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| Report To: | Education & Communities Committee | Date: | 30 October 2012 |
| Report By: | Corporate Director Education, Communities & Organisational Development | Report No: | EDUCOM/44/12/AE |
| Contact Officer: | Angela Edwards | Contact No: | 01475 712824 |
| Subject: | Talented Endowment Fund | | |

1.0 PURPOSE

- 1.1 The purpose of this report is to give the Committee an update on the use of the endowment for talented children and young people in Inverclyde.

2.0 SUMMARY

- 2.1 Inverclyde Council has established an educational endowment for the benefit of exceptionally talented children and young people in the fields of the arts, culture and sport for the purposes of the advancement of education.
- 2.2 The trust fund was initially established under a Deed of Trust with an endowment of £150,000 by Inverclyde Council. The trust provides for financial assistance and support that includes using the funds for educational purposes.
- 2.3 A significant grant was made in the first year to the Inverclyde Schools Choir and grants and awards in subsequent years have been made to individuals to assist with various activities including musical instruments, athletics, weightlifting and sailing. Current policy is to approve grants up to 50% of eligible costs.
- 2.4 The three Trustees of the Bequest are Chief Officers of the Council - the Corporate Director Education and Communities, the Corporate Director Regeneration and Environment and the Chief Financial Officer.
- 2.5 The balance on the endowment as at 31.3.12 is £66,030, the latest accounts are attached as Appendix 1.
- 2.6 Any person wishing to make an application for an endowment can do so by contacting Education HQ, Endowment for Talented Children and Young People, Municipal Buildings, Greenock, PA15 1LY.

3.0 RECOMMENDATIONS

- 3.1 That the Committee note the contents of this paper and the continued support provided to talented young people of Inverclyde.
- 3.2 That the Committee note the Annual Accounts for the Talented Children and Young Persons Fund for the year ending 31.3.12.

Albert Henderson
Corporate Director Education Communities & Organisational Development

4.0 BACKGROUND

- 4.1 Inverclyde Council has established an educational endowment for the benefit of exceptionally talented children and young people in the fields of the arts, culture and sport for the purposes of the enhancement of talent and learning.
This exercises their powers under Section 85 of the Local Government (Scotland) Act 1973 and under all other enabling powers in that behalf, pursuant to the Education (Scotland) Act 1980.
- 4.2 Funds have been used to make awards to assist and nurture young people in our area who are already demonstrating exceptional talent in the fields of the arts, culture and sport. Awards can be up to 50% of eligible expenditure and are considered by the three trustees.
- 4.3 Awards totalling £3,685 were made in 2011/12 to 12 young people for a range of talents related to American football, music, athletics and boxing. Awards to date in 2012/13 total £1480.
- 4.4 It is hoped that the young people concerned will further develop their talents and skills in the future. This will benefit the young people personally, their families and the communities to which they belong.
- 4.5 The Endowment for Talented Children and Young People will continue to provide for the benefit of exceptionally talented children and young people in the area of Inverclyde through financial awards and assistance.

5.0 PROPOSALS

- 5.1 Elected members note the use of the endowment fund to date and continue to support its use for the talented young people of Inverclyde.

6.0 IMPLICATIONS

- 6.1 Financial
Annual accounts for the endowment have been prepared by Finance Services and have been subject to Audit. The accounts are attached at Appendix 1.
- 6.2 Legal
No implications.
- 6.3 Human Resources
No implications.
- 6.4 Equalities
Impact assessments will be completed 12/13.
- 6.5 Repopulation
No implications.

7.0 CONCLUSION

- 7.1 The Trust has been very successful in supporting talented young people across Inverclyde. It will continue to promote its purpose and ensure that a broader range of clubs/organisations/individuals are aware of the support available.

8.0 LIST OF BACKGROUND PAPERS

8.1 None

Endowment for Talented Children and Young People

Report and Financial Statements 2011-2012



Year ended 31 March 2012

Inverclyde
council

Endowment for Talented Children and Young People Contents

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Inverclyde Council resolved to establish an educational endowment for the benefit of exceptionally talented children and young people in the fields of the arts, culture and sport for the purposes of the advancement of education, in exercise of their powers under Section 85 of the Local Government (Scotland) Act 1973 and under all other enabling powers in that behalf, pursuant to the Education (Scotland) Act 1980.

The trust fund was established under a Deed of Trust dated 11 May 2011 with an endowment of £150,000 by Inverclyde Council.

The trust provides for financial and other assistance and support that includes using the funds for educational purposes.

The Trust has proved to have been extremely successful in the promotion of talented young people with an example being the Inverclyde Schools Concert Band's gold award in Birmingham in the first year of the Trust. Grants and awards have also been made to assist with the World Junior Choir championships in Austria and various activities including musical instruments, athletics, weightlifting and yacht sailing.

The three Trustees of the Bequest are Chief Officers of the Council - the Corporate Director of Education and Communities, the Corporate Director of Regeneration and Environment and the Chief Financial Officer.

If you wish to apply for financial assistance, or you are aware of a person who may wish to apply for financial assistance, then application forms can be obtained by contacting: Angela Edwards, Head of Educational Planning, Culture and Corporate Policy, Endowment for Talented Children and Young People, Municipal Buildings, Greenock, PA15 1LY. Tel: 01475 712828, e-mail angela.edwards@inverclyde.gov.uk.

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Endowment for Talented Children and Young People Legal and Administrative Information

Reference and Administrative Information

- Trust Name Endowment for Talented Children and Young People
- Principal Offices C/o Inverclyde Council, Municipal Buildings, Clyde Square, Greenock, PA15 1LY

Trustees

The three Trustees of the Endowment are Chief Officers of the Council - the Director of Education and Communities, the Corporate Director of Regeneration and Environment and the Chief Financial Officer. No remuneration or expenses were paid during the year to any Trustees or person connected to a Trustee.

The Trustees for the twelve months 1st April 2011 to 31st March 2012 were:

- Albert Henderson, Corporate Director of Education and Communities (Chair)
- Aubrey Fawcett, Corporate Director of Regeneration and Environment
- Alan Puckrin CPFA, Chief Financial Officer

Albert Henderson as the Chair of the Trustees has signed the Trustees Annual Report and Balance Sheet.

Chief Financial Officer

The Chief Financial Officer of Inverclyde Council in his capacity as the Section 95 Officer is responsible for making arrangements for the proper administration of the Council's financial affairs and, as part of that responsibility, administers the trust and reports to trustees.

Independent Examiner

- Ian Nisbet, Chief Internal Auditor, Argyll & Bute Council, Council Headquarters, Kilmory, Lochgilphead, Argyll PA31 8RT

Endowment for Talented Children and Young People

Report by the Chair of the Trustees

Report by the Trustees

On behalf of the Trustees, I am pleased to present the 2011-2012 Annual Report for the Endowment for Talented Children and Young People.

We have been able to use the funds at our disposal to make awards to assist and nurture young people in our area who are already demonstrating exceptional talent in the fields of the arts, culture and sport.

It is hoped that these young people will further develop their talents and skills in the future. This will benefit the young people personally, their families and the community to which they belong.

We made awards totalling £3,685 and this exceeded incoming resources during the year. The shortfall was taken from the healthy reserves of the trust. Awards were made to eight individuals and this is explained further in the following paragraphs.

Trust Purpose

Constitution

The name of the trust is the Endowment for Talented Children and Young People. The trust was established under a Deed of Trust in 11 May 2010.

Objectives

Its purpose is to advance the education of children and young people who show exceptional talent in the fields of the Arts, Culture and Sport by the provision of financial and other assistance and support which includes using the funds for educational purposes.

The end of the financial year is 31 March 2012.

Achievements and Performance during the Year

In line with policy adopted by the Council and the terms of the trust, the Endowment for Talented Children and Young People made awards to eight

people in the area of Inverclyde in support of artistic, cultural and sporting activities.

Financial Review of the Year

Income and Expenditure for the Year ended 31 March 2012

The Comprehensive Income and Expenditure Account on page 9 provides an analysis for the trust of the income and expenditure for the twelve months from 1 April 2011 to 31 March 2012.

The trust made awards totalling £3,685. Income of £413 was received from interest on short-term deposits with Inverclyde Council.

The shortfall of £3,272 was taken from the reserves of £69,301 brought forward.

Assets and Liabilities at 31 March 2012

The Balance Sheet on page 10 provides an analysis for the trust of the assets and liabilities as at 31 March 2012.

The reserves of the trust are £66,029 and are all deposited with Inverclyde Council.

Governance, Management and Administration

The Endowment for Talented Children and Young People is an unincorporated trust governed on the basis its constitution in the deed of trust of 11 May 2010.

The Trustees are assumed on their appointment to one of the designated chief officer posts of Inverclyde Council - Corporate Director of Education and Communities, Corporate Director Regeneration and Chief Finance Officer.

The Trustees, in order to discharge their responsibilities, rely on the advice and expertise of the officers of Inverclyde Council. The Council provides all administrative support to the trust including financial, legal and secretarial

support. The Council also administers the payments from the trust.

The Council makes no charge for these services. There are no other costs in connection with governance.

Management of the Fund of the Trust

The Trustees rely upon the expertise of officers of Inverclyde Council to manage the investments to ensure the maximum return at least risk to the trust. In this way, the income stream for the future benefit of the trust is protected while allowing income for the current year's expenditure.

The funds of the trust are deposited with Inverclyde Council and receive interest at the average market rate for the short-term borrowing. The interest received from Inverclyde Council is shown in the Comprehensive Income and Expenditure Account.

Risk Management

The Council has assessed the major risks to which the trust is exposed, in particular those related to its operation and finances, and is satisfied that the systems are in place to mitigate the exposure to the major risks.

At a special annual meeting, Trustees consider the income and expenditure levels during the financial year and ensure that expenditure remains within available resources and to maintain reasonable levels of reserves.

Reserves Policy

The trust has been in existence since 2010 and the Trustees consider that its reserves are sufficient.

The Trust has always maintained a healthy balance of Revenue Reserves and as such there had been to-date no requirement to adopt an official reserves policy.

Looking Ahead

The Endowment for Talented Children and Young People will continue to provide for the benefit of exceptionally talented children and young people in the area of Inverclyde through financial awards and other assistance.

Statement of Trustees' Responsibilities

The Trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the trust and to enable it to ensure that the financial statements comply with the local government regulations.

The Trustees are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and any other irregularities.

Finance Services of Inverclyde Council have taken the steps required by Trustees for the financial year 2011-2012. The accounting policies, judgements and policies are disclosed on page 11 of the notes to the financial statements.

In so far as the Trustees are aware

- There is no relevant audit information that the trust's Independent Examiner is unaware, and
- The Trustees have taken all steps that they ought to make themselves aware of any relevant audit information and to establish that the Independent Examiner is aware of that information.

Conclusion

We have been able to use the funds at our disposal to make significant awards in the current year during harsh economic conditions while protecting our reserves to safeguard funding for the future.

The awards made exceeded incoming resources during the reporting period and the shortfall of £3,272 has been taken from the reserves brought forward.

The trust has a healthy balance of £66,029 of Revenue Reserves for the future benefit of talented children and young people of Inverclyde.

Approved by the Trustees on Fourth October, Two Thousand and Twelve and signed on behalf of all Trustees.

Albert Henderson
Corporate Director Education and
Communities
Chair of the Trustees
Inverclyde Council
4 October 2012

Alan Puckrin CPFA
Chief Financial Officer and Trustee
Inverclyde Council
4 October 2012

Endowment for Talented Children and Young People Independent Examination

Submission to Independent Examiner

The financial statements of the Endowment have been submitted by Inverclyde Council on behalf of the trustees to Argyll & Bute Council for independent examination. The examination has been conducted by the Chief Internal Auditor of the local authority on a personal appointment basis. The Chief Internal Auditor, Ian Nisbet ACMA MBA MSc, is a fully qualified member of a recognised professional accountancy body and has considerable experience of audit and independent examinations.

The independent examination is on a "no-charge" basis under reciprocal arrangement between the two local authorities for the independent examination of the trusts administered separately by them.

The financial statements of the Endowment for Talented Children and Young People continue to be included within the audited Annual Accounts for Inverclyde Council under the Local Authority Accounts (Scotland) Regulations 1985.

The independent examination took place in August 2012.

**Endowment for Talented Children and Young People
Movement in Reserves Statement
for the Year ended 31 March 2012**

This statement shows the movement in the year on the reserves held by the Endowment that can be applied to fund awards. The Surplus or Deficit on the Provision of Service shows the cost of the operations of the Endowment in accordance with accounting practice, more details of which are shown in the Comprehensive Income and Expenditure Account on the next page.

| 1 April 2010 to 31 March 2011 Usable Reserves: Revenue | | 1 April 2011 to 31 March 2012 Usable Reserves: Revenue |
|--|--|--|
| £ | | £ |
| 69,414 | Balance at 1 April | 69,301 |
| | Movement in Reserves during the Year | |
| (113) | Surplus or (Deficit) on Provision of Services | (3,272) |
| 0 | Other Comprehensive Expenditure and Income | 0 |
| (113) | Increase or (Decrease) for the Year | (3,272) |
| 69,301 | Balance at 31 March Carried Forward | 66,029 |
| | | |

**Endowment for Talented Children and Young People
Comprehensive Income and Expenditure Account
for the Year ended 31 March 2012**

This statement shows the accounting cost in the year of providing services in accordance with International Financial Reporting Standards.

| 2010-2011 | Note | 2011-2012 |
|---|------|--------------|
| £ | | £ |
| 500 | | 3,685 |
| 500 | 4 | 3,685 |
| 0 | 5 | 0 |
| (0) | | (0) |
| 500 | | 3,685 |
| (387) | | (413) |
| 0 | | 0 |
| (387) | 6 | (413) |
| 113 | | 3,272 |
| 0 | | 0 |
| 113 | | 3,272 |
| <p>The Endowment for Talented Children and Young People has no recognised gains or losses other than the results for the year as set out above. All of the activities of the fund are classed as continuing. The notes on pages 11 to 12 form part of these financial statements.</p> | | |

Endowment for Talented Children and Young People Balance Sheet as at 31 March 2012

The Balance Sheet is a snapshot of the value at the reporting date of the assets and liabilities recognised by the Endowment. The net assets of the trust (assets less liabilities) are matched by the reserves held by the Endowment. These usable reserves are available to the trustees to provide awards.

| 31 March 2011 | Notes | 31 March 2012 | | |
|---|--|---------------|--|--|
| £ | | £ | | |
| 69,301 | Cash and Cash Equivalents | | | |
| | Short-term Deposits | 66,029 | | |
| 69,301 | Net Assets | 66,029 | | |
| | Reserves | | | |
| 69,301 | Usable Reserves: Revenue | 66,029 | | |
| 69,301 | Total Reserves | 66,029 | | |
| The notes on pages 11 to 12 form part of these accounts. | | | | |
| <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top; padding-right: 20px;"> <p>Albert Henderson Corporate Director of Education and Communities Chair of the Trustees Inverclyde Council 4 October 2012</p> </td> <td style="width: 50%; vertical-align: top;"> <p>Alan Puckrin Chief Financial Officer and Trustee Inverclyde Council 4 October 2012</p> </td> </tr> </table> | | | <p>Albert Henderson Corporate Director of Education and Communities Chair of the Trustees Inverclyde Council 4 October 2012</p> | <p>Alan Puckrin Chief Financial Officer and Trustee Inverclyde Council 4 October 2012</p> |
| <p>Albert Henderson Corporate Director of Education and Communities Chair of the Trustees Inverclyde Council 4 October 2012</p> | <p>Alan Puckrin Chief Financial Officer and Trustee Inverclyde Council 4 October 2012</p> | | | |

Endowment for Talented Children and Young People Notes to the Accounts

Note 1 Accounting Policies

Basis of Preparation

The financial statements have been compiled in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2011/12 (The Code). The Code is based on International Financial Reporting Standards with interpretation appropriate to the public sector. The principal policies adopted in the preparation of the financial statements are set out below.

Incoming Resources

All incoming resources are included in the Comprehensive Income and Expenditure Account when the Endowment is entitled to the income. All incoming resources are applied to usable reserves funds. Interest is included when receivable.

Resources Expended

All expenditure is included in the Comprehensive Income and Expenditure Statement on an accruals basis and is recognised when there is a legal or constructive obligation to pay.

Cash and Cash Equivalents

Cash is represented by deposits with the Council repayable immediately. The Endowment has no cash equivalents.

Reserves

The Endowment has a single reserve fund. The Usable Reserves (Revenue) is a fund available to support services at the discretion of Trustees.

Comparative Figures

Figures for 2010-2011 are shown as appropriate for purposes of comparison.

Note 2 Staff Numbers and Costs

The Endowment for Talented Children and Young People has no staff. All support functions are provided by Inverclyde Council.

Note 3 Payments to Trustees

No Trustees were remunerated during the year, nor was there any requirement for any expenses to be paid.

Note 4 Awards

Awards were made in the year to individuals for the following purposes:

Athletics: Training gear and costs of representing Scotland.

Music drums: Contribution to membership costs of RSAMD and West of Scotland Schools Concert Band.

Music clarinet: Contribution to membership costs of West of Scotland Schools Concert Band.

Weight lifting: Contribution to development costs and training sessions.

Netball: Contribution to development costs.

Sailing: Purchase new race sail and mast.

Ice skating: Contribution to new figure skates.

Note 5 Governance Costs

Inverclyde Council provides management services to the Endowment at no charge. The independent examination has been conducted on a "no-charge" basis and accordingly no accrual has been made for the examiner's fees.

Note 6 Related Party Disclosures

The Endowment was established and funded by Inverclyde Council and the Trustees are Chief Officers of Inverclyde Council. Interest of £413 was received from the local authority (2010-2011 £387). As at 31 March 2012, Inverclyde Council owed the Endowment £66,029 (2011 £69,301).

Note 7 Short-term Deposits

The Bequest for Talented Children and Young People has temporary loans with Inverclyde Council. The balance is repayable on demand.

| 2010-2011 | | 2011-2012 | |
|---------------|---|-----------|---------------|
| | £ | £ | £ |
| 69,414 | Balance at 1 April 2011 | | 69,301 |
| | Net Cash (Outflow) from Operating Activities | | |
| (500) | Net surplus/(deficit) on the cost of services | (3,685) | |
| 0 | Adjustments for non-cash movements | 0 | (3,685) |
| 0 | Net Cash Inflow from Investing Activities | | 0 |
| 387 | Interest Received | | 413 |
| 0 | Net Cash Inflow from Financing Activities | | 0 |
| 69,301 | Balance at 31 March 2012 | | 66,029 |



Inverclyde council

Finance Services, Municipal Buildings, Greenock PA15 1LY
Tel: 01475 712090 Fax: 01475 712202 www.inverclyde.gov.uk

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ENDOWMENT for TALENTED CHILDREN and YOUNG PEOPLE

I report on the accounts of the charity for the year ended 31st March 2012 which are set out on pages 1 to 13.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

The trustees are responsible for the preparation of the accounts in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and interpreted and adopted by the Code of Practice on local authority accounting in the United Kingdom 2011/11 (the 2011/121 Code). The Chief Financial Officer of Inverclyde Council in his capacity as the Section 95 Officer is responsible for making arrangements for the proper administration of the Council's financial affairs and, as part of that responsibility, administers the trusts and reports to trustees. My responsibility is to examine the accounts as requested and to state whether particular matters have come to my attention.

BASIS OF INDEPENDENT EXAMINER'S STATEMENT

My examination includes a review of the accounting records kept by the trust and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

INDEPENDENT EXAMINER'S STATEMENT

In the course of my examination, no matter has come to my attention which gives me reasonable cause to believe that in any material aspect the requirements:

- To keep accounting records, and
- To prepare accounts which accord with the accounting records have not been met, or
- To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Ian Nisbet ACMA MBA
Chief Internal Auditor
Argyll & Bute Council
22nd August 2012

Signed: _____

Dated: _____