

Zetland Educational Trust Schemes 1961 to 1965

Scottish Charity No SC001146

Annual Report & Financial Statements

For the Year Ended 31 March 2016

(Audited)

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Trustee's Annual Report

For the Year Ended 31 March 2016

The trustee has pleasure in presenting their report together with the financial statements and the independent examiner's report for the year ended 31 March 2016.

Reference & Administration Information

Charity Name - Zetland Educational Trust Schemes 1961 to 1965 known as Zetland Educational Trust and sometimes referred to as ZET.

Charity No – SC001146

Address – Office Headquarters, 8 North Ness Business Park, Lerwick, Shetland, ZE1 0LZ

Current Trustee

Shetland Islands Council

Structure Governance & Management

Constitution

The Zetland Educational Trust, as currently constituted, was formed in 1961 (and amended in 1965) by the amalgamation of a number of bequests.

Trustee

The trustee is Shetland Islands Council, the local authority for the Shetland Islands area. The trustee is responsible for ensuring that the financial statements for ZET are produced in accordance with the Charities Accounts (Scotland) Regulations 2006 (as amended). It is also responsible for making judgements and estimates that are both reasonable and prudent, whilst also keeping adequate and up to date accounting records. Finally the trustee is responsible for taking steps for the prevention and detection of fraud and other irregularities.

Management

The elected members are responsible for any major decisions relating to the Trust.

Authority to award grants has been delegated to the education service. The nominated officer is the Executive Manager – Quality Improvement.

The Executive Manager – Quality Improvement has the power to authorise expenditure within the limits of the income of the Trust. Nominated staff within the Schools Service are then responsible for the day-to-day administration of the funds.

Objectives & Activities

Charitable Purposes

The purpose of the Trust is educational in nature, to enhance the educational benefit of people belonging to Shetland.

The Zetland Educational Trust comprises of a number of endowments as specified in the Zetland Educational Trust schemes 1961 and 1965, which are vested in Shetland Islands Council as the governing body and statutory successors to the County Council for the County of Zetland.

The Zetland Educational Trust will not generally cover activities where alternative sources of funding are available.

The Zetland Educational Trust will only provide a grant of 75% of total project costs unless under exceptional circumstances, the remainder of project costs to be met by fundraising activities or in-kind support. The Trust will not give funds retrospectively.

The Trust aims to support a wide range of beneficiaries with smaller sums (e.g. £200-£2000) of money that will allow projects to happen that wouldn't otherwise be able to take place. The Trust will also consider larger projects where it is thought the overall educational benefits would make a real difference to the enhancement of education in Shetland. The amount of monies available through the ZET will vary year on year depending on interest generated on funds held. Projects that are considered to be innovative and make creative use of resources as well as being new will be viewed favourably. All applications are expected to be of a certain quality and will be judged by the ZET management group on their own merit. The final decision rests with the Executive Manager – Quality Improvement.

The Trust will fund projects that fall under the following headings:

Educational Excursions

The Trust may provide assistance to meet the costs of organised educational excursions for the benefit of pupils attending school centres in Shetland. Suitable excursions may include visits to places of historical interest, museums, art galleries, zoological gardens, workshops, exhibitions, and any other places and also attendance at lectures, concerts, performances and displays. The pupils and young persons should derive some educational benefit from attending the excursion.

Special Equipment

The Trust may fund improving education by providing or assisting to provide special equipment which is in addition to what the local authority may reasonably be expected to supply.

Promotion of Ability and Skill in Swimming

The Trust may spend money for the promotion and encouragement of swimming among pupils in Shetland by organised instruction, meeting travelling and other expenses of teams, paying fees, travelling expenses and personal expenses of instructors and other methods as appear appropriate.

Promotion of Knowledge of Shetland

The Trust may spend money in promoting a knowledge of Shetland, its character, its skills and its arts among persons being educated in Shetland by, for example, assisting to establish and maintain a museum at a suitable centre in Shetland, assisting to meet the costs of making films designed to develop the knowledge of Shetland and any other methods as appear appropriate.

Educational Experiments and Research

The Trust may spend money providing assistance to bodies and persons approved by them to undertake educational experiments and research, including archaeological research which, in the opinion of the Trust, will be for the educational benefit of persons in Shetland.

Application Process

Applications are invited on an annual basis from individuals, schools and other educational organisations operating in Shetland.

Monitoring Process

A project evaluation form is completed by those receiving an award, giving a summary of how the money was spent and how the award benefited the school/group/etc. Any funding not utilised as specified is repaid.

Financial Review

The Trust holds assets at 31 March 2016 of £665,741 (2015: £662,548). The only source of funding of the Trust is bank interest.

In the year, the Trust earned £5,193 (2015: £7,209) from bank investments and made payments of £2,000 (2015: £2,745) on grants and donations resulting in a surplus balance of £3,193 (2015 deficit of £1,737) on the unrestricted funds.

Investment options are currently being explored for the capital fund of £655,000. This is currently shown as an investment in the financial statements.

Bursaries of £200 are awarded annually for university students, two in the name of E. & M. Gair and one in the name of Arthur Anderson. These continue to be awarded as the students progress through their degree programmes.

Any remaining interest will reflect the number and value of grants available to be paid during the year.

Achievements & Performance

During the year ten bursaries were disbursed to university students to support their studies. These are issued in the name of the original donors E. & M. Gair and Arthur Anderson. There are currently six and four recipients respectively with payments in the year totalling £2,000 (2015: £2,400)

The Trust also provides grants for projects of a general educational nature, in line with the objectives set out above. In the year ended 31 March 2016 this totalled £0 (2015: £345).

A breakdown of the total expenditure on grants and donations of £2000 (2015: £2,745) is shown at Note 4.

Reserves Policy

In previous years the Trust's cash has been placed into fixed term investments, however for 2015/16 this is being reviewed in order for alternative investment options to be explored. This is currently shown as an investment in the financial statements.

There is no charge made by the Council for work involved in the administration of the Trust.

From 2015/16 there is no separate audit fee for the Trust as this is now absorbed by Shetland Islands Council.

Declaration

Approved by the trustee on 21 September and signed on their behalf by:



Jonathan Belford CPFA
Executive Manager – Finance

21 September 2016

Statement of Balances – As at 31 March 2016

	Unrestricted Funds £	Total 2016 £	Total 2015 £
Cash Funds			
Cash and bank balances at start of year	7,548	7,548	9,285
Surplus / (deficit) shown on receipts and payments account	3,193	3,193	(1,737)
Cash and bank balances at end of year	<u>10,741</u>	<u>10,741</u>	<u>7,548</u>

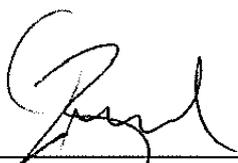
	Market valuation £	Last year £
Investments		
Bank of Scotland - Fixed Term Deposit	-	655,000
Bank of Scotland - Current Account	655,000	-
Total	<u>655,000</u>	<u>655,000</u>

Trust balances at 31 March 2016

	£	£
Cheque Account	10,741	7,548
Fixed Term Deposit	655,000	655,000
Total	<u>665,741</u>	<u>662,548</u>

The Notes on page 8 form an integral part of these accounts

Approved by the trustee on 21 September and signed on their behalf by:



Jonathan Belford CPFA
Executive Manager – Finance

21 September 2016

Notes to the Accounts – For the Year Ended 31 March 2016

1 Basis of Accounting

These accounts have been prepared on the Receipts & Payments basis in accordance with the Charities & Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

2 Nature and purpose of funds

The furtherance of the ZET objectives is achieved by unrestricted funds within the limits of the funds available annually. These funds were maintained in a fixed interest account however, for 2015/16 this is being reviewed in order for alternative investment options to be explored.

3 Related Parties Transactions

There were no related party transactions during 2015/16

4 Bursaries & Grants made

Type of activity or project supported

	Total 2016		Total 2015	
	Number	£	Number	£
Arthur Anderson Bursaries	4	800	4	800
E & M Gair Bursaries	6	1,200	8	1,600
Educational Excursion	0	0	1	345
Special Equipment	-	-	0	0
Swimming	-	-	-	-
Knowledge of Shetland	-	-	0	0
Experiments and Research	-	-	0	0
<u>Previous Grants Repaid</u>				
Educational Excursion	-	-	0	0
Special Equipment	-	-	0	0
Knowledge of Shetland	-	-	0	0
		<u>2,000</u>		<u>2,745</u>

During 2015/16 no grants were paid to any external bodies. (0 bodies in 14/15).

5 Costs

There were no additional costs to the Trust during 2015/16.

6 Trustee remuneration

No remuneration was paid during the period to any charity trustee or person connected to a trustee.

7 Trustee expenses

No expenses were paid to any charity trustee during the period.

Independent Auditor's Report

Independent auditor's report to the trustees of Zetland Educational Trust and the Accounts Commission for Scotland

I certify that I have audited the financial statements of Zetland Educational Trust for the year ended 31 March 2016 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the statement of receipts and payments, statement of balances and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis.

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice approved by the Accounts Commission for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of the trustees and auditor

The trustees are responsible for the preparation of the financial statements which properly present the receipts and payments of the charity. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts or disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on financial statements

In my opinion the financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2016 and its statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1),(2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

Opinion on other prescribed matter

In my opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.



David McConnell, MA, CPFA
Assistant Director
Audit Scotland
4th Floor, South Suite
The Athenaeum Building
8 Nelson Mandela Place
GLASGOW
G2 1BT

23 September 2016

David McConnell is eligible to act as an auditor in terms of Pat VII of the Local Government (Scotland) Act 1973.