

Memo

To: Elected Members

From: N Bridle
Depute Chief Executive

Extension: 2030

E-Mail: nbridle@clacks.gov.uk

Our Ref: 160623

Your Ref:

Date: 22 June 2016

Subject: Clackmannanshire Council Meeting – 23 June 2016

Following the all members briefing held on Monday 20 June 2016 and with the agreement of the Provost, please find attached an updated version of agenda item 12 – Draft Financial Statements 2015/16 - for consideration at the Council meeting on 23 June 2016.

If you require any further clarification, please feel free to contact me.

Regards

Nikki Bridle
Depute Chief Executive

Enc

Report to: Clackmannanshire Council

Date of Meeting: 23 June 2016

Subject: Draft Financial Statements 2015/16

Report by: Depute Chief Executive

1.0 Purpose

- 1.1. The Council is required by law to prepare a statement of accounts in accordance with 'proper practices' which set out its financial position at the end of each financial year. This is defined as meaning compliance with the terms of the Code of Practice on Local Authority Accounting in the United Kingdom prepared by the CIPFA/LASAAC Joint Committee.
- 1.2. The Code specifies the principles and practices of accounting required to give a 'true and fair' view of the financial position and transactions of the Council, including group financial statements where Councils have material interests in subsidiaries, associates or joint ventures. The financial statements aim to identify the key factors affecting the finances of the Council and that affect the physical resources that the Council can control to provide services.
- 1.3. The Local Authority Accounts (Scotland) 1985 Regulations require the Depute Chief Executive, as the Council's s95 officer, to prepare the Statement of Accounts as soon as practicable after the end of each financial year and to submit these to the Council and to the Controller of Audit by 30 June of the next financial year. The draft Financial Statements continue to be finalised for audit and have been made available in advance of the Council meeting in councillors rooms. In addition to this all elected members have had the opportunity to attend a specific briefing on the draft Financial Statements on 20 June 2016 where copies of the draft statements were circulated.
- 1.4. As in previous years, we have also prepared a Trustees Report and Financial Statement for Sundry Trust Funds where the Council is the sole trustee.
- 1.5. A Management Commentary is included within the accounts which is required to present the collective view of those charged with governance and apply relevant sections of the Companies Act 2006 in respect of the preparation of a Strategic Report. The Management Commentary is signed by the Leader of the Council, Chief Executive and Depute Chief Executive (as s95 officer). The Management Commentary includes the financial outlook for the Council. However, there is also a separate Budget Strategy report on this Council meeting agenda to provide for a fuller consideration of recent information.
- 1.6. The Council's Draft Financial Statements also include the annual Remuneration Report, and the Annual Governance Statement (AGS) which is signed on behalf of the Council by the Leader of the Council and the Chief Executive. Improvement

actions associated with the AGS are incorporated within routine performance reporting using the Covalent system.

2.0 Recommendations

Council is asked to:

- 2.1. approve the 2015/16 draft Financial Statements
- 2.2. approve the 2015/16 Clackmannanshire Council Sundry Trust Funds draft Report and Financial Statements
- 2.3. approve the submission of these draft Financial Statements to the Controller of Audit no later than 30th June
- 2.4. note that finalised audited financial statements will be presented to the Audit and Finance Committee in September 2016
- 2.5. otherwise note the contents of the report.

3.0 Considerations

- 3.1. The accounts have been prepared in accordance with proper practices as set out in the *Code of Practice on Local Authority Accounting in the United Kingdom 2015/16*. The Financial Statements show the actual figures for 2015/16 and the comparable figures for 2014/15.

Revenue Outturn

- 3.2. The financial results for 2015/16 are positive and provide a platform from which to address the challenging times ahead. Against the background of reducing resources the Council has successfully delivered savings in the year in excess of its budgeted requirement, and as a result increased its reserves to support service delivery in future years.
- 3.3. Gross revenue expenditure for the year was £173.310m. This represents the running costs of the Council and indicates the significant size and complexity of the organisation. The General Fund, started the year with a balance of £11.609m. The balance at 31 March 2016 is £14.202m, a net increase of £2.593m.
- 3.4. Of the £14.202m balance at 31 March 2016, £6.341m is earmarked for specific purposes, much of which is for use either by individual services or to meet corporate liabilities. This committed balance can be summarised as follows:

Devolved School Management	£0.249m
Change Funds	£0.213m
MCB (previously Spend to Save Fund)	£0.520m
Employment Fund	£2.873m
Sum approved in support of 2016/17 budget	£1.523m
Miscellaneous commitments	£0.813m
Education Restructure	£0.150m
Total	£6.341m

- 3.5 The earmarked balance also reflects the approval by Council in February 2016 to support its 2016/17 General Services Revenue Budget through the utilisation of £1.523m from reserves.
- 3.6 The surplus achieved in the year compared to budget was £4.394m which is an increase in the surplus of £1.849m reported to Resources and Audit Committee in April. This surplus assumes full utilisation of the £1.801m budgeted contribution from reserves per the 2015/16 Budget approved by Council in February 2015. The resulting net contribution to reserves is, therefore, £2.593m increasing the uncommitted reserve balance to £7.861m. There has been a more significant variation in the reported outturn position during this year and significant priority has been given to minimise this for the future.
- 3.7 The Council's Reserves Strategy stipulates that it should retain uncommitted reserves at a minimum level of 3% of net expenditure, which as at March 2016 would translate to a figure of £3.240m. At the end of 2015/16, uncommitted reserves are, therefore, £4.621m in excess of this minimum reserve figure which represents a level of 7.3% of net expenditure.
- 3.8 The Housing Revenue Account achieved a surplus within the year of £5.314m compared to the forecast figure of £5.272m reported to Resources and Audit Committee in April. In accordance with the Business Plan for the Clackmannanshire Council Housing stock a sum of £1.239m has been applied from reserves in 2015/16 along with the surplus in the year. As a result there was a borrowing requirement of £0.392m. The outcome of these results is that the opening housing reserve balance of £1.949m at the start of the year, has reduced to £0.710m as at 31st March 2016.

Other Reserves

- 3.9 The opening balance on the Capital Receipts Reserve was £2.946m with an additional £2.699m received as a consequence of asset sales during the year. During 2015/16, the Council utilised £3.497m of capital receipts leaving a sum of £2.148m. A sum of £2m from this balance was identified to augment the Employment Fund as part of the Council's Budget setting for 2016/17. The remaining balance is available going forward to invest in new capital projects or to repay existing debt.
- 3.10 During the year £0.169m has been added to the Capital Grants and Contributions Unapplied account taking the balance at 31 March 2016 to £329k. This is the proceeds from the sale of land which is ring-fenced for future economic development.

Pensions Liability

- 3.11 The estimation of the Council's net liability in respect of pensions payable is a complex set of judgements. It requires estimates of the life expectancy of scheme members, assumptions about changes in retirement ages and expected returns on pension fund assets such as stock market investments. The Council engages actuaries to provide expert advice about prevailing assumptions.
- 3.12 As a result of the latest valuation of our Pension accounts in accordance with International Accounting Standard 19 (IAS19), we have witnessed an improvement in our Balance Sheet position, with our net liability now standing at £108.274m compared to £135.470m at March 2015.

Provisions

- 3.13 The Council has made further progress in the year to settle equal pay claims with £32k being paid out during 2015/16. The Council's provision for equal pay has consequently been re-assessed at £0.124m at 31 March 2016 with £25k, therefore, being released back to general reserves. It is considered that this remaining sum will be sufficient to meet the outstanding liabilities on existing claims which are expected to be concluded in the current financial year.
- 3.14 At the start of the year, the provision for early retirement was £787k. During 2015/16 £0.725m has been utilised. Of the remaining balance of £62k, £43k has been carried over to 2016/17 to fund previously agreed voluntary severances due to be realised in 2016/17 and £19k has been returned to reserves as it is no longer required. No additional provisions have been made in the year.
- 3.15 During 2015/16 the Council made a payment of £24K against the provision of £61k made in 2014/15 relating to the claim from Pyramid, a Bathroom and Kitchen contractor. This provided for arbitration loss and expenses in respect of Phase 1 of the works. An additional provision of £263K has now been established to meet the final costs to conclude this action.
- 3.16 The provision for Municipal Mutual Insurance Limited (MMI) was established in 2012/13 on the advice of our insurers to cover a potential 30% levy triggered under the Scheme of Arrangement in respect of the winding down of the former Municipal Mutual Insurance Limited (MMI). This exposure relates back to former District and Regional Council operations. In 2015/16, £12k has been paid out against the original provision for claims and £8k has been transferred to current provisions. This transfer recognises the notification received of an increase in the levy from 15% to 25% which is due in 2016/17. The remaining balance of £54k has been carried forward to meet further claims.
- 3.17 In 2014/15 £78k was provided for to meet the costs of ongoing legal cases and was fully utilised in the year. A further provision of £78k has also been made in 2015/16 to cover future estimated costs.

Contingent Liabilities

- 3.18 In order to reflect as yet potential uncertain and unquantified timing and liabilities issues, aspects of those matters referenced in respect of Equal Pay, the Kitchen and Bathroom contract, MMI Ltd and PPP contract, set out in paragraphs 3.14 to 3.17, are also reflected in the draft Financial statements as contingent liabilities. The previous contingent liability in respect of thinkWhere has been removed as the Council withdrew its shareholding during 2015/16. No new Contingent Liabilities or Assets have been identified at 31 March 16.
- 3.19 Further details of the provisions and contingent liabilities summarised in this report were provided to elected members at the briefing which was held on 20th June 2016.

Capital Expenditure and Financing

- 3.20 During 2015/16 the Council invested £16.430m of capital expenditure on its assets. This reflects an underspend of £9.829m on the budgeted programme, and an increase in the projected underspend of £0.3m reported to Resources and Audit Committee in April 2016.
- 3.21 Capital expenditure in the year has been financed by capital receipts (£1.607m), government grants and contributions (£7.858m) and direct revenue funding (£6.553m) leaving a balance of £0.413m requiring to be financed from borrowing.

The balance was funded through cash reserves and there was therefore no need to incur further external borrowing. Principal repayments against borrowing of £7.048m were made in the year.

- 3.22 The Councils gross external debt as at March 2016 stands at £146.367m, a decrease of £17.296m from the position as at March 2015. As reported in the Annual Treasury report this decrease was due to the running down of internal cash balances. No additional borrowing was undertaken to fund Capital Financing in line with our approved Investment Strategy which focuses on reducing the overall level of debt liabilities carried by the Council.

Sundry Trust Funds

- 3.23 The Council currently acts as sole trustee for the Trust Funds of four organisations which have charitable status and are registered with the Office of the Scottish Regulator (OSCR). The Objectives and activities of each of the four Sundry Trust Funds are set out at Appendix A to this report and the Draft Financial Statements are set out at Appendix B.
- 3.24 The full Trustees Report and Draft Financial Statements were discussed in greater detail, along with Clackmannanshire Council's Draft Financial Statements, as part of the elected member briefing held on the 20 June 2016.

Public Inspection

- 3.25 The Financial Statements, once submitted to the Controller of Audit will be made available for public inspection from the 1st July and will be subject to an audit period of up to three months.
- 3.26 The Council's final audited Financial Statements will be presented to Audit and Finance Committee along with the External Auditors Key Issues Memorandum in September 2016.

4.0 Conclusion

- 4.1 The results for the year are positive against the backdrop of the current economic climate. A surplus has been achieved in the year on General Fund which ensures our uncommitted reserves remain in excess of the Council's approved level. This assists the Council by ensuring the retention of a sound financial platform from which to manage the Council's finances in the future.
- 4.2 Managers across the Council have sustained a clear focus on managing expenditure pressures and ensuring overall spend remains within budget throughout the year. There has, however, been a more significant movement in financial reporting outturns during the year and work has been undertaken to ensure that sound financial management practices are applied by budget holders. This corporate approach is an important feature of the Council's arrangements. Elected members have received regular updates on progress in implementing the Budget Strategy through Council and performance monitoring reports during the year, including management actions within services and corporately to improve the outturn position.
- 4.3 In summary, the Council has consistently applied its agreed budget, finance and investment strategies throughout 2015/16.

5.0 Sustainability Implications

5.1 Not applicable

6.0 Resource Implications

6.1 *Financial Details*

6.2 The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate.

Yes

6.3 Finance have been consulted and have agreed the financial implications as set out in the report. Yes

6.4 *Staffing*

7.0 Exempt Reports

7.1 Is this report exempt? Yes (please detail the reasons for exemption below) No

8.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box)

- | | |
|--|-------------------------------------|
| The area has a positive image and attracts people and businesses | <input type="checkbox"/> |
| Our communities are more cohesive and inclusive | <input type="checkbox"/> |
| People are better skilled, trained and ready for learning and employment | <input type="checkbox"/> |
| Our communities are safer | <input type="checkbox"/> |
| Vulnerable people and families are supported | <input type="checkbox"/> |
| Substance misuse and its effects are reduced | <input type="checkbox"/> |
| Health is improving and health inequalities are reducing | <input type="checkbox"/> |
| The environment is protected and enhanced for all | <input type="checkbox"/> |
| The Council is effective, efficient and recognised for excellence | <input checked="" type="checkbox"/> |

(2) **Council Policies** (Please detail)

9.0 Equalities Impact

9.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

Yes No

10.0 Legality

- 10.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

11.0 Appendices

- 11.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

Appendix A - Sundry Trust Funds Objectives

Appendix B - Sundry Trust Funds Trustees' Report and Draft Financial Statements 2015/16

12.0 Background Papers

- 12.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes (please list the documents below) No

Council draft financial statements 2015/16

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Lindsay Sim	Chief Accountant	2078
Nikki Bridle	Depute Chief Executive	2373

Approved by

NAME	DESIGNATION	SIGNATURE
Nikki Bridle	Depute Chief Executive	Signed: N Bridle
Elaine McPherson	Chief Executive	Signed: E McPherson

**APPENDIX A - EXTRACT FROM SUNDRY TRUST FUNDS
DRAFT TRUSTEE'S REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL TO 31 MARCH**

OBJECTIVES AND ACTIVITIES

Name	Objective	Activities
Clackmannan District Council Charitable Trust	The income of the Trust Fund capital may be applied at the discretion of the Trustees for the benefit of the poor, sick, aged and handicapped persons and generally all persons in necessitous circumstances who normally reside within the boundary of Clackmannanshire.	The Trustees generally meet twice in a year (September and March) to consider applications. In recent years it is noted that the benefits from the trust have been to grant assistance in the form of essential household goods e.g. electric cooker, fridge, washing machine, beds and bedding.
Clackmannanshire Educational Trust	The income of the trust may be applied to supplementary bursaries for Students attending Universities, Central Institutions etc. Assistance in obtaining practical experience of trades etc. Grants for student apprentices, travel grant, educational excursions, educational travel, adult education and educational experiments and research.	The main activity undertaken this year has been the assistance of 3 individuals with awards totalling £225. £75 was awarded to a student to attend a school trip and two payments of £75 were paid to two individuals to support adult Education courses.
Tillicoultry Old Age Pensioners Outing Fund	To meet the cost of the annual excursion for old age pensioners.	This year as in recent years the income has been used to fund the hire of a coach to enable a day trip for the benefit of the old age pensioners of Tillicoultry.
Old Folks Welfare Fund	Bequest from Tillicoultry and District Nursing Association. Income to be applied by Clackmannanshire Council for the welfare of the old people of Tillicoultry and District.	No trip was funded this year.

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Clackmannanshire Council Sundry Trust Funds

TRUSTEES' ANNUAL REPORT

1. INTRODUCTION

Clackmannanshire Council acts as sole trustee for the Sundry Trust Funds listed below which have charitable status and are registered with the Office of the Scottish Charity Regulator (OSCR):

Charity Number	Charity Name
SC011479	Clackmannan District Council Charitable Trust
SC008282	Clackmannanshire Educational Trust
SC002564	Tillicoultry Old Age Pensioners Outing Fund
SC004079	Old Folks Welfare Fund

The principal address of the Sundry Trust Funds is:

Clackmannanshire Council
Resources and Governance
Kilncraigs
Alloa
FK10 1EB

The financial statements have been prepared on the basis that The Charities Accounts (Scotland) Regulations 2006 allow aggregated financial statements to be prepared where charities have common control or unity of administration. Clackmannanshire Council administers the Sundry Trust Funds and separately accounts for them. They do not form part of the Council's single entity balance sheet, although under s222 of the Local Government (Scotland) Act 1973, the property of the Sundry Trusts "vest(s) in" the relevant local authority. However they are included in the financial statements of the Council as a Note to the main financial statements.

Clackmannanshire Council Sundry Trust Funds

TRUSTEES' ANNUAL REPORT (CONTINUED)

1. INTRODUCTION (CONTINUED)

Independent Auditor:

Deloitte LLP
Chartered Accountants and Statutory Auditor
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2DB

TRUSTEES

In terms of the "Trustees" of the Sundry Trusts, the guidance provided by OSCR is that those who have "general control and management" of the charity are the charity Trustees. Decisions regarding the general control and management of the Sundry Trust Funds are made by the full Council of elected members.

The following individuals were the Trustees of the Sundry Trust Funds in their capacity as elected members of Clackmannanshire Council for the full year, and up to the date of this report.

Alastair Campbell
Archie Drummond
Craig Holden
Derek Stewart
Donald W. Balsillie
Ellen Forson
Gary Womersley
George Matchett QPM
Graham Watt
Irene Hamilton
Janet Cadenhead
Jim Stalker
Kathleen Martin
Kenneth Earle
Les Sharp
Robert McGill
Tina Murphy
Walter McAdam MBE

Clackmannanshire Council Sundry Trust Funds

TRUSTEES' ANNUAL REPORT (CONTINUED)

1. INTRODUCTION (CONTINUED)

TRUSTEES (CONTINUED)

All of the Trustees are normally elected or re-elected at local government elections. By-elections are held on the occasions of elected members vacating their positions to elect new members, who automatically become Trustees.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

The Sundry Trusts are constituted in a variety of ways, many coming in the form of bequests by individuals or families who have entrusted a predecessor local authority with the task of disbursing the funds for a charitable purpose.

HISTORY

The following table gives an indication of the purpose of the Trusts:

Charity No.	Name	Purpose
SC011479	Clackmannan District Council Charitable Trust	Extract Decree by lords of Council and Session dated 30 March 1990 whereby the income of the trust fund capital, thereof may be applied at the discretion of the Trustees for the benefit of poor, sick, aged and handicapped persons and generally all persons in necessitous or deserving circumstances and who are normally resident within the boundary for the time being of the District of Clackmannanshire.
SC008282	Clackmannanshire Educational Trust	To provide financial support in the form of Educational Grants, to aid with travel expenses, educational research and experiments and practical experience.
SC002564	Tillicoultry Old Age Pensioners Outing Fund	To meet the cost of the annual excursion for old age pensioners.
SC004079	Old Folks Welfare Fund	Bequest from Tillicoultry and District Nursing Association. Income to be applied by Clackmannanshire Council for the welfare of the old people of Tillicoultry and District.

Clackmannanshire Council Sundry Trust Funds

TRUSTEES' ANNUAL REPORT (CONTINUED)

STATEMENT OF RESPONSIBILITIES

Responsibilities of Trustees

The Trustees are responsible for the strategic direction and governance of the Sundry Trust Funds. The Trustees are responsible for the distribution of funds from the Sundry Trust Funds and hold regular meetings, with any resulting payments made at their sole discretion. The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Provost on behalf of the Trusts is required to approve the Financial Statements. As the funds of the Sundry Trust Funds are held by Clackmannanshire Council the responsibilities of the Council in respect of these funds are detailed below.

The Council's Responsibilities as Sole Trustee

The Council is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. The Depute Chief Executive has been designated as that officer in Clackmannanshire Council. This officer manages the affairs of the Council to secure the economic, efficient and effective use of resources and safeguard its assets and those of any charitable trust it administers. Given the Sundry Trust Funds are administered by the Council; these specific provisions are supplemented by general provisions relating to the administration of local authority monies, i.e. the duty to obtain best value.

Clackmannanshire Council Sundry Trust Funds

TRUSTEES' ANNUAL REPORT (CONTINUED)

STATEMENT OF RESPONSIBILITIES (CONTINUED)

The Council's Responsibilities as Sole Trustee (continued)

The Council provides administrative services to the Trusts and prepares the Financial Statements of the Sundry Trust Funds free of charge.

The Depute Chief Executive's Responsibilities

The Depute Chief Executive has responsibility for ensuring an effective system of internal financial control is maintained and operated. This system of internal financial control can only provide reasonable and not absolute assurance that assets are safeguarded, transactions are recorded and properly authorised and that material errors or irregularities are either prevented or would be detected within a timely period. The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures and a system of delegation and accountability. The Depute Chief Executive is responsible for keeping proper accounting records that 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 and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. 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.

Clackmannanshire Council Sundry Trust Funds

TRUSTEES' ANNUAL REPORT (CONTINUED)

3. OBJECTIVES AND ACTIVITIES

Income to the Sundry Trust Funds is solely from investment returns and bank interest - no donations to the Funds are solicited.

Name	Objective	Activities
Clackmannan District Council Charitable Trust	The income of the Trust Fund capital may be applied at the discretion of the Trustees for the benefit of the poor, sick, aged and handicapped persons and generally all persons in necessitous circumstances who normally reside within the boundary of Clackmannanshire.	The Trustees generally meet twice in a year (September and March) to consider applications. In recent years it is noted that the benefits from the trust have been to grant assistance in the form of essential household goods e.g. electric cooker, fridge, washing machine, beds and bedding.
Clackmannanshire Educational Trust	The income of the trust may be applied to supplementary bursaries for Students attending Universities, Central Institutions etc. Assistance in obtaining practical experience of trades etc. Grants for student apprentices, travel grant, educational excursions, educational travel, adult education and educational experiments and research.	The main activity undertaken this year has been the assistance of 3 individuals with awards totalling £225. £75 was awarded to a student to attend a school trip and two payments of £75 were paid to two individuals to support adult Education courses.
Tillicoultry Old Age Pensioners Outing Fund	To meet the cost of the annual excursion for old age pensioners.	This year as in recent years the income has been used to fund the hire of a coach to enable a day trip for the benefit of the old age pensioners of Tillicoultry.
Old Folks Welfare Fund	Bequest from Tillicoultry and District Nursing Association. Income to be applied by Clackmannanshire Council for the welfare of the old people of Tillicoultry and District.	No trip was funded this year.

Clackmannanshire Council Sundry Trust Funds

TRUSTEES' ANNUAL REPORT (CONTINUED)

4. ACHIEVEMENTS AND PERFORMANCE

The Clackmannan District Council Charitable Trust made payments, in respect of charitable activities, totalling £1,340 (2014/15: £4,158) over this period. These payments granted assistance in the form of household goods, to various applicants residing within the boundary of Clackmannanshire. The total number of payments made was 3 (2014/15: 29). The interest received over this period was £93 (2014/15: £178).

The Clackmannanshire Educational Trust made payments, in respect of charitable activities, totalling £225 (2014/15: £200) over this period. These payments were made to cover the costs associated with adult education courses. The total number of payments made was 3 (2014/15: 3). The interest received over this period was £133 (2014/15: £180).

The Tillicoultry Old Age Pensioners Outing Fund made one payment of £420, in respect of charitable activities, over this period (2014/15: no payments). This payment covered the cost of bus hire for a day trip. The interest received over this period was £12 (2014/15: £18).

The Old Folks Welfare Fund made no payments in respect of charitable activities over this period (2014/15: 1 payment of £320). The interest received over this period was £33 (2014/15: £46).

The combined monies of the Sundry Trusts were invested in the Council's Loans Fund on the basis that the returns available were better than those available commercially. The average rate of interest achieved in the period was 0.46% (2014/15: 0.59%).

The external audit fee of £5,000 has been apportioned across the 4 Trusts weighted between the number of transactions in the year and the closing balance held by the Trust at 31 March 2016.

Clackmannanshire Council Sundry Trust Funds

TRUSTEES' ANNUAL REPORT (CONTINUED)

5. FINANCIAL REVIEW

As a general principle the "capital" of the funds is held effectively as a permanent endowment, with only the annual income available for disbursement in the year. However this is not a legal obligation and capital can be reduced on the agreement of the Trustees.

In recent years the Trustees have taken the decision to award above the annual income and reduce the capital that is held. This has been in response to increased applications to the trusts brought on by the economic downturn and a reduction of income, due to historically low interest rates.

Whilst the Sundry Trust Funds have incurred an operating deficit this year each of the individual funds remain in surplus.

6. CHANGES WITHIN YEAR AND FUTURE PLANS

There are currently no plans to significantly change the purpose or allocation bases of any of the Sundry Trust Funds. However, active steps are being taken to appoint independent members to each of the Sundry Trust Funds.

The Trustees wish to thank the Clackmannanshire Council officers involved in producing the Annual Report and Financial Statements.

Signed:

Nikki Bridle
Depute Chief Executive
Clackmannanshire Council

Date: 23 June 2016

On behalf of the Trustees
Signed:

Provost Derek Stewart
Sundry Trust Chairperson
Clackmannanshire Council

Date: 23 June 2016

Clackmannanshire Council Sundry Trust Funds

INDEPENDENT AUDITOR'S REPORT (to follow)

Clackmannanshire Council Sundry Trust Funds

SUNDRY TRUST ACCOUNTS FINANCIAL STATEMENTS OVERVIEW

1. INTRODUCTION

The following pages 12 to 18 detail the Statement of Receipts and Payments, the Statement of Balances and relevant Notes to the Financial Statements, as required by The Charities Accounts (Scotland) Regulations 2006. A Cash Flow Statement is not required as all of the charities are classified as small charities as defined in the Charities SORP and therefore are exempt from producing a Cash Flow Statement.

2. STATEMENT OF RECEIPTS AND PAYMENTS

The Statement of Receipts and Payments provides an analysis of the incoming and outgoing cash and bank transactions for the period. The Sundry Trust Funds have receipts and payments in their respective unrestricted funds.

The statement also shows any movement of funds between the endowment and unrestricted funds.

3. STATEMENT OF BALANCES

The Statement of Balances reconciles the cash and bank balances at the beginning and end of the financial year with the surplus or deficit shown in the Statement of Receipts and Payments. The Statement of Balances also summarises final closing balances at the end of the year.

4. NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements expand on or explain the information contained in the Statement of Receipts and Payments and Statement of Balances.

Clackmannanshire Council Sundry Trust Funds

STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31ST MARCH 2016

	Clackmannan District Council Charitable Trust SC011479			Clackmannanshire Educational Trust SC008282			Tillicoultry Old Age Pensioners Outing Fund SC002564			Old Folks Welfare Fund SC004079		
	Unrestricted £	Endowment £	Total £	Unrestricted £	Endowment £	Total £	Unrestricted £	Endowment £	Total £	Unrestricted £	Endowment £	Total £
<u>Receipts</u>												
Receipts from investments other than land and building	93	0	93	133	0	133	12	0	12	33	0	33
Investment Reimbursed	853	0	853	0	0	0	0	0	0	0	0	0
Total Receipts	946	0	946	133	0	133	12	0	12	33	0	33
<u>Payments</u>												
Charitable Activities	(1,340)	0	(1,340)	(225)	0	(225)	(422)	0	(422)	0	0	0
Audit Fee	(1,071)	0	(1,071)	(2,852)	0	(2,852)	(367)	0	(367)	(710)	0	(710)
Investment Reimbursed	0	(853)	(853)	0	0	0	0	0	0	0	0	0
Total Payments	(2,411)	(853)	(3,264)	(3,077)	0	(3,077)	(789)	0	(789)	(710)	0	(710)
Surplus/(deficit) for year	(1,465)	(853)	(2,318)	(2,944)	0	(2,944)	(777)	0	(777)	(677)	0	(677)

Clackmannanshire Council Sundry Trust Funds

STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31ST MARCH 2015

	Clackmannan District Council Charitable Trust SC011479			Clackmannanshire Educational Trust SC008282			Tillicoultry Old Age Pensioners Outing Fund SC002564			Old Folks Welfare Fund SC004079		
	Unrestricted £	Endowment £	Total £	Unrestricted £	Endowment £	Total £	Unrestricted £	Endowment £	Total £	Unrestricted £	Endowment £	Total £
<u>Receipts</u>												
Receipts from investments other than land and building	178	0	178	180	0	180	18	0	18	46	0	46
Investment Reimbursed	1,553	0	1,553	0	0	0	0	0	0	0	0	0
Total Receipts	1,731	0	1,731	180	0	180	18	0	18	46	0	46
<u>Payments</u>												
Charitable Activities	(4,158)	0	(4,158)	(200)	0	(200)	0	0	0	(320)	0	(320)
Audit Fee	(1,413)	0	(1,413)	(2,531)	0	(2,531)	(342)	0	(342)	(713)	0	(713)
Investment Reimbursed	0	(1,553)	(1,553)	0	0	0	0	0	0	0	0	0
Total Payments	(5,571)	(1,553)	(7,124)	(2,731)	0	(2,731)	(342)	0	(342)	(1,033)	0	(1,033)
Surplus/(deficit) for year	(3,840)	(1,553)	(5,393)	(2,551)	0	(2,551)	(324)	0	(324)	(987)	0	(987)

Clackmannanshire Council Sundry Trust Funds

STATEMENT OF BALANCES AS AT 31ST MARCH 2016

	Clackmannan District Council Charitable Trust SC011479			Clackmannanshire Educational Trust SC008282			Tillicoultry Old Age Pensioners Outing Fund SC002564			Old Folks Welfare Fund SC004079		
	Unrestricted £	Endowment £	Total £	Unrestricted £	Endowment £	Total £	Unrestricted £	Endowment £	Total £	Unrestricted £	Endowment £	Total £
Bank and Cash in hand												
Opening Balances	4,579	853	5,432	27,599	0	27,599	2,693	0	2,693	6,808	0	6,808
Surplus/(deficit) for year	(1,465)	(853)	(2,318)	(2,944)	0	(2,944)	(777)	0	(777)	(677)	0	(677)
Closing Balance	3,114	0	3,114	24,655	0	24,655	1,916	0	1,916	6,131	0	6,131

Signed:

Nikki Bridle

Depute Chief Executive

Clackmannanshire Council

Date: 23 June 2016

Clackmannanshire Council Sundry Trust Funds

STATEMENT OF BALANCES AS AT 31ST MARCH 2015

	Clackmannan District Council Charitable Trust SC011479			Clackmannanshire Educational Trust SC008282			Tillicoultry Old Age Pensioners Outing Fund SC002564			Old Folks Welfare Fund SC004079		
	Unrestricted £	Endowment £	Total £	Unrestricted £	Endowment £	Total £	Unrestricted £	Endowment £	Total £	Unrestricted £	Endowment £	Total £
Bank and Cash in hand												
Opening Balances	8,419	2,406	10,825	30,150	0	30,150	3,017	0	3,017	7,795	0	7,795
Surplus/(deficit) for year	(3,840)	(1,553)	(5,393)	(2,551)	0	(2,551)	(324)	0	(324)	(987)	0	(987)
Closing Balance	4,579	853	5,432	27,599	0	27,599	2,693	0	2,693	6,808	0	6,808

Clackmannanshire Council Sundry Trust Funds

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

RESOURCES EXPENDED

Liability Recognition

Liabilities are recognised when cash is paid out.

Charitable Activities

Decisions regarding the way the Sundry Trust Funds' income is spent are taken by the Trustees of each respective Sundry Trust Fund.

Costs of Generating Funds

The internal cost of administering the Sundry Trust Funds is borne entirely by Clackmannanshire Council.

Governance Costs

Governance Costs, where applicable, include the:

- costs of the preparation and examination of statutory Financial Statements;
- cost of any legal advice to Trustees on governance or constitutional matters.

Grants Payable Without Performance Conditions

These are recognised in the Financial Statements when the grant has been paid.

2. ANALYSIS OF PAYMENTS

Details are provided in the Trustees' Annual Report (pages 7 and 8) explaining the grants that have been paid out by the relevant Sundry Trust Funds.

Clackmannanshire Council Sundry Trust Funds

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. TRUSTEES' REMUNERATION AND EXPENSES

Neither the Trustees of the Sundry Trust Funds nor any associated person connected with them have received any remuneration for their services. Further, no directly incurred expenses were reimbursed to the Trustees during the period 2015/16.

4. RELATED PARTIES

During the period, the Sundry Trust Fund balances were invested by Clackmannanshire Council, who manage the administration of the Funds on behalf of the Trustees. No costs were incurred by the Sundry Trust Funds for this administration. The Council also acts as the banker for the Sundry Trust Funds and all transactions, incoming and outgoing are made via the Council's Financial Statements.

5. INVESTMENT HOLDINGS

Only one of the Sundry Trust Accounts currently held external stock. At the beginning of the year the Clackmannan District Council Charitable Trust held £853 in treasury stock, providing a return for this period of £70 (2014/15: £131). During the year the stock was reimbursed in full, leaving a closing balance of nil.