance and support.
Endowment for Talented Children & Young People	For the benefit of exceptionally talented children and young people in the fields of the arts, culture and sport having attended an East Renfrewshire School.(wound up as at 31 March 2023)

## 5. PERFORMANCE

Income comes from investment returns and any donations. Awards totalling £944 were made during the year to 31 March 2024, awards were disbursed as follows:

<u>Charity Name</u>	<u>Awards Disbursed during the year to 31 March 2024</u>
Lieutenants Duff Memorial Institute	No applications received and no disbursement of funds.
Newton Mearns Benevolent Association	No applications received and no disbursement of funds.
Hugh & Janet Martin Memorial Fund	1 application received. Payment totalling £180 was made
John Pattison Memorial Fund	No applications received and no disbursement of funds.
Janet Hamilton Memorial Fund	4 Applications received. Payments totalling £764 were made
Netherlee School 1937 Endowment	No applications received and no disbursement of funds.

## 6. FINANCIAL REVIEW

### Overview

In the year to 31 March 2024, Trust funds received income and held cash and bank balances as follows:

<u>Charity Name</u>	<u>Income from Investments</u> £	<u>Income from Donations</u> £	<u>Cash and Bank Balances</u> £
Lieutenants Duff Memorial Institute	£247	£0	£5,167
Newton Mearns Benevolent Association	£182	£0	£3,809
Hugh & Janet Martin Memorial Fund	£849	£0	£17,541
John Pattison Memorial Fund	£497	£0	£10,374
Janet Hamilton Memorial Fund	£2,605	£0	£54,390
Netherlee School 1937 Endowment	£975	£0	£20,350



**Reserves Policy**

Reserves are held by East Renfrewshire Council on behalf of each Trust and revenue income, generated from capital that has not been disbursed at 31 March each year, is invested in East Renfrewshire Council's Loans Fund.

**7. DECLARATION**

This report was signed on behalf of the Trustees on 30 August 2024 by:

A handwritten signature in blue ink, appearing to read 'M. McCrossan', written in a cursive style.

Margaret McCrossan  
Head of Accountancy  
(Chief Financial Officer)  
East Renfrewshire Council

## STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31 MARCH 2024

The Statement of Receipts and Payments, as required by the Charities Accounts (Scotland) Regulations 2006, provides an analysis of the incoming and outgoing cash and bank transactions for the year.

If applicable, this Statement would also show any cash movements in relation to fixed assets. There are no such transactions for the current period.

### Period ended 31 March 2024

	<u>Lieutenants Duff</u>	<u>Newton Mearns Benevolent</u>	<u>Hugh &amp; Janet Martin</u>	<u>John Pattison</u>	<u>Janet Hamilton</u>	<u>Netherlee School</u>
	£	£	£	£	£	£
Note	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted
<b>RECEIPTS</b>						
Donations	0	0	0	0	0	0
Income from Investments	247	182	849	497	2,605	975
<b>Total Receipts</b>	<b>247</b>	<b>182</b>	<b>849</b>	<b>497</b>	<b>2,605</b>	<b>975</b>
<b>PAYMENTS</b>						
Charitable Activities- Grants	0	0	(180)	0	(764)	0
<b>Total Payments</b>	<b>0</b>	<b>0</b>	<b>(180)</b>	<b>0</b>	<b>(764)</b>	<b>0</b>
<b>Surplus/(Deficit) for the Year</b>	<b>247</b>	<b>182</b>	<b>669</b>	<b>497</b>	<b>1,841</b>	<b>975</b>

### Period Ended 31 March 2023

	<u>Lieutenants Duff</u>	<u>Newton Mearns Benevolent</u>	<u>Hugh &amp; Janet Martin</u>	<u>John Pattison</u>	<u>Janet Hamilton</u>	<u>Netherlee School</u>	<u>Talented Children/ Young People*</u>
	£	£	£	£	£	£	£
	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted
<b>RECEIPTS</b>							
Donations	0	0	0	0	0	0	0
Income from Investments	274	87	376	219	1,183	427	13
<b>Total Receipts</b>	<b>274</b>	<b>87</b>	<b>376</b>	<b>219</b>	<b>1,183</b>	<b>427</b>	<b>13</b>
<b>PAYMENTS</b>							
Charitable Activities- Grants	(7,530)	(95)	(50)	(52)	(267)	0	(590)
<b>Total Payments</b>	<b>(7,530)</b>	<b>(95)</b>	<b>(50)</b>	<b>(52)</b>	<b>(267)</b>	<b>0</b>	<b>(590)</b>
<b>Surplus/(Deficit) for the Year</b>	<b>(7,256)</b>	<b>(8)</b>	<b>326</b>	<b>167</b>	<b>(916)</b>	<b>427</b>	<b>(577)</b>

\* Endowment for Talented Children and Young People Trust was wound up as at 31 March 2023.

## STATEMENT OF BALANCES AS AT 31 MARCH 2024

The Statement of Balances, as required by the Charities Accounts (Scotland) Regulations 2006, reconciles the cash and bank balances at the start and end of the financial year, with any surpluses shown in the Statement of Receipts and Payments.

The Statement of Balances also shows the final closing balances at the end of the year.

	<u>Lieutenants Duff</u>	<u>Newton Mearns Benevolent</u>	<u>Hugh &amp; Janet Martin</u>	<u>John Pattison</u>	<u>Janet Hamilton</u>	<u>Netherlee School</u>
Note	Unrestricted Funds	Unrestricted Funds	Unrestricted Funds	Unrestricted Funds	Unrestricted Funds	Unrestricted Funds
<b>Bank and Cash in Hand</b>						
Opening Balance	4,920	3,627	16,872	9,877	52,549	19,375
Surplus/(Deficit) for the year	247	182	669	497	1,841	975
<b>Closing Balance</b>	<b>5,167</b>	<b>3,809</b>	<b>17,541</b>	<b>10,374</b>	<b>54,390</b>	<b>20,350</b>
<b>Investments</b>						
Market Value at 31 March 2024	-	-	-	-	-	-
<b>Total Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The financial statements were issued on 28<sup>th</sup> May 2024 and after being independently examined were authorised for issue by the Head of Accountancy on 30 August 2024

Margaret McCrossan  
Head of Accountancy (Chief Financial Officer)  
East Renfrewshire Council

## NOTES TO THE ACCOUNTS

### 1. 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 each Trust for the financial year.

### 2. Accounting Policy

Income, cash and investments are all administered in line with the Council's approved Treasury Strategy [https://www.eastrenfrewshire.gov.uk/media/8795/Council-Item-06-iii-1-March-2023/pdf/Council\\_Item\\_06iii\\_-\\_1\\_March\\_2023.pdf?m=1677174857227](https://www.eastrenfrewshire.gov.uk/media/8795/Council-Item-06-iii-1-March-2023/pdf/Council_Item_06iii_-_1_March_2023.pdf?m=1677174857227). No investments are held by the Trusts.

### 3. Taxation

East Renfrewshire Council Trusts are not liable to income or capital gains tax on its activities. Irrecoverable VAT is included in the expense to which it relates.

### 4. Trustee Remuneration, Expenses and Related Party Transactions

- a) No remuneration or expenses were paid to the trustees or any connected persons during the year 2023/24, however all Trustees, with the exception of the external trustee, are employed by East Renfrewshire Council and all costs associated with their employment are borne by the Council;
- b) The Trusts received interest totalling £5,355 from East Renfrewshire Council at 31 March 2024 and all transactions incoming and outgoing are made via the Council's bank accounts;
- c) The Council has not charged the charity any fees for legal, financial or administrative services provided during the year.

### 5. Grants

There were grants awarded totalling £944 during 2023/24.

### 6. Cash and Bank Balances

During the year the trusts' balances were held by East Renfrewshire Council, which manages the administration of the funds on behalf of the Trustees. No costs were incurred by the Trusts for this administration. The Council also acts as the banker for the Charities 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.

### 7. Independent Examination Fee

The independent examination was completed by South Ayrshire Council and no fee was charged for 2023/24.

# Independent Examiner's Report to the Trustees of East Renfrewshire Council Trusts

I report on the accounts of the charities for the year ended 31 March 2024 which are set out on pages 3 to 10.

## Respective responsibilities of trustees and examiner

The charities' trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charities' trustees consider that the audit requirement of Regulation 10(1) (d) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

## Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charities and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

## Independent examiner's statement

In the course of my examination, no matter has come to my attention other than disclosed below

1. which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations
- to prepare accounts which accord with the accounting records and comply with Regulation 9 of the 2006 Accounts Regulations

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

The Charities Governing documents were not available during the Independent Examination. Due to the nature of the funds held, I was unable to verify the cash and bank balances to bank statements. Consequently, I was also unable to verify the investment income calculated and recorded by the charities. However, there was no evidence to suggest that the income or cash and bank balances are inaccurate. The values in the accounts could be agreed to the accounting records held by East Renfrewshire Council on behalf of the charities.

Cecilia McGhee  
Chief Internal Auditor (FCCA/CMIIA/CIA)  
County Buildings  
Wellington Square  
Ayr  
KA7 1DR

Date: 30 August 2024

