
Report to: Clackmannanshire Council

Date of Meeting: June 2017

Subject: Draft Financial Statements 2016/17

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 26 June 2017 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 2016/17 draft Financial Statements
- 2.2. approve the 2016/17 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 2017
- 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 2016/17*. The Financial Statements show the actual figures for 2016/17 and the comparable figures for 2015/16.

Revenue Outturn

- 3.2. The financial results for 2016/17 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 services within budget therefore not requiring the full £1.523m of reserves approved to support the 2016/17 budget.
- 3.3. Gross revenue expenditure for the year was £117.287m. 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 £14.035m. The balance at 31 March 2017 is £10.073m, a net decrease of £3.962m.
- 3.4. Of the £10.073m balance at 31 March 2017, £5.234m 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	£0.021m
Change Funds	£0.093m
Organisational Change Fund	£0.448m
Employment Fund	£2.585m
Sum approved in support of 2017/18 budget	£1.457m
Miscellaneous commitments	£0.480m
City Deal	£0.150m
Total	£5.234m

- 3.5 The earmarked balance also reflects the approval by Council in March 2017 to support its 2017/18 General Services Revenue Budget through the utilisation of £1.457m from reserves and £0.586m of new earmarked reserves.
- 3.6 The surplus achieved in the year compared to budget was £1.117m which is an increase in the surplus of £0.570m reported to Audit and Finance Committee in March. The surplus of £1.117m means that only £0.406m was required from the £1.523m budgeted contribution from reserves per the 2016/17 Budget approved by Council in February 2016.

In the year £3.556m was utilised from earmarked reserves. This along with the £0.406m contribution required from the budgeted amount of £1.523m results in a net decrease in reserves of £3.962m.

- 3.7 The Council's Reserves Strategy stipulates that it should retain uncommitted reserves at a minimum level of 3% of budgeted net expenditure, based on 2017/18 approved budget this equates to a figure of £3.543m. At the end of 2016/17, uncommitted reserves are £4.839m, therefore, £1.296m in excess of this minimum reserve figure which represents a level of 4.1% of budgeted net expenditure.
- 3.8 The Housing Revenue Account achieved a surplus within the year of £6.175m against a budgeted surplus of £4.918m, £1.257m greater than budget. This is a movement of £0.240m greater than the forecast figure of £5.935m reported to Audit and Finance Committee in March. During the year £4.912m of this surplus has been utilised for CFCR which reduces the requirement to borrow. This has resulted in contribution to reserves of £1.263m. The outcome of these results is that the opening housing reserve balance of £0.710m at the start of the year, has increased to £1.973m as at 31st March 2017, which equates to 10% of 2017/18 budgeted Housing Rents. This is £1.213m above minimum reserves of 4% which will be used to offset future capital expenditure and reduce the requirement to borrow.

Other Reserves

- 3.9 The opening balance on the Capital Receipts Reserve was £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. In the year £0.148m has been utilised to fund the statutory element of voluntary severance leaving a balance of £1.852m earmarked for this purpose.

During 2016/17 receipts of £0.108m were received as a consequence of asset sales during the year. None of these receipts were utilised leaving an unearmarked sum of £0.256m. This balance has been identified to support the 2017/18 approved budget. Further receipts have been received since 31st March in line with the budgeted 2017/18 figure.

- 3.10 During the year £0.293m has been added to the Capital Grants and Contributions Unapplied account taking the balance at 31 March 2016 to £0.622m. This sum represents the proceeds from the sale of land and is ring-fenced to support the 2017/18 approved budget.

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 a 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 a deterioration in our Balance Sheet position, with our net liability now standing at £163.343m compared to £108.274m at March 2016. This increase in liability is primarily due to a reduction in the discount rate which is determined on a prescribed basis.

Provisions

- 3.13 A new provision of £50k has been made in 2016/17 to cover the Council's estimated legal costs associated with the ongoing dialogue with the Council's PPP FM provider about the legal interpretation of contractual definitions. The matter is anticipated to be concluded within the 2017/18 financial year with the provision being either fully utilised or released back to general reserves if it is not required.
- 3.14 The Council has made further progress in the year to settle equal pay claims with £30k being paid out during 2016/17. The Council's provision for equal pay has consequently been re-assessed at £0.092m at 31 March 2017 and reclassified to short term provisions. 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.
- 3.15 In line with IAS37 the Council created a provision in 2015/16 to cover the costs of voluntary severance that had been agreed but not paid before 31 March 2016. Of the £43k provision brought forward, £29k was paid out in the year with the remaining £14k being released back to General Fund uncommitted reserves. There are no further voluntary severance cases that were agreed but not paid before the 31 March 2017.3.16
- 3.16 During 2016/17, a provision of £300k was brought forward from 2015/16 relating to a contractual claim for damages in respect of a Housing Revenue Account kitchens and bathrooms contract. This provision was fully utilised in settling the final phase of this contractual dispute. An additional provision of £150k has now been established based on an estimate of the final costs likely to be required to conclude this action.
- 3.17 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 2016/17, £47k has been paid out against the original provision for claims which included an increase in the levy from 15% to 25% and £12k has been added to the provision based on a re-assessment of the liability taking the overall provision carried forward to £26k.
- 3.18 In 2015/16, £78k was provided to meet the costs of ongoing legal cases. During the year, £26k was utilised in concluding these cases, with the remaining £52k being released back to General Fund uncommitted reserves. There are no further cases of this nature as at 31 March 2017.

Contingent Liabilities

- 3.19 In order to reflect as yet potential uncertain and/ or unquantified timing and liabilities issues, aspects of those matters referenced in respect of PPP contract, Equal Pay and Insurance set out in paragraphs 3.13, 3.14 and 3.17, are also reflected in the draft Financial statements as contingent liabilities. The previous contingent liability in respect of the Kitchen Contract has been removed as the Council has now settled payment during 2016/17. A new Contingent Liability has been created in respect of a Health and Safety at work related issue. No Contingent Assets have been identified at 31 March 17.

- 3.20 Further details of the provisions and contingent liabilities summarised in this report were provided to elected members at the briefing which was held on 26th June 2017.

Capital Expenditure and Financing

- 3.21 During 2016/17 the Council spent £16.739m of Capital Expenditure, of this £16.568m was invested in its own assets with £0.171m granted to third parties including Common Good. This reflects an underspend of £11.100m on the budgeted programme, and an increase in the projected underspend of £2.030m reported to Audit and Finance Committee in March 2017.
- 3.22 Capital expenditure in the year has been financed by capital receipts (£2.925m), government grants and contributions (£6.903m) and direct revenue funding (£4.912m) leaving a balance of £1.990m requiring to be financed from borrowing. The balance was partly funded through cash reserves and a mixture of long and short term borrowing. Principal repayments against borrowing of £6.975m were made in the year.
- 3.23 The Council's gross external debt as at March 2017 stands at £146.149m, a decrease of £0.2m from the position as at March 2016 due mainly to the repayments towards finance leases of £1.3m offset by new borrowing of £1.1m to support the capital programme. Borrowing was in line with the Investment Strategy which focuses on the longer term goal of reducing the overall level of debt liabilities carried by the Council. Further detail is provided in the Annual Treasury Report also on this agenda.

Sundry Trust Funds

- 3.24 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.
- 3.25 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 26 June 2017.

Group Accounts

- 3.26 With the formation of the Clackmannanshire and Stirling Integrated Joint Board, group accounts are now required to be prepared and included in the financial statements. The required statements and supporting notes are included towards the end of the Council's Draft financial Statements and show the group position for the Council, Integrated Joint Board, Central Scotland Valuation Joint Board and CSBP Clackmannanshire Investments Ltd.

Public Inspection

- 3.27 The Financial Statements, once submitted to the Controller of Audit will be made available for public inspection from the 30th June and will be subject to an audit period of up to three months.
- 3.28 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 2017.

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 position is an improvement on that previously forecast at Budget setting in March 2017 due to more favourable Quarter 4 outturn than anticipated at that time. 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 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 2016/17.

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
- Our communities are more cohesive and inclusive
- People are better skilled, trained and ready for learning and employment
- Our communities are safer

- Vulnerable people and families are supported
- Substance misuse and its effects are reduced
- Health is improving and health inequalities are reducing
- The environment is protected and enhanced for all
- The Council is effective, efficient and recognised for excellence

(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 2016/17

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 2016/17

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
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Approved by

NAME	DESIGNATION	SIGNATURE

Nikki Bridle	Depute Chief Executive	
Elaine McPherson	Chief Executive	

**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. Payments totalling £660 were made in the year.
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 £275. £100 was paid to an individual attending a learning opportunity abroad, £100 was paid to an individual to enable attendance of an adult Education Course, £75 was paid to another individual to support an adult Education course.
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 £400 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 a receipts and payments basis under Schedule 3 of The Charities Accounts (Scotland) Regulations 2006, this allows 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:

Audit Scotland
Statutory Auditor
4th Floor
102 West Port
Edinburgh
EH3 9DN

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 2016/17 financial year.

Alastair Campbell	Irene Hamilton
Archie Drummond	Janet Cadenhead
Craig Holden	Jim Stalker
Derek Stewart	Kathleen Martin
Donald W. Balsillie	Kenneth Earle
Ellen Forson	Les Sharp
Gary Womersley	Robert McGill
George Matchett QPM	Tina Murphy
Graham Watt	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. As a result of the Local Government Elections that took place on the 4th May 2017 the following elected members were in place from this date. The members listed below will have the responsibility of 'Trustees' of the Sundry Trusts for the forthcoming 2017/18 financial year.

Archie Drummond	George Matchett QPM
Bill Mason	Graham Lindsay
Chris Dickson	Kathleen Martin
Craig Holden	Kenneth Earle
Darren Lee	Les Sharp
Dave Clark	Martha Benny
Derek Stewart	Mike Watson
Donald W. Balsillie	Phil Fairly
Ellen Forson	Tina Murphy

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.

Clackmannanshire Council Sundry Trust Funds

TRUSTEES' ANNUAL REPORT (CONTINUED)

2. STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

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)

2. STRUCTURE, GOVERNANCE AND MANAGEMENT (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 Trusts in Scotland requires the trustees to prepare financial statements for each financial year which properly present the receipts and payments of the state of affairs of the Trust and of the incoming resources and application of resources of the Trust 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.

Clackmannanshire Council Sundry Trust Funds

2. STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

STATEMENT OF RESPONSIBILITIES (CONTINUED)

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.

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 Trusts 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 Trusts constitution. They are also responsible for safeguarding the assets of the Trusts 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. Payments totalling £660 were made in the year.
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 £275. £100 was paid to an individual attending a learning opportunity abroad, £100 was paid to an individual to enable attendance of an adult Education Course, £75 was paid to another individual to support an adult Education course.
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 £400 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 £660 (2015/16: £1,340) 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 (2015/16: 3). The interest received over this period was £15 (2015/16: £93, £71 of which related to the investment that was reimbursed during 2015/16).

The Clackmannanshire Educational Trust made payments, in respect of charitable activities, totalling £275 (2015/16: £225) over this period. These payments were made to cover the costs associated with adult education courses. The total number of payments made was 3 (2015/16: 3). The interest received over this period was £118 (2015/16: £133).

The Tillicoultry Old Age Pensioners Outing Fund made one payment of £400, in respect of charitable activities, over this period (2015/16: £420). This payment covered the cost of bus hire for a day trip. The interest received over this period was £9 (2015/16: £12).

The Old Folks Welfare Fund made no payments in respect of charitable activities over this period (2015/16: no payments). The interest received over this period was £29 (2015/16: £33).

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 0.48% (2015/16: 0.46%).

It was agreed at the Council Meeting held on the 9th March 2017 that the cost of the external audit fee of £4,000 for 2016/17 only (2015/16: £5,000) will be met in full by Clackmannanshire Council and not recharged to the individual Sundry Trust Funds.

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 the Charitable Trust and the Educational Trust and to amalgamate and transfer the Tillicoultry Old Age Pensioners Outing Fund and the Old Folks Welfare Fund to the Tillicoultry, Coalsnaughton and Devonside Community Council.

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

Signed:

On behalf of the Trustees
Signed:

Nikki Bridle
Depute Chief Executive
Clackmannanshire Council

Provost Tina Murphy
Sundry Trust Chairperson
Clackmannanshire Council

Date: 28th June 2017

Date: 28th June 2017

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 13 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.

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 2017

	Clackmannan District Council Charitable Trust SC011479	Clackmannanshire Educational Trust SC008282	Tillicoultry Old Age Pensioners Outing Fund SC002564	Old Folks Welfare Fund SC004079
	Total	Total	Total	Total
	£	£	£	£
<u>Receipts</u>				
Receipts from investments other than land and building	15	118	9	29
Total Receipts	15	118	9	29
<u>Payments</u>				
Charitable Activities	(660)	(275)	(400)	-
Total Payments	(660)	(275)	(400)	-
Surplus/ (Deficit) for year	(645)	(157)	(391)	29

All funds are unrestricted

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
	Total £	Total £	Total £	Total £
<u>Receipts</u>				
Receipts from investments other than land and building	93	133	12	33
Investment Reimbursed	853	-	-	-
Total Receipts	946	133	12	33
<u>Payments</u>				
Charitable Activities	(1,340)	(225)	(422)	-
Audit Fee	(1,071)	(2,852)	(367)	(710)
Investment Reimbursed	(853)	-	-	-
Total Payments	(3,264)	(3,077)	(789)	(710)
(Deficit) for year	(2,318)	(2,944)	(777)	(677)

All funds are unrestricted

Clackmannanshire Council Sundry Trust Funds

STATEMENT OF BALANCES AS AT 31ST MARCH 2017

	Clackmannan District Council Charitable Trust SC011479	Clackmannanshire Educational Trust SC008282	Tillicoultry Old Age Pensioners Outing Fund SC002564	Old Folks Welfare Fund SC004079
	Total £	Total £	Total £	Total £
Bank and Cash in hand				
Opening Balances	3,114	24,655	1,916	6,131
Surplus/(deficit) for year	(645)	(157)	(391)	29
Closing Balance	2,469	24,498	1,525	6,160

All funds are unrestricted

Signed:

Nikki Bridle

Depute Chief Executive

Clackmannanshire Council

Date: 28th June 2017

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
	Total £	Total £	Total £	Total £
Bank and Cash in hand				
Opening Balances	5,432	27,599	2,693	6,808
(Deficit) for year	(2,318)	(2,944)	(777)	(677)
Closing Balance	3,114	24,655	1,916	6,131

All funds are unrestricted

Clackmannanshire Council Sundry Trust Funds

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

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.

INCOME RECEIVED

Receipts

Receipts comprise interest received from the investments held within the Councils Loan Fund which are recognised when received.

Clackmannanshire Council Sundry Trust Funds

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. ANALYSIS OF PAYMENTS

Details are provided in the Trustees' Annual Report (pages 8 and 9) explaining the grants that have been paid out by the relevant Sundry Trust Funds.

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 2016/17.

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

None of the Sundry Trust Accounts currently hold external stock. In 2015/16 Clackmannan District Council Charitable Trust held £853 in treasury stock which was reimbursed in full.