

The background of the slide features a large, light blue watermark of the City of Vancouver's coat of arms. The crest includes a crown with four maple leaves, a shield divided into four quadrants (top-left: a saltire, top-right: a stag's head, bottom-left: a sailing ship, bottom-right: an eagle), and a banner at the bottom with the motto 'CITY OF VANCOUVER' in Gaelic script.

Agenda Item 6

Temperance Trust Annual Accounts 2018/19

Falkirk Council

Title: Temperance Trust Annual Accounts 2018/19
Meeting: Audit Committee
Date: 16 September 2019
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 Temperance Trust for the year to 31 March 2019.

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 2019.**

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 2018/19 of the Temperance Trust have now been audited by Ernst & Young. The auditor's certificate is free from qualification.

Director of Corporate & Housing Services

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Date: 2 September 2019

Appendices

1. Annual Accounts 2018/19

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:

- Final Accounts Working Papers

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

**AUDITED
ANNUAL REPORT & ACCOUNTS**

for the year ended 31 March 2019

FALKIRK TEMPERANCE TRUST

REGISTERED CHARITY NUMBER - SC001904

TRUSTEE'S ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019

Falkirk Temperance Trust is a registered charity, **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. Following the elections held in May 2017, Councillor David Grant and Councillor Laura Murtagh were appointed as Trustees, representing wards in the former Falkirk Burgh area. Councillor Grant and Councillor Murtagh remain Trustees at 31 March 2019.

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 as this application complied with the Trust Deeds the Trustees approved a payment of £2,400. This would enable the Charity to recruit and train two Drug Educator volunteers in the Falkirk area as part of its Year of the Volunteer 2019 Project.

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 six 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 Trust made one grant payment in 2018/19.

Surplus

The Trust returned a deficit 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.

David Grant
Trustee

25 September 2019

FALKIRK TEMPERANCE TRUST

REGISTERED CHARITY NUMBER - SC001904

STATEMENT OF RECEIPTS & PAYMENTS

FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

2017/18		2018/19	
Unrestricted Funds		Unrestricted Funds	Note
£		£	
	<u>Receipts</u>		
772	Bank interest	999	
<hr/> 772		<hr/> 999	
	<u>Payments</u>		
0	Bank Fee	30	6
373	Grants	2,400	7
<hr/> 373		<hr/> 2,430	
<hr/> 399	Surplus/(Deficit) for Period	<hr/> (1,431)	

Approved by the Trustees and signed on their behalf:

David Grant
Trustee

25 September 2019

Bryan Smail
Treasurer

25 September 2019

FALKIRK TEMPERANCE TRUST

REGISTERED CHARITY NUMBER - SC001904

STATEMENT OF BALANCES

AS AT 31 MARCH 2019

2017/18		2018/19	
Unrestricted Funds		Unrestricted Funds	Note
£		£	
<u>Current Assets</u>			
153,647	Bank of Scotland Guaranteed Fixed Deposit	154,646	2
8,172	Bank of Scotland Treasurer's Account	5,742	2
<hr/> 161,819		<hr/> 160,388	
<u>Current Liabilities</u>			
-		-	
<hr/> 161,819	Net Assets	<hr/> 160,388	
<u>Represented by:</u>			
161,420	Surplus brought forward	161,819	
399	Surplus/(deficit) for period	(1,431)	
<hr/> 161,819	Surplus carried forward	<hr/> 160,388	

Approved by the Trustees and signed on their behalf:

David Grant
Trustee

25 September 2019

Bryan Smail
Treasurer

25 September 2019

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 (2017/18: 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. Audit Fee

The audit fee for 2018/19 was £550. This was paid by Falkirk Council and as such it does not appear on the Statement of Receipts and Payments.

7. Grant Payments

One grant payment for £2,400 was made to a charity working with young people on drugs education and prevention.

Independent auditor's report to the trustees of Falkirk Temperance Trust and the Accounts Commission

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 2019 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 2019 and its 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 for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. 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 Standard, 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 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) 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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, our responsibility is to read all the other information in the statement of accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on other requirements

Opinion on matter prescribed by the Accounts Commission

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.

Use of our report

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.

Stephen Reid, for and on behalf of Ernst & Young LLP

Ernst & Young LLP

Atria One

144 Morrison Street

Edinburgh

EH3 8EX

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