

The background of the slide features a large, light blue watermark of the University of Aberdeen crest. The crest is a shield divided into four quadrants. The top-left quadrant shows a castle tower, the top-right shows a stag's head with antlers, the bottom-left shows a three-masted sailing ship on waves, and the bottom-right shows an eagle with wings spread. Above the shield is a crown with four floral motifs. Below the shield is a banner with the motto 'ANE FOR A'.

Agenda Item 6

**Temperance Trust Annual
Accounts 2019/20**

Falkirk Council

Title: Temperance Trust Annual Accounts 2019/20
Meeting: Audit Committee
Date: 9 November 2020
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 2020.

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 2020.

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 2019/20 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: 26 October 2020

Appendices

1. Annual Accounts 2019/20

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

UNAUDITED ANNUAL REPORT & ACCOUNTS

for the year ended 31 March 2020

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Trustee's Annual Report

Trustee's Annual Report for the year ended 31 March 2020

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 2020.

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 were no grant applications made to the Trust in the financial year.

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 pays interest and 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 didn't make any grant payments in 2019/20.

Surplus/Deficit

The Trust returned a 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.

David Grant
Trustee

29 June 2020

Statements

Statement of Receipts and Payments from 1 April 2019 – 31 March 2020

2018/19 Unrestricted Funds £		2019/20 Unrestricted Funds £	Note
Receipts			
999	Bank interest	1,172	
999		1,172	
Payments			
30	Bank Fee	30	6
2,400	Grants	-	7
2,430		30	
(1,431)	Surplus/(Deficit) for Period	1,142	

Approved by the Trustees and signed on their behalf:

David Grant
Trustee

29 June 2020

Bryan Smail
Treasurer

29 June 2020

Statements

Statement of Balances as at 31 March 2020

2018/19 Unrestricted Funds £		2019/20 Unrestricted Funds £	Note
<u>Current Assets</u>			
154,646	Bank of Scotland Guaranteed Fixed Deposit	155,818	2
5,742	Bank of Scotland Treasurer's Account	5,712	2
160,388		161,530	
<u>Current Liabilities</u>			
-		-	
160,388	Net Assets	161,530	
<u>Represented by:</u>			
161,819	Surplus brought forward	160,388	
(1,431)	Surplus/(deficit) for period	1,142	
160,388	Surplus carried forward	161,530	

Approved by the Trustees and signed on their behalf:

David Grant
Trustee

29 June 2020

Bryan Smail
Treasurer

29 June 2020

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 (2018/19: Nil).

5. Administration Fee

No fee was charged by Falkirk 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 2019/20 was £550. This was included in the Falkirk Council audit fee and as such was paid by Falkirk Council and does not appear on the Statement of Receipts and Payments.

7. Grant Payments

There were no grant payments made in the year.

Independent Auditor's Report

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

Opinion

We have audited the financial statements of Falkirk Temperance Trust for the year ended 31 March 2020 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 which 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 receipts and payments basis.

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its statement of balances at that date;
- ▶ 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.

Basis for opinion

We conducted our audit in accordance with 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 below. We are independent of the charitable company 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.

Other information

The other information comprises the information included in the Trustees' Annual Report set out on pages 2 to 3, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report

Opinion on other 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 prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ▶ The Trustees' Annual Report has been prepared in accordance with Charities Accounts (Scotland) Regulations 2006 (as amended).

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have identified no material misstatements in the Trustees' Annual Report.

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

- ▶ adequate and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- ▶ the financial statements are not in agreement with the accounting records and returns; or
- ▶ certain disclosures of trustees' remuneration specified by law are not made; or
- ▶ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

The trustees are responsible for the preparation of the financial statements and for being satisfied that give a true and fair view, 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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain 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 our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent Auditor's Report

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and 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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Reid (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh

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