

Zetland Educational Trust Schemes 1961 to 1965

# Trustees' Annual Report and Unaudited Financial Statements

# 2023/24



**SHETLAND**  
ISLANDS COUNCIL

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**ZETLAND EDUCATIONAL TRUST**  
**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2024**

## Introduction

The trustees present their annual report together with the financial statements for the year ended 31 March 2024.

## Administration Information

**Charity Name** Zetland Educational Trust Schemes 1961 to 1965, known as Zetland Educational Trust (ZET)

**Charity Number** SC001146

**Contact Address** Shetland Islands Council  
Office Headquarters  
8 North Ness Business Park  
Lerwick  
Shetland  
ZE1 0LZ

### Trustees

Duncan Anderson

Emma Macdonald

Mark Robinson

Alex Armitage

Tom Morton

Davie Sandison

Allison Duncan

Robbie McGregor

Ian Scott

John Fraser

Andrea Manson

Cecil Smith

Catherine Hughson

Neil Pearson

Robert Thomson

Dennis Leask

Bryan Peterson

Ryan Thomson

Stephen Leask

Liz Peterson

Arwed Wenger

Moraig Llyall

Gary Robinson

**Auditor** Audit Scotland  
4<sup>th</sup> Floor  
102 West Port  
Edinburgh  
EH3 9DN

## Structure, Governance and Management

### Constitution

The ZET, as currently constituted, was formed in 1961 (amended in 1965) through the amalgamation of a number of bequests. It is registered with the Office of the Scottish Charity regulator (OSCR) and its governing document is a trust deed.

# ZETLAND EDUCATIONAL TRUST

## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2024

The ZET comprises a number of endowments as specified in the ZET 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.

### Trustees

The trustees of ZET are the elected members of Shetland Islands Council and are appointed through their election to the Council.

The Executive Manager – Finance is the designated officer within Shetland Islands Council with responsibility for the proper administration of the trust's financial affairs and for keeping adequate and up to date accounting records.

The Executive Manager – Finance is responsible for ensuring that the financial statements of the trust are produced in accordance with the Charities Accounts (Scotland) Regulations 2006 (as amended), for making judgements and estimates that are both reasonable and prudent, and for taking steps to prevent and detect fraud and other irregularities.

The Executive Manager – Finance has considered and taken steps to address any risks to which the trust may be exposed, in particular those related to its operation and finances. The trustees are satisfied that adequate systems are in place to mitigate exposure to such risks.

### Management

The elected members, as trustees, are responsible for all major decisions relating to the trust.

Authority to award grants has been delegated by the trustees to Shetland Islands Council Children's Services. The nominated officer is the Executive Manager – Education and Learning.

The Executive Manager – Education and Learning has the power to authorise expenditure within the limits of the trust's annual income. Designated staff within Children's Services are responsible for the day-to-day administration of the funds.

## Objectives and Activities

### Charitable purposes

The purpose of the trust is the advancement of education of people belonging to Shetland.

The trust generally provides grants amounting to 75% of total project costs, with the remainder of project costs to be met by fundraising activities or in-kind support. The trust does not give funds retrospectively. Applications are invited on an annual basis from individuals, schools and other educational organisations operating in Shetland.

The amount of funds available for disbursement will vary each year depending on interest received by the trust.

**ZETLAND EDUCATIONAL TRUST**  
**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2024**

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. The pupils should derive some educational benefit from attending the excursion.

- **Special equipment**

The trust may fund the enhancement of education by assisting the provision of special equipment additional to that which the local authority may reasonably be expected to supply.

- **Promotion of ability and skill in swimming**

The trust may fund the promotion and encouragement of swimming among pupils in Shetland through organised instruction by paying fees, travelling expenses and personal expenses of teams, instructors and any other appropriate costs.

- **Promotion of knowledge of Shetland**

The trust may fund the promotion of knowledge of Shetland: its character, its skills and its arts, among persons being educated in Shetland by, for example, assisting to meet the costs of museum provision, making films designed to develop the knowledge of Shetland and any other appropriate costs.

- **Educational experiments and research**

The trust may fund bodies, or other persons it approves, to undertake educational experiments and research, including archaeological research that, in its opinion, will be for the educational benefit of persons in Shetland.

## Performance

For the year ended 31 March 2024, the trust received bank interest of £968 (2022/23: £401) and paid bank charges of £2 (2022/23: £3).

The Corporate Bond Fund generated investment income of £27,160 (2022/23: £24,384) and resulted in £1,759 of fund manager fees (2022/23: £1,892).

There were 12 bursaries (2022/23: 10) awarded to university students in support of their studies, totalling £2,400 (2022/23: £2,000). These bursaries are issued in the name of the original donors: E & M Gair 8 awards (2022/23: 6) and Arthur Anderson 4 awards (2022/23: 4). These bursaries will continue to be awarded as the students' progress through their degree programmes.

The trust also provides grants for projects in line with its objectives. There were 12 (2022/23: 11) grants awarded totalling £12,182 in the year to 31 March 2024 (2022/23: £17,503), which are detailed in note 3. The decrease in the value of grants paid is mainly due to 2 grants which were awarded totalling £2,150 not going ahead in the year.

## Financial Review

### Overview

In the year to 31 March 2024, the trust made a surplus of £10,355 (2022/23: £387).

At 31 March 2024 the trust held cash of £18,007 (2022/23: £7,652) and investments of £616,504 (2022/23: £590,919).

### Reserves Policy

The Reserves policy is to maintain capital balances, with disbursements being made from investment income and bank interest earned.

## Declaration

Approved by order of the Board of Trustees on 26 June 2024 and were signed on its behalf by:

.....  
Emma Macdonald - Trustee

## ZETLAND EDUCATIONAL TRUST

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

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

Note	Restricted Funds £	Unrestricted Funds £	2023/24 £	2022/23 £
<b>Receipts</b>				
Investment Income	27,160	0	27,160	24,384
Bank Interest	968	0	968	401
Grant repayment	1,750	0	1,750	0
<b>Total receipts</b>	<b>29,878</b>	<b>0</b>	<b>29,878</b>	<b>24,785</b>
<b>Payments</b>				
Disbursements	14,582		14,582	19,503
Fund Manager Fees	1,758	0	1,758	1,892
Service Charges	3,182	0	3,182	3,003
<b>Total payments</b>	<b>19,522</b>	<b>0</b>	<b>19,521</b>	<b>24,398</b>
<b>Surplus for the year</b>	<b>10,355</b>	<b>0</b>	<b>10,356</b>	<b>387</b>

**ZETLAND EDUCATIONAL TRUST**  
**STATEMENT OF BALANCES AS AT 31 MARCH 2024**

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

Note	Restricted Funds £	Unrestricted Funds £	2023/24 £	2022/23 £
<b>Cash and Bank</b>				
<b>Opening cash balance</b>	7,652	0	7,652	7,265
Surplus for the year	10,355	0	10,355	387
Transfer to Investment	0	0	0	0
<b>Closing cash balance</b>	<b>18,007</b>	<b>0</b>	<b>18,007</b>	<b>7,652</b>

Note	2023/24 £	2022/23 £
<b>Investments at market value</b>		
Baillie Gifford Corporate Bond	616,504	590,919
<b>Total Investments</b>	<b>616,504</b>	<b>590,919</b>

The financial statements were approved by the Board of Trustees on 26 June 2024 and signed on its behalf by:

.....  
 Emma Macdonald - Trustee



## 1. Basis of Accounting

The financial statements have been prepared on a receipts and 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

Unrestricted funds are those that may be used at the discretion of the trustees in furtherance of the objects of the charity.

Restricted funds may only be used for specific purposes. Restrictions arise when specified by the donor or when funds are raised for specific purposes.

## 3. Grants and Donations paid

Disbursements: bursaries	2023/24		2022/23	
	Number	£	Number	£
<b>Disbursements</b>				
E & M Gair student bursaries	8	1,600	6	1,200
Arthur Anderson student bursaries	4	800	4	800
<b>Total</b>	<b>12</b>	<b>2,400</b>	<b>10</b>	<b>2,000</b>

Disbursements: grants	2023/24		2022/23	
	Number	£	Number	£
<b>Type of activity or project supported</b>				
Educational excursions	5	4,668	3	2,000
Promotion of ability and skill in Swimming	0	0	2	3,750
Promotion of knowledge of Shetland	2	3,175	3	7,250
Special equipment	5	4,339	3	4,503
	<b>12</b>	<b>12,182</b>	<b>11</b>	<b>17,503</b>

All 12 grants awarded in the year were to local clubs and schools. No individuals were awarded grants.

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

- a) No remuneration or expenses were paid during the year to any trustee or persons connected to a trustee during 2023/24 or 2022/23;
- b) Shetland Islands Council has not charged the trust any fees for legal, financial or administrative services provided during the year; and
- c) There were no related party transactions during the year (2022/23: £0).

## 5. Cash and investments

Investment balances are invested with Baillie Gifford in a Corporate Bond Fund. Over the first six months of the financial year bond markets were relatively flat as interest rates remained high keeping pressure on bond valuations. As the financial year progressed inflation started to fall and interest rates stabilised. This resulted in a sharp recovery in all asset classes including bonds, as confidence returned to the markets based on a more positive economic outlook. The bond market was further buoyed with expectations of interest rate cuts from central banks in 2024. The increase in the ZET's bond investments value is mainly due to confidence returning to the markets and expectations of interest rates falling during 2024.

Fund manager fees are invoiced quarterly in arrears, and charged at the rate of 0.3% on the daily market value of the fund.

The ZET has one bank account, which not only receives bank interest but also a monthly amount from income generated by the bond fund with Baillie Gifford. The bank account is used to make payments out of its annual income.

## 6. Governance Costs

Shetland Islands Council has an agreement with the trust whereby the audit fee is borne by the Council unless the trust earns a minimum income of £10,000 in the year. This income threshold was exceeded in 2023/24 and the trust has paid audit fees of £3,180 (2022/23: £3000).

## 7. Taxation

The trust is not liable to income or capital gains tax on its activities. Irrecoverable VAT is included in any expense to which it relates.