

The background of the slide features a large, light blue coat of arms of the City of Edinburgh. The coat of arms consists of a shield divided into four quarters. The top-left quarter shows a castle tower, the top-right shows a stag's head, the bottom-left shows a sailing ship, and the bottom-right shows a lion. Above the shield is a crown with four fleurs-de-lis. A banner at the bottom of the shield contains the motto 'AENE FOR A'.

Agenda Item 8

Temperance Trust Annual Accounts 2016/17

Falkirk Council

Title: Temperance Trust Annual Accounts 2016/17
Meeting: Audit Committee
Date: 28 September 2017
Submitted By: Director of Corporate & Housing Services

1. Purpose of Report

- 1.1 The purpose of the report is to present the Audited Accounts of the Council for the year to 31 March 2017.

2. Recommendation

- 2.1 **The Committee is asked to consider and recommend approval to the Trustees of the Audited Annual Accounts of the Temperance Trust to 31 March 2017.**

3. Background

- 3.1 The Charities Accounts (Scotland) Regulations 2006 require charities to prepare annual accounts. These accounts must be audited in line with the requirements of the Local Government (Scotland) Act 1973 which set out arrangements for those charities where members of the authority are the only trustees.

4. Considerations

- 4.1 The Accounts of the Temperance Trust have now been audited. The auditor's certificate is free from qualification. Copies of the accounts will be sent to interested parties, posted on the Council's website and their availability advertised in the local press.

5. Consultation

- 5.1 This report does not require consultation.

6. Implications

Financial

6.1 There are no financial implications arising from the report recommendations.

Resources

6.2 There are no resource implications arising from the report recommendations.

Legal

6.3 There are no legal implications arising from the report recommendations.

Risk

6.4 There are no risks arising from the report recommendations.

Equalities

6.5 There are no equality implications arising from the report recommendations.

Sustainability/Environmental Impact

6.6 There are no sustainability/environmental implications arising from the report recommendations.

7. Conclusions

7.1 The Annual Accounts 2016/17 of the Temperance Trust have now been audited by Ernst & Young. The auditor's certificate is free from qualification.

Director of Corporate & Housing Services

Author –Danny Cairney, Acting Senior Corporate Finance Manager 01324 506388,
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Date: 15 September 2017

Appendices

1. Annual Accounts 2016/17

List of Background Papers:

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

- None

**FALKIRK TEMPERANCE TRUST
REGISTERED CHARITY NUMBER - SC001904**

**AUDITED
ANNUAL REPORT & ACCOUNTS
for the year ended 31 March 2017**

FALKIRK TEMPERANCE TRUST

REGISTERED CHARITY NUMBER - SC001904

TRUSTEE'S ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017

Falkirk Temperance Trust is a charity, registered with the office of the Scottish Charity Regulator, **Scottish Charity Number SC001904**.

Principal contact address

Chief Finance Officer
Falkirk Council
Municipal Buildings
FALKIRK
FK1 5RS

Governing document

Falkirk Temperance Trust originates from 1919 as part of an estate of a Falkirk gentleman. Its original purpose was to help people refrain from alcohol. A revision to the Trust was approved by the Court of Session on 1 February 1991. This allowed the Trust to not only help assist organisations and people in dealing with alcohol abuse but also other forms of drug addiction.

Charitable purposes

The Trustees hold the trust fund and apply the income to assist mainly organisations operating within Falkirk dealing with alcohol abuse and other forms of substance addiction.

Recruitment and appointment of Trustees

The Trust is administered by Falkirk Council, with the Chief Finance Officer appointed as Treasurer. Provost Pat Reid and Councillor Craig R Martin were Trustees for the full year and remain in post at the date of approval of the annual report.

Respective responsibilities of the trustees and auditor

The trustees are responsible for

- preparing financial statements in accordance with the 2006 Regulations
- making judgements and estimates that are reasonable and prudent
- keeping adequate accounting records which are up to date
- taking reasonable steps for the prevention and detection of fraud and other irregularities

The auditor's responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission for Scotland.

Activities and achievements

There was only one grant application made to the Trust in the financial year and following this a payment for £150 was made to an individual recovering from drug addiction.

Reserves

The assets of the Trust are currently held by the Bank of Scotland and two accounts are in operation. The Treasurer's Account is used for the daily operations of the Trust and retains a working balance. A Guaranteed Fixed Deposit Account, which offers a higher interest rate, is used for the larger balance. This has a 6 month repayment period, whereby, the interest rate offered for the next period is reviewed. There are no restrictions on the use of funds held in either of these accounts.

Conclusion

The charity made one grant payment in 2016/17.

Surplus

The Trust returned a small surplus in the year. In principle bank interest earned in the year is used to fund grant payments in the same year. However, due to the limited number of grant applications in previous years this has not always been possible and Reserves have increased over time. Therefore, applications are approved where possible, regardless of timing, and this may result in a surplus in some years but a deficit in other years.

Public benefit statement

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Office of the Scottish Charity Regulator in exercising their powers or duties.

Audit Arrangements

In response to section 106 of the Local Government (Scotland) Act 1973 and the provisions of the Charities Accounts (Scotland) Regulation 2006, it was agreed that from 2013/14, each Local Authority auditor should cover the registered charities for which the Authority is sole trustee. The appointed auditor of Falkirk Council is Ernst & Young LLP. The audit fee for 2016/17 was £550. The fee was not paid in year and will be accounted for in 2017/18 because the accounts are compiled on a receipts and payments basis. The audit fee for 2015/16 was £200 and was paid in October 2016. It should also be noted that due to late invoicing the 2014/15 audit fee of £200 was not paid until May 2016.

P Reid, Trustee
28 September 2017

FALKIRK TEMPERANCE TRUST

REGISTERED CHARITY NUMBER - SC001904

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

Under charity law, the trustees are responsible for preparing the Trustees' Annual Report and the financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the surplus or deficit for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the recommendations of the relevant Statement of Recommended Practice and accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The trustees are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, and regulation 9(1), (2), and (3) of The Charities Accounts (Scotland) Regulations 2006 (as amended). They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

FALKIRK TEMPERANCE TRUST

REGISTERED CHARITY NUMBER - SC001904

STATEMENT OF RECEIPTS & PAYMENTS

FOR THE YEAR 1 APRIL 2016 TO 31 MARCH 2017

2015/16		2016/17
£		£
	<u>Receipts</u>	
1,140	Bank interest	1,140
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1,140	Total Receipts	1,140
	<u>Payments</u>	
0	Bank Fee	30
0	Audit Fee	400
0	Grants	150
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0	Total Payments	580
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1,140	Surplus/(Deficit) for Year	560
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FALKIRK TEMPERANCE TRUST

REGISTERED CHARITY NUMBER - SC001904

STATEMENT OF BALANCES

AS AT 31 MARCH 2017

Cash and bank balances at 1 April 2016	160,860
Surplus/(deficit) for the year	560
Cash and bank balances at 31 March 2017	161,420

2015/16 £		2016/17 £
	<u>Current Assets</u>	
151,735	Bank of Scotland Guaranteed Fixed Deposit	152,875
9,125	Bank of Scotland Treasurer's Account	8,545
<u>160,860</u>		<u>161,420</u>
	<u>Current Liabilities</u>	
-		-
<u>160,860</u>	Net Assets	<u>161,420</u>
	<u>Represented by:</u>	
159,720	Surplus brought forward	160,860
1,140	Surplus/(deficit) for period	560
<u>160,860</u>	Surplus carried forward	<u>161,420</u>

Approved by the Trustees and signed on their behalf:

P Reid, Trustee
28 September 2017

B Smail, Treasurer
28 September 2017

FALKIRK TEMPERANCE TRUST

REGISTERED CHARITY NUMBER - SC001904

NOTES TO THE ACCOUNTS

1. Basis of Accounting

These accounts have been prepared on the Receipts and Payments basis in accordance with the Charities & Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

2. Fund Accounting

Unrestricted funds are those that may be used at the discretion of the Trustees in furtherance of the objectives of the Charity, being the surplus carried forward. There are no restricted funds.

3. Taxation

The Charity is not liable to income or capital gains tax on its charitable activities.

4. Trustee Remuneration, Expenses and Related Party Transactions

No remuneration or expenses were paid to the Charity Trustees or persons connected to a Trustee during the year (2015/16: Nil).

5. Administration Fee

No fee was charged by the Council and therefore no costs were incurred by the Charity for the administration of the funds on behalf of the Trustees.

6. Liabilities

There were no liabilities at the end of the financial year.

FALKIRK TEMPERANCE TRUST

REGISTERED CHARITY NUMBER - SC001904

Independent Auditor's Report to the Trustees of Falkirk Temperance Trust

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice approved by the Accounts Commission, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Report on the audit of the financial statements

Opinion on financial statements

We certify that we have audited the financial statements in the statement of accounts of Falkirk Temperance Trust for the year ended 31 March 2017 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Receipts and Payments, the Statement of Balances and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis.

In our opinion the accompanying financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2017 and their statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1),(2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

Basis of opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing in the UK and Ireland (ISAs (UK&I)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standards for Auditors, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation of financial statements which properly present the receipts and payments of the charity, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable legal requirements and ISAs (UK&I) as required by the Code of Audit Practice approved by the Accounts Commission. Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors. An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the circumstances of the charity and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

Our objectives are to achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK&I) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Other information in the statement of accounts

The trustees are responsible for the other information in the statement of accounts. The other information comprises the information other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission or required by applicable law to the extent explicitly stated later in this report.

In connection with our audit of the financial statements in accordance with ISAs (UK&I), our responsibility is to read all the financial and non-financial information in the statement of accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Report on other requirements

Opinion on other prescribed matter

We are required by the Accounts Commission to express an opinion on the following matter. In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with The Charities Accounts (Scotland) Regulations 2006.

Matters on which we are required to report by exception

We are required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Stephen Reid, for and on behalf of EY LLP
10 George Street
Edinburgh
EH2 2DZ

29 September 2017

Stephen Reid is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006