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ANNUAL REPORT AND ACCOUNTS

**LORD PROVOST'S CHILDREN'S FUND**

Charity Number SC042267

For the Year Ended 31 March 2017

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# LORD PROVOST'S CHILDREN'S FUND

## Annual Report and Accounts for Year ended 31 March 2017

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**❖ Trustees' Annual Report for the Year Ended 31 March 2017**

The Trustees present their annual report and financial statements of the charity for the year ended 31 March 2017. The financial statements have been prepared in accordance with the accounting policies set out in note 3 to the accounts and comply with the charity's trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published 16 July 2014 and update Bulletin 1 to the SORP published in February 2016.

**❖ Objectives and Activities****Charitable purposes**

- The prevention or relief of poverty;
- The advancement of education;
- The advancement of citizenship or community development; and
- The relief of those in need.

All as they relate to children within the City of Glasgow.

**Summary of main activities in relation to these objects**

The specific charity purposes as outlined in the Trust Deed are:-

- The prevention or relief of child poverty within the City of Glasgow (that being the Local Authority boundary set by statute).
- The advancement of education.
- The advancement of citizenship and community development (including the promotion of civic responsibility, volunteering, the voluntary sector or the effectiveness or efficiency of charities) within the City of Glasgow.
- The relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage. This will include children living in Glasgow.

**❖ Achievements and Performance****Summary of main achievements of the charity during the financial period:**

A number of grants have been made on the approval of the Trustees totalling £45,126.

**❖ Financial Review**

The Statement of Financial Activities shows total resources expended for the year of £47,007 (2015/16: £44,221). A total of £1,029,314 was retained in accumulated funds at 31st March 2017 (2015/16: £928,200).

**Reserves and budget policy**

The fund reserves are split between restricted and unrestricted. The balance held as unrestricted funds at 31 March 2017 was £1,018,569 of which £1,003,306 is tied up in investments. To preserve the capital value of the fund, the Trustees have agreed a strategy that limits the funds available for disbursement at 1% of the fund value augmented by any previous year budget underspends and any additional income raised within the year. The grant expenditure budget for 2016-17 was set at £49,819, with grant expenditure amounting to £45,126. The underspend of £4,693 will be carried forward into 2017-18.

The balance held as restricted funds as at 31 March 2017 was £10,745. This balance was a donation to fund a dedicated EAL teacher at The Hillhead High School.

**Risk management**

The principal risks faced by the charity lie in the performance of investments. The Trustees consider variability of investment returns to constitute the charity's major financial risk, which could lead to the lack of capacity to make effective grants due to the lack of funds. This is mitigated by retaining expert investment managers and having a diversified investment portfolio.

**Plans for future periods**

A governance structure has been put in place whereby applications which comply with the charity objectives are sought from individuals via the Council's Social Work and Education Services as appropriate. A financial limit has been placed on both individual donations and the annual available sums. This will be subject to ongoing review by the Trustees.

**❖ Structure, governance and management****Type of governing document**

The Lord Provost's Children's Fund is an unincorporated Scottish charity governed by its trust deed, adopted on 14th April 2011.

## Trustee recruitment and appointment

The Trustees shall be entitled, by virtue of a resolution passed by majority vote to appoint any individual as a Trustee. The Trustees shall have powers to remove any individual as a Trustee, by way of resolution passed by a majority of two thirds or more of the Trustees then in office. An individual holding office as a Trustee may retire by giving notice in writing to that effect. Trustees may be appointed by virtue of their office, upon retirement or resignation, the Trustee shall automatically be deemed to have retired from the Trust. Upon appointment of a new individual to the office they shall automatically become a Trustee.

## ❖ Reference and Administration Details

<b>Charity name</b>	Lord Provost's Children's Fund
<b>Registered charity number</b>	SC042267
<b>Charity's principal address</b>	Glasgow City Council Corporate Finance Exchange House 2 <sup>nd</sup> Floor 231 George Street Glasgow G1 1QX

## Names of the charity trustees on date of approval of Trustees' Annual Report

Trustee Name	Office (if any)	Dates acted if not for whole year
Lord Provost Sadie Docherty	Chair	1 April 2016 to 18 May 2017
Lord Provost Eva Bolander	Chair	From 18 May 2017
Bailie John McLaughlin		1 April 2016 to 18 May 2017
Councillor Alistair Watson		1 April 2016 to 18 May 2017
Lynn Brown		1 April 2016 to 30 September 2016
Carole Forrest		
Morag Johnston		From 1 October 2016
Councillor Maureen Burke		From 18 May 2017
Bailie Glenn Elder		From 18 May 2017

**Auditor**

Scott-Moncrieff

25 Bothwell Street

Glasgow

G2 6NL

**Statement of Trustees' Responsibilities**

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Charity Law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Standards and applicable law). The Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit for the year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Statement of Disclosure of Information to Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

## Declaration

The Trustees declare that they have approved the Trustees' report above.

**Approved by the Trustees and signed on their behalf by**

## Signature

**Full Name** Lord Provost Eva Bolander

**Position** Chair

**Date** 3 November 2017

## **Independent Auditor's Report to the Trustees for the Year Ended 31 March 2017**

We have audited the financial statements of The Lord Provost's Children's Fund for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's Trustees, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Trustees and auditor**

As explained more fully in the statement of Trustees' responsibilities set out on page 5, the Trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor under section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).



**Independent Auditor's Report to the Trustees for the Year Ended 31 March 2017**

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2017 and of its incoming resources and application of resources including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees' annual report is inconsistent in any material respect with the financial statements; or
- proper and adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Scott-Moncrieff

Statutory Auditor

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

25 Bothwell Street

Glasgow

G2 6NL

**Date** 3 November 2017

# LORD PROVOST'S CHILDREN'S FUND

Statement of Financial Activities

## Statement of Financial Activities for the Year Ended 31 March 2017

LORD PROVOST'S CHILDREN'S FUND				Charity No SC042267			
	Note	Unrestricted Funds £	Restricted Funds £	Total 2016/17 £	Unrestricted Funds £	Restricted Funds £	Total 2015/16 £
<b>Income from:</b>							
Donations	4	40,818	-	40,818	22,439	-	22,439
Investments	5	<u>747</u>	<u>-</u>	<u>747</u>	<u>833</u>	<u>-</u>	<u>833</u>
<b>Total</b>		<u>41,565</u>	<u>-</u>	<u>41,565</u>	<u>23,272</u>	<u>-</u>	<u>23,272</u>
<b>Expenditure on:</b>							
Charitable activities	6	(47,007)	-	(47,007)	(44,221)	-	(44,221)
Net gains/(losses) on investments	7	<u>106,556</u>	<u>-</u>	<u>106,556</u>	<u>(31,404)</u>	<u>-</u>	<u>(31,404)</u>
<b>Net income/(expenditure)</b>		<u>101,114</u>	<u>-</u>	<u>101,114</u>	<u>(52,353)</u>	<u>-</u>	<u>(52,353)</u>
<b>Reconciliation of funds:</b>							
Total funds brought forward	12,13	<u>917,455</u>	<u>10,745</u>	<u>928,200</u>	<u>969,808</u>	<u>10,745</u>	<u>980,553</u>
<b>Total funds carried forward</b>	12,13	<u>1,018,569</u>	<u>10,745</u>	<u>1,029,314</u>	<u>917,455</u>	<u>10,745</u>	<u>928,200</u>

The notes on pages 11 to 18 form part of these financial statements.

## Balance Sheet as at 31 March 2017

LORD PROVOST'S CHILDREN'S FUND		Charity No SC042267	
	Note	Total 2016/17 £	Total 2015/16 £
<b>Fixed assets</b>			
Investments	7	<u>1,003,306</u>	<u>896,750</u>
<b>Total fixed assets</b>		<u>1,003,306</u>	<u>896,750</u>
<b>Current assets</b>			
Debtors	8	1,881	1,826
Cash at bank and in hand		<u>26,608</u>	<u>31,450</u>
<b>Total current assets</b>		28,489	33,276
<b>Creditors: amounts falling due within one year</b>	9	<u>(2,481)</u>	<u>(1,826)</u>
<b>Net current assets</b>		26,008	31,450
<b>Net assets</b>	11	<u>1,029,314</u>	<u>928,200</u>
<b>Funds of the Charity</b>			
<b>Unrestricted funds</b>	12	1,018,569	917,455
<b>Restricted funds</b>	13	<u>10,745</u>	<u>10,745</u>
<b>Total funds</b>		<u>1,029,314</u>	<u>928,200</u>
Approved by the Trustees and signed on their behalf by:			
Lord Provost Eva Bolander		<b>Date</b>	3 November 2017
Morag Johnston		<b>Date</b>	3 November 2017

The notes on pages 11 to 18 form part of these financial statements

**Notes to the Accounts for the Year Ended 31 March 2017****1. General Information**

These financial statements are presented in pounds sterling (GBP), as that is the currency in which all of the charity's transactions are denominated. They comprise the financial statements of the charity only and cover the year to 31 March 2017.

The continuing activities of the Lord Provost's Children's Fund are to award grants to children within the City of Glasgow to prevent or relieve poverty, advance education and relieve those in need.

The Lord Provost's Children's Fund is an unincorporated charity and registered in Scotland. It is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC042267. Details of the charity's principal address can be found in the reference and administration details on page 4 of these financial statements.

**2. Statement of Compliance**

The individual financial statements of the Lord Provost's Children's Fund have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS102), the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)", the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

**3. Accounting Policies**

The principal accounting policies applied, judgements and key sources of estimated uncertainty in the preparation of the financial statements are set out below. These policies have been applied consistently to all the years presented unless otherwise stated.

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**Notes to the Accounts for the Year Ended 31 March 2017****3. Accounting Policies (continued)****Basis of preparation**

The financial statements have been prepared under the historical cost convention unless otherwise specified and in accordance with United Kingdom Accounting Standards including Financial Reporting Standard 102, 'the Financial Reporting Standard applicable in the UK and Republic of Ireland', the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)", the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The Lord Provost's Children's Fund meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Trustees to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The Trustees do not consider that there are any areas that require a higher degree of judgement or estimation.

**Going concern**

The financial statements have been prepared on a going concern basis. The validity of the going concern basis depends on the ability of the charity to operate within available funding.

The Trustees are satisfied that the charity can meet its liabilities as they fall due for the foreseeable future and on this basis consider it appropriate to prepare the financial statements on a going concern basis.

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**Notes to the Accounts for the Year Ended 31 March 2017****3. Accounting Policies (continued)****Income**

All income is included in the Statement of Financial Activities when the charity is entitled to the income, it is probable that the income will be received and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

- Donations are recognised and included in the Statement of Financial Activities when the charity has control over the donation, any conditions associated with the donation have been met, the receipt of economic benefit is probable and the economic benefit can be measured reliably; and
- Investment income is recognised when receivable and the amount can be measured reliably.

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services including grants made. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity including the audit fees.
- Other expenditure represents those items not falling into the above heading.

**Notes to the Accounts for the Year Ended 31 March 2017****3. Accounting Policies (continued)****Grants**

Grants awarded are recognised as liabilities in the financial statements when the Trustees approve the grant unconditionally or the conditions included in the grant fall outside the control of the charity. When grants are approved with conditions attached, but payment by the charity is considered possible but not probable, the grant is disclosed by way of a note as a commitment.

**Fixed asset investments**

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Transaction costs are expensed as incurred. Gains and losses are recognised in the Statement of Financial Activities in the year in which they arise.

**Debtors**

Accrued income is recognised in the financial period to which it relates to and when the charity is entitled to receive the income.

**Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

**Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

## Notes to the Accounts for the Year Ended 31 March 2017

### 3. Accounting Policies (continued)

#### Fund accounting policy

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

### 4. Donations Income

	2016/17	2015/16
	£	£
Donations	<u>40,818</u>	<u>22,439</u>

Donations include a contribution from Glasgow City Council in respect of the audit fee for 2016-17, a contribution from the Lord Provost's Burns Supper Event, donations from the donation box situated within Glasgow City Chambers and various other sources and a donation from the Lord Provost's Fund for Vulnerable Citizens.

### 5. Investment Income

	2016/17	2015/16
	£	£
Bank interest received	215	206
Interest on bond	<u>532</u>	<u>627</u>
	<u>747</u>	<u>833</u>



## Notes to the Accounts for the Year Ended 31 March 2017

## 6. Analysis of Expenditure

	Number	2016/17 £	2015/16 £
<b>Charitable Activities</b>			
Grants	8	45,126	42,392
External audit fee		<u>1,881</u>	<u>1,829</u>
		<u>47,007</u>	<u>44,221</u>
<b>Analysis of grants:</b>			
Grants to individuals	0	-	200
Grants to institutions	8	<u>45,126</u>	<u>42,192</u>
		<u>45,126</u>	<u>42,392</u>
<u>Grants to institutions</u>			
GCC Education Department		29,748	20,857
GCC Social Work Department		13,878	21,035
Fullarton/Tollcross Playscheme		100	100
St Fillan's Primary School		-	200
Annette St Primary School		200	-
Glasgow Life		300	-
New Rhythms For Glasgow		200	-
Al-Meezan House		100	-
Visual Statement		<u>600</u>	<u>-</u>
		<u>45,126</u>	<u>42,192</u>

Grants were paid during the year in accordance with the charity's objectives.

## 7. Investment Assets

	2016/17 £	2015/16 £
<b>Fixed Asset Investments</b>		
Carrying (market) value at beginning of period	896,750	928,140
<b>Add:</b> transfer of movement in short term cash	-	14
<b>Add/(deduct):</b> net gain/(loss) on revaluation	<u>106,556</u>	<u>(31,404)</u>
Market value at end of period	<u>1,003,306</u>	<u>896,750</u>
Carrying value	<u>1,003,306</u>	<u>896,750</u>

## Notes to the Accounts for the Year Ended 31 March 2017

### 8. Debtors

	2016/17	2015/16
	£	£
Glasgow City Council donation income	<u>1,881</u>	<u>1,826</u>

### 9. Creditors

	2016/17	2015/16
	£	£
External audit fees	1,881	1,826
Visual Statement	<u>600</u>	<u>-</u>
	<u>2,481</u>	<u>1,826</u>

### 10. Payments to Trustees

No Trustees were remunerated during the year (2016: nil), nor was there any requirement for any expenses to be paid (2016: nil).

No Trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2016: nil).

### 11. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Fund balances at 31 March 2017 as			
Fixed assets	1,003,306	-	1,003,306
Net current assets	<u>15,263</u>	<u>10,745</u>	<u>26,008</u>
	<u>1,018,569</u>	<u>10,745</u>	<u>1,029,314</u>

### 12. Unrestricted General Funds

	As at 01/04/2016	Income	Expenditure	Gain on investments	As at 31/03/2017
	£	£	£	£	£
General fund	<u>917,455</u>	<u>41,565</u>	<u>47,007</u>	<u>106,556</u>	<u>1,018,569</u>

## Notes to the Accounts for the Year Ended 31 March 2017

**13. Restricted Funds**

	As at 01/04/2016 £	Income £	Expenditure £	Gain on investments £	As at 31/03/2017 £
Hillhead High					
Donation	10,745	-	-	-	10,745

The Hillhead High donation is restricted to fund a dedicated EAL teacher.

**14. Financial Assets and Liabilities**

	<b>2016/17</b>	<b>2015/16</b>
Fixed asset investments held at amortised cost	1,003,306	896,750
Cash and cash equivalents	26,608	31,450
Financial assets held at amortised cost	1,881	1,826
	=====	=====
Financial liabilities held at amortised cost	(2,481)	(1,826)
	=====	=====

Financial assets measured at amortised cost comprise accrued income.

Financial liabilities measured at amortised cost comprise accruals.

**15. Related Party Transactions**

There was one related party transaction in 2016/17. A £17,000 donation made from the Trustees of the Lord Provost's Fund for Vulnerable Citizens to the Lord Provost's Children's Fund. There was no such transaction in the prior year.