

ZETLAND EDUCATIONAL TRUST SCHEMES

1961 TO 1965



TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Contents

Trustee’s Annual Report for the Year Ended 31 March 20181

Independent Auditor’s Report4

Statement of Receipts and Payments for the year ended 31 March 2018.....6

Statement of Balances as at 31 March 20187

Notes to the Financial Statements8

ZETLAND EDUCATIONAL TRUST

TRUSTEE'S ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2018

Introduction

The trustees present their annual report together with the financial statements and the auditor's report for the year ended 31 March 2018.

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
Current Trustees	Shetland Islands Council
Auditor	Deloitte LLP 1 City Square Leeds LS1 2AL

Structure, Governance and Management

Constitution

The Zetland Educational Trust (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.

The Zetland Educational Trust 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 ZET 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.

Trustees (Cont.)

The Executive Manager – Finance has considered and taken steps to address any risks to which the charity 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 – Quality Improvement.

The Executive Manager – Quality Improvement 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 Zetland Educational 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.

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.

ZETLAND EDUCATIONAL TRUST
TRUSTEE'S ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2018

- **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 2018, the Trust received bank interest of £941 and investment income of £22,005.

There were 14 bursaries (2016/17: 12) awarded to university students in support of their studies, totalling £2,800 (2016/17: £2,400). These bursaries are issued in the name of the original donors: E&M Gair (8 awards) and Arthur Anderson (6 awards). These bursaries will continue to be awarded as the students' progress through their degree programmes.

The Trust also provides grants for projects of a general educational nature in line with the objectives set out above. There were 42 grants awarded totalling £12,784 in the year to 31 March 2018 (2016/17: nil).

Financial Review

Overview

In the year to 31 March 2018, the Trust made a surplus of £6,139 (2016/17: £1,579).

At 31 March 2018 the trust held cash and investments amounting to £673,459 (2016/17: £667,320).

Reserves Policy

Following approval on 7 March 2017, Trust reserves of £660,000 previously held in a fixed term deposit account were transferred to a Corporate Bond Fund with investment managers Baillie Gifford with effect from 28 April 2017.

Declaration

This report was signed on behalf of the trustees on 27 June 2018 by:



.....
Jonathan Belford, CPFA
Executive Manager – Finance

**THIS PAGE IS
INTENTIONALLY BLANK**

**THIS PAGE IS
INTENTIONALLY BLANK**

ZETLAND EDUCATIONAL TRUST
STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

	Note	Restricted Funds £	2017/18 £	2016/17 £
Receipts				
Investment income	3	22,005	22,005	0
Bank interest		941	941	3,979
Total receipts		22,946	22,946	3,979
Payments				
Service charges		5	5	0
Fund Manager fees	3	1,218	1,218	0
Disbursements	4	15,584	15,584	2,400
Total payments		16,807	16,807	2,400
Surplus for the year		6,139	6,139	1,579

ZETLAND EDUCATIONAL TRUST
STATEMENT OF BALANCES AS AT 31 MARCH 2018

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

	Note	Restricted Funds £	2017/18 £	2016/17 £
Cash and bank	3			
Opening balance		7,320	7,320	10,741
Less transfer to investments		0	0	(5,000)
Surplus for the year		6,139	6,139	1,579
Closing cash balance		13,459	13,459	7,320
Investments	3			
Bank of Scotland - Fixed Term Deposit		-	-	660,000
Baillie Gifford Corporate Bond		660,000	660,000	0
Total Investments		660,000	660,000	660,000
Opening Trust Balance at 1 April		667,320	667,320	665,741
Add surplus for the year		6,139	6,139	1,579
Closing Trust Balance at 31 March		673,459	673,459	667,320

Signed on behalf of the trustees on 27 June 2018 by:



.....
Jonathan Belford, CPFA
Executive Manager – Finance

ZETLAND EDUCATIONAL TRUST
NOTES TO THE FINANCIAL STATEMENTS

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.

2. Trustee Remuneration, Expenses and Related Party Transactions

- a) No remuneration or expenses were paid during the period to any trustee or persons connected to a trustee during 2017/18;
- b) There were no related party transactions during the year; and
- c) Shetland Islands Council has not charged the Trust any fees for legal, financial or administrative services provided during the year.

3. Cash and Investments

There is currently one bank current account held by the trust, used mainly for payments. The balance on this account at 31 March 2018 was £13,459.

Investment balances are held in a Baillie Gifford Corporate Bond Fund with an average annual return of 4.5% and Fund Manager fees of 0.3%. At 31 March 2018, the market value of the Baillie Gifford Corporate Bond was £654,605.

4. Disbursement of Bursaries and Grants

Disbursements: bursaries	2017/18		2016/17	
	Number	£	Number	£
E & M Gair student bursaries	8	1,600	9	1,800
Arthur Anderson student bursaries	6	1,200	3	600
Total	14	2,800	12	2,400

Disbursements: grants	2017/18		2016/17	
	Number	£	Number	£
Type of activity or project supported				
Special equipment	18	4,491	-	-
Promotion of knowledge of Shetland	14	2,091	-	-
Educational excursions	9	4,522	-	-
Promotion of swimming skills	1	1,680	-	-
Total	42	12,784	-	-

5. Audit Fees

Shetland Islands Council has an agreement with ZET whereby the independent audit fee is borne by the Council unless the Trust earns a minimum income of £10,000 in the year. For 2017/18, this income threshold was exceeded and therefore audit fees of £400 are chargeable to ZET. This transaction will take place in 2018/19.

6. Taxation

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