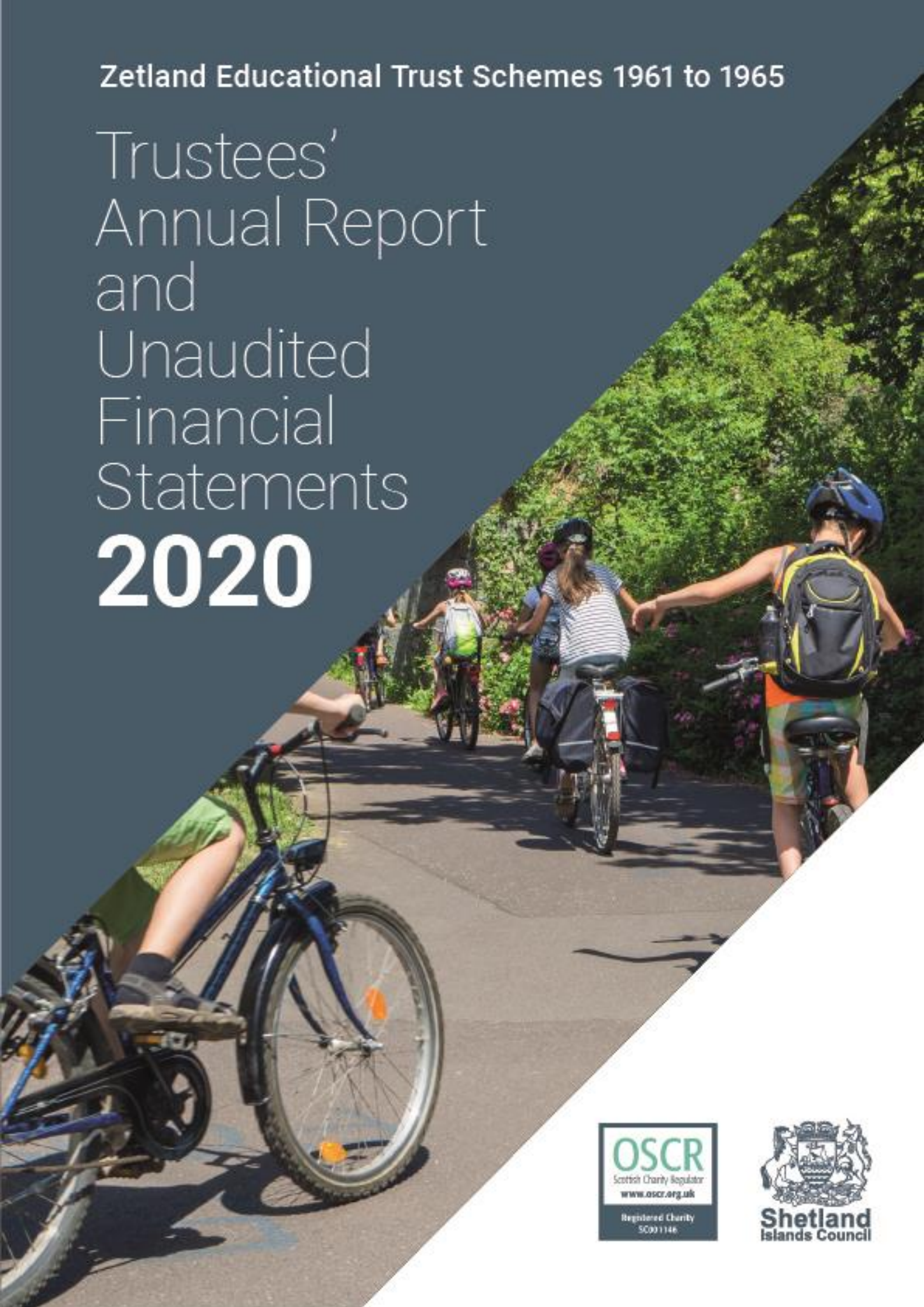


Zetland Educational Trust Schemes 1961 to 1965

Trustees'
Annual Report
and
Unaudited
Financial
Statements
2020



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ZETLAND EDUCATIONAL TRUST
TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2020

Introduction

The trustees present their annual report together with the financial statements for the year ended 31 March 2020.

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	Duncan Anderson Malcolm Bell Peter Campbell Alastair Cooper Steven Coutts Allison Duncan Stephen Flaws* John Fraser Amanda Hawick Catherine Hughson Stephen Leask	Moraig Lyall* Emma Macdonald Robbie McGregor Andrea Manson Alec Priest David Sandison Ian Scott Cecil Smith George Smith Theo Smith Ryan Thomson

*Appointed on 11 November 2019.

Changes to Trustees	Mark Burgess (resigned 19 September 2019) Beatrice Wishart (resigned 9 September 2019)
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Auditor	Deloitte LLP 110 Queen Street Glasgow G1 3BX
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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.

ZETLAND EDUCATIONAL TRUST

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2020

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.

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.

ZETLAND EDUCATIONAL TRUST
TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2020

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 2020, the Trust received bank interest of £188 (2018/19: £126).

The Corporate Bond Fund generated investment income of £25,128 (2018/19: £25,838) and resulted in £1,999 of Fund manager fees (2018/19: £1,948).

There were 14 bursaries (2018/19: 12) awarded to university students in support of their studies, totalling £2,800 (2018/19: £2,400). These bursaries are issued in the name of the original donors: E & M Gair 7 awards (2018/19: 8) and Arthur Anderson 7 awards (2018/19: 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 17 grants awarded totalling £12,948 in the year to 31 March 2020 (2018/19: £18,887).

Financial Review

Overview

In the year to 31 March 2020, the Trust made a surplus of £7,168 (2018/19: £5,578).

At 31 March 2020 the Trust held cash of £26,205 (2018/19: £19,037) and investments of £620,604 (2018/19: £657,161). In the last quarter of the financial year the impact of COVID-19 was seen on the global markets, this adversely affected the investments market value at year-end.

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 15 July 2020 and were signed on its behalf by:



.....
Steven Coutts - Trustee

ZETLAND EDUCATIONAL TRUST
STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31 MARCH 2020

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	Unrestricted Funds £	Restricted Funds £	2019/20 £	2018/19 £
Receipts					
Donations	2	0	0	0	2,711
Grants	4	0	0	0	940
Investment Income	5	25,128	0	25,128	25,838
Bank Interest		188	0	188	126
Total receipts		25,316	0	25,316	29,615
Payments					
Disbursements	6	15,748	0	15,748	21,287
Fund Manager Fees	5	1,999	0	1,999	1,948
Service Charges	7	401	0	401	802
Total payments		18,148	0	18,148	24,037
Surplus for the year		7,168	0	7,168	5,578

ZETLAND EDUCATIONAL TRUST
STATEMENT OF BALANCES AS AT 31 MARCH 2020

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	Unrestricted Funds £	Restricted Funds £	2019/20 £	2018/19 £
Cash and Bank				
Opening cash balance	19,037	0	19,037	13,459
Surplus for the year	7,168	0	7,168	5,578
Closing cash balance	26,205	0	26,205	19,037

Note	2019/20 £	2018/19 £
Investments at market value		
Baillie Gifford Corporate Bond 5	620,604	657,161
Total Investments	620,604	657,161

The financial statements were approved by the Board of Trustees on 15 July 2020 and signed on its behalf by:



.....
 Steven Coutts - 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. No donations were received by the ZET during 2019/20 (2018/19: £2,711).

3. 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 2019/20;
- 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 (2018/19: £5,000).

4. Grants received

No grants were received during the year (2018/19: £940).

5. Cash and Investments

Investment balances are held in a Baillie Gifford Corporate Bond Fund.

Fund manager fees of 3% on the daily market value of the fund is charged and invoiced quarterly in arrears.

The Trust holds one bank account. In addition to receiving bank interest, income generated from the bond is received by the account. The bank account is used to make payments.

6. Disbursement of Bursaries and Grants

Disbursements: bursaries	2019/20		2018/19	
	Number	£	Number	£
Disbursements				
E & M Gair student bursaries	7	1,400	8	1,600
Arthur Anderson student bursaries	7	1,400	4	800
Total	14	2,800	12	2,400

ZETLAND EDUCATIONAL TRUST
NOTES TO THE FINANCIAL STATEMENTS

Disbursements: grants	2019/20		2018/19	
	Number	£	Number	£
Type of activity or project supported				
Educational Excursions	11	8,775	1	4,711
Educational experiments and research	0	0	1	109
Promotion of ability and skill in Swimming	1	1,099	0	0
Promotion of knowledge of Shetland	1	300	3	6,080
Special equipment	4	2,774	4	7,987
	17	12,948	9	18,887

All 17 grants awarded in the year were to local clubs and schools. No individuals were awarded grants.

7. 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. This income threshold was exceeded in 2019/20 and audit fees of £400 are chargeable to ZET.

8. 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.