

ANGUS COUNCIL CHARITABLE TRUST

**TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2018**

REGISTERED CHARITY NUMBER SC044695

Angus Council Charitable Trust
Trustees' Annual Report and Financial Statements

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Angus Council Charitable Trust

Trustees' Annual Report and Financial Statements

1. INTRODUCTION

This is the fourth Trustees Annual Report for Angus Council Charitable Trust. This follows approval from the Office of the Scottish Charity Regulator (OSCR) to consolidate 97 registered charities and 42 non-registered Trusts into a new single charity: Angus Council Charitable Trust. The charity was formed under a Deed of Trust dated 24 February 2014 and the transfer was effected as at 1 August 2014.

The Trustees present this annual report together with the financial statements for the year ended 31 March 2018.

ADMINISTRATION INFORMATION

Charity Name	Angus Council Charitable Trust
Charity Number	SC044695
Principal / Contact Address	Angus Council Corporate Finance Angus House Orchardbank Business Park Forfar Angus DD8 1AF
Trustees	Councillor Julie Bell Councillor Brian Boyd Councillor Kenny Braes Councillor Colin Brown Councillor David Cheape Councillor Braden Davy Councillor Lynne Devine Councillor Bill Duff Councillor Brenda Durno Councillor David Fairweather Councillor Craig Fotheringham Councillor Sheila Hands Councillor Alex King Councillor Ben Lawrie Councillor David Lumgair Councillor Angus Macmillan Douglas Councillor Mark McDonald Councillor Ian McLaren Councillor Richard Moore Councillor Bob Myles Councillor Gavin Nicol Councillor Roland Proctor Councillor Mark Salmond Councillor Lois Speed Councillor Tommy Stewart Councillor Ron Sturrock Councillor Derek Wann Councillor Beth Whiteside
Auditor	Rachel Browne Senior Audit Manager Audit Scotland 4 th Floor, 102 West Port Edinburgh EH3 9DN

2. STRUCTURE AND GOVERNANCE

The Angus Council Charitable Trust is registered with the Office of the Scottish Charity Regulator (OSCR).

The charity is governed by a deed of trust, disposed and conveyed by the Office of the Scottish Charities Regulator (OSCR), dated 27 February 2014 and recorded in the Scottish Charity Register. The charity is administered in line with the terms contained within the deed of trust.

The trustees for the charity are all 28 members of Angus Council who were appointed on 15 May 2017 at its statutory meeting following the local government elections. The trust is split into seven geographical areas, based on the council's current ward boundaries (wards 6 and 7 are combined).

The Service Leader - Legal & Democratic Services is the designated officer within Angus Council with responsibility for the proper administration of the charity. The Head of Finance & Legal is the designated officer within Angus Council with responsibility for the proper administration of the charity's financial affairs, including the maintenance of proper accounting records and ensuring that the financial statements comply with the Charities Accounts (Scotland) Regulations 2006 (as amended).

3. MANAGEMENT OF FUNDS AND INVESTMENT POLICY

Decisions regarding the overall operation and management of the charity are taken by the Trustees on the basis of simple majority. Decisions regarding consideration of applications for support up to a level of £1,000 per application, have been delegated to the members for the relevant council ward and are also taken on the basis of simple majority.

The Trustees arrange for the funds of the charity to be held in an interest bearing account or otherwise invested in an appropriate manner and have agreed that this be carried out under the administration of Angus Council's Head of Finance & Legal.

The majority of the charity's cash is deposited with Angus Council's Loans Fund. Some is also invested in UK Government Bonds & Fixed Interest Securities and some is managed by an external investment manager in conjunction with Angus Council's Head of Finance & Legal.

4. RESERVES POLICY

The charity has no specific policy on the level of reserves that should be held, but does have the stated intention of only disbursing revenue resources. The Trustees do however have discretion to make payments from capital resources where they consider this appropriate. Decisions regarding payments from capital are not delegated and must be considered at a full meeting of the Trustees.

5. OBJECTIVES AND ACTIVITIES

The purposes of the charity as set out within the deed of trust are the prevention or relief of poverty; the advancement of education, health, citizenship or community development, arts, heritage, culture or science; the provision of recreational facilities with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended; the promotion of religious or racial harmony; the relief of those in need by the reason of age, ill health, disability, financial hardship or other disadvantage.

Income is received from investment returns and is expended on awards and operational costs, and where necessary the income is supplemented by revenue balances.

The charity awards grants, donations, loans, gifts or pensions to individuals and grants, donations or gifts to organisations under the various charitable purposes detailed above. These grants are awarded following receipt of an application form which is submitted to the Trustees to be considered for cash support. The Trustees have sole discretion to approve applications and award support, subject to sufficient revenue funds being available.

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6. FINANCIAL OVERVIEW

In the year to 31 March 2018, the charity received income of £7,243. It incurred operating costs amounting to £12,628 and paid out awards totalling £4,241.

At 31 March 2018 the charity held investments valued at £64,516 and cash and bank balances totalling £574,974.

The value of investments decreased in value in 2017/18 by £2,992 from £67,508 to £64,516.

7. PLANS FOR THE FUTURE

The charity plans to continue to manage its resources to provide grants, loans, gifts and donations to applicants that satisfy its requirements.

8. STATEMENT OF THE TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year in accordance with the Charities Accounts (Scotland) Regulations 2006. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- keep adequate accounting records that are up to date
- take reasonable steps to ensure the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to the auditor

In so far as the trustees are aware:

- there is no relevant information of which the auditor is unaware, and
- the trustees have taken all the steps they ought to have taken to make themselves aware of all relevant audit information, and to establish that the auditor is aware of the information.

9. DECLARATION

This report was approved by the Trustees on 27th September 2018 and signed on their behalf by:

Ian Lorimer CPFA Head of Finance & Legal Angus Council	Councillor Colin Brown Trustee

Independent auditor's report to the trustees of Angus Council Charitable Trust and the Accounts Commission

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, I 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

I certify that I have audited the financial statements in the statement of accounts of Angus Council Charitable Trust for the year ended 31 March 2018 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 my opinion the accompanying financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2018 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

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Responsibilities, 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

My 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 my 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 my 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 my auditor's report thereon. My opinion on the financial statements does not cover the other information and I 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 my audit of the financial statements, my 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 my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am 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 I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinion on matter prescribed by the Accounts Commission

In my 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 I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

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

I have nothing to report in respect of these matters.

Rachel Browne
Senior Audit Manager
Audit Scotland
4th Floor
102 West Port
Edinburgh
EH3 9DN
27th September 2018

Rachel Browne is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973

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STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31 MARCH 2018

The statement of receipts and payments as required by the Charities Accounts (Scotland) Regulations 2006 (as amended), provides an analysis of the incoming and outgoing cash and bank transactions for the year.

The expendable endowment funds relate to both the charity's capital accounts and revenue accounts and are described in Note 3. The charity's revenue accounts are held in cash and are available in their entirety to meet the charity's objectives. The charity's capital accounts are held in both cash and investments. Trustees are not prohibited from expending these funds however the Trustees operate on the basis of retaining these funds to generate distributable income and only expending these funds in exceptional circumstances.

The charity meets its operating costs from the distributable income generated during the financial year.

	Note	Unrestricted Funds 2017/18 £	Expendable Endowment Funds 2017/18 £	Total Funds 2017/18 £	Total Funds 2016/17 £
RECEIPTS					
Investment Income	4	2,377		2,377	1,393
Unit Trust Interest		0		0	735
Bank Interest		3,411		3,411	4,081
Transfer from Capital Accounts		1,455		1,455	0
Sale of Investments			9,485	9,485	27,767
Total Receipts		7,243	9,485	16,728	33,976
PAYMENTS					
Investment Management Fee	8	900		900	898
Charitable Activities – Grants / Donations	5	4,241		4,241	0
Audit Fee	8	0		0	0
Administration / Finance Support	6	11,728		11,728	4,001
Purchase of Investments			8,479	8,479	26,656
Total Payments		16,869	8,479	25,348	31,555
Net Receipts / (Payments)		(9,626)	1,006	(8,620)	2,421

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STATEMENT OF BALANCES AS AT 31 MARCH 2018

The statement of balances as required by the Charities Accounts (Scotland) Regulations 2006 (as amended), reconciles the cash and bank balances at the start and end of the financial year, with any surpluses shown in the Statement of Receipts and Payments. The notes on pages 9 to 13 form part of these financial statements. Note that this is not a balance sheet.

The Statement of Balances also shows the final closing balances as at the 31 March 2018.

		Unrestricted Funds 31/3/18 £	Expendable Endowment Funds 31/3/18 £	Total Funds 31/3/18 £	Total Funds 31/3/17 £
CASH AND BANK IN HAND					
Opening Balance		(2,005)	585,599	583,594	581,173
Net Receipts / (Payments) for Year		(9,626)	1,006	(8,620)	2,421
Closing Balance		(11,631)	586,605	574,974	583,594

	Note	Total Investments 31/3/18 £	Total Investments 31/3/17 £
INVESTMENTS			
War Bonds		1,158	1,140
UK Fixed Interest		19,629	19,826
Overseas Fixed Interest		8,601	8,945
UK Equities		4,062	9,850
International Equities		13,343	13,666
Property		5,146	4,945
Alternative Assets		9,808	6,473
Cash held by Investec		2,769	2,663
Total Investments		64,516	67,508

There were no liabilities payable by Angus Council Charitable Trust to 31st March 2018.

This report was approved by the Trustees on 27th September 2018 and signed on their behalf by:

Ian Lorimer CPFA Head of Finance & Legal Angus Council	Councillor Colin Brown Trustee

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Basis of Accounting

The Financial statements have been prepared on a receipts and payments basis in accordance with the Charities & Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Note 2: Accounting Policies

Cash and Bank Balances

During the year all of the charity's cash was held by Angus Council, which manages the administration of the funds on the charity's behalf. The Council also acts as banker for the charity and all incoming and outgoing transactions are made via the Council's accounting and banking systems. This cash is repayable on demand and interest is payable on the balance held.

Taxation

The charity is not liable for income or capital gains tax on its activities. Irrecoverable VAT is included in the expense to which it relates. When VAT on expenditure is recoverable by the council, it is included in income in the year in which it is received.

Investments

Investments are shown at market value as at 31 March 2018 as provided in a report by the investment manager and as determined by the Head of Finance & Legal with reference to relevant market price data.

Investments are primarily held by the external investment manager and are managed with an income return investment objective under a cautious with risk basis. A number of government treasury stocks and gilts are however also directly held with the intention to hold these to maturity to protect the underlying capital value.

Note 3: Capital and Revenue Funds

Angus Council Charitable Trust holds its funds for specific ring-fenced charitable purposes within specific geographic areas based on the Council Ward boundaries. Decisions regarding the disbursement of these ring-fenced funds is taken by the local members for the relevant Ward. The charitable narratives detailed within the tables below are considered to describe the nature and purpose of the funds. The following table details the opening balance, the movement during the financial year and the 2017/18 closing balance for the capital accounts.

	CAPITAL ACCOUNTS	Capital Opening Balance 1/4/17 £	Movement in Year £	Capital Closing Balance 31/3/18 £
Ward 1	Kirriemuir and Dean			
11	Prevention and relief of Poverty	33,069	0	33,069
12	Provision of Recreational Facilities / Activities	264	0	264
13	Relief of those in Need (General for Ward 1)	25,949	(327)	25,622
14	Advancement of Education	1,260	0	1,260
15	Advancement of Citizenship /Community	5,311	0	5,311
16	Advancement of Arts, Heritage, Culture and Science	297	0	297
17	Advancement of Arts, Heritage, Culture and Science (War Memorials)	1,019	0	1,019

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Ward 2	Brechin and Edzell			
21	Prevention and relief of Poverty	23,746	0	23,746
22	Relief of those in Need (St Drostan's Court)	2,572	0	2,572
23	Relief of those in Need (General for Ward 2)	4,949	0	4,949
24	Advancement of Education	15,205	0	15,205
25	Advancement of Citizenship /Community	92,885	0	92,885
26	Advancement of Arts, Heritage, Culture and Science Inglis Memorial Hall	6,139	0	6,139
27	Advancement of Arts, Heritage, Culture and Science	490	0	490
28	Advancement of Arts, Heritage, Culture and Science (War Memorials)	547	0	547
Ward 3	Forfar and District			
31	Prevention and relief of Poverty	2,352	0	2,352
32	Provision of Recreational Facilities / Activities	117	0	117
33	Relief of those in Need (The Gables)	7,581	0	7,581
34	Relief of those in Need (General for Ward 3)	55,986	(533)	55,453
35	Advancement of Education	1,088	0	1,088
Ward 4	Monifieth and Sidlaw			
41	Prevention / Relief of Poverty	9,228	0	9,228
42	Advancement of Education	3,210	0	3,210
Ward 5	Carnoustie and District			
51	Prevention and relief of Poverty	18,729	0	18,729
52	Provision of Recreational Facilities / Activities	403	0	403
53	Relief of those in Need (Kinloch Court)	24,268	0	24,268
54	Relief of those in Need (General for Ward 5)	10,343	0	10,343
55	Advancement of Citizenship / Community	2,563	0	2,563
56	Advancement of Arts,Heritage,Culture and Science (War Memorials)	8,268	0	8,268
Ward 6 & 7	Arbroath East & Lunan and West Letham			
61	Prevention and relief of Poverty	50,020	0	50,020
62	Relief of those in Need (General for Wards 6 &7)	7,262	0	7,262
63	Advancement of Citizenship / Community	1,518	0	1,518
64	Advancement of Arts,Heritage,Culture and Science	1,273	0	1,273
Ward 8	Montrose and District			
81	Prevention and Relief of Poverty	64,788	(532)	64,256
82	Relief of those in Need (General for Ward 8)	45,847	(63)	45,784
83	Advancement of Citizenship / Community	2,341	0	2,341
84	Advancement of Arts,Heritage,Culture and Science (War Memorials)	3,714	0	3,714

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Angus Wide				
91	Relief of those in Need	74,434	(4,723)	69,711
92	Advancement of Education	1,644	0	1,644
	OVERALL CAPITAL TOTALS - ACCT	610,679	(6,178)	604,501

The following table details the opening balance, the movement during the financial year and the 2017/18 closing balance for the revenue accounts.

	REVENUE ACCOUNTS	Revenue Opening Balance 1/4/17 £	Movement in Year £	Revenue Closing Balance 31/3/18 £
Ward 1	Kirriemuir and Dean			
11	Prevention and relief of Poverty	3,617	(463)	3,154
12	Provision of Recreational Facilities / Activities	41	(4)	37
13	Relief of those in Need (General for Ward 1)	0	0	0
14	Advancement of Education	494	(22)	472
15	Advancement of Citizenship /Community	1,050	(80)	970
16	Advancement of Arts, Heritage, Culture and Science	497	(10)	487
17	Advancement of Arts, Heritage, Culture and Science (War Memorials)	495	(19)	476
Ward 2	Brechin and Edzell			
21	Prevention and relief of Poverty	1,813	(1,672)	141
22	Relief of those in Need (St Drostan's Court)	658	(41)	617
823	Relief of those in Need (General for Ward 2)	1,609	(83)	1,526
24	Advancement of Education	3,353	(234)	3,119
25	Advancement of Citizenship /Community	4,344	(1,226)	3,118
26	Advancement of Arts, Heritage, Culture and Science Inglis Memorial Hall	180	(80)	100
27	Advancement of Arts, Heritage, Culture and Science	103	(7)	96
28	Advancement of Arts, Heritage, Culture and Science (War Memorials)	557	(14)	543
Ward 3	Forfar and District			
31	Prevention and relief of Poverty	306	(34)	272
32	Provision of Recreational Facilities / Activities	338	(6)	332
33	Relief of those in Need (The Gables)	1,413	(113)	1,300
34	Relief of those in Need (General for Ward 3)	175	(175)	0
35	Advancement of Education	58	(14)	44
Ward 4	Monifieth and Sidlaw			
41	Prevention / Relief of Poverty	2,246	(145)	2,101
42	Advancement of Education	489	(47)	442

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Ward 5	Carnoustie and District			
51	Prevention and relief of Poverty	2,470	(2,067)	403
52	Provision of Recreational Facilities / Activities	81	(6)	75
53	Relief of those in Need (Kinloch Court)	1,524	(325)	1,199
54	Relief of those in Need (General for Ward 5)	785	(140)	645
55	Advancement of Citizenship / Community	669	(41)	628
56	Advancement of Arts,Heritage,Culture and Science (War Memorials)	1,479	(123)	1,356
Ward 6 & 7	Arbroath East & Lunan and West Letham			
61	Prevention and relief of Poverty	3,593	(676)	2,917
62	Relief of those in Need (General for Wards 6 &7)	1,188	(107)	1,081
63	Advancement of Citizenship / Community	331	(23)	308
64	Advancement of Arts,Heritage,Culture and Science	99	(17)	82
Ward 8	Montrose and District			
81	Prevention and Relief of Poverty	1,200	(1,200)	0
82	Relief of those in Need (General for Ward 8)	717	(717)	0
83	Advancement of Citizenship / Community	474	(36)	438
84	Advancement of Arts,Heritage,Culture and Science (War Memorials)	865	(58)	807
Angus Wide				
91	Relief of those in Need	5,885	421	6,306
92	Advancement of Education	67	(21)	46
	OVERALL REVENUE TOTALS - ACCT	45,264	(9,626)	35,638

Overall there was an adverse movement within ACCT revenue accounts on a receipts and payments basis of £9,626. In 2016/17 there was a favourable movement of £1,310.

Please note that the account balances detailed in these tables are disclosed on an accruals basis and include a debtors balance on Account 91 Relief of those in Need.

Note 4: Income

Income amounting to £7,243 was received overall. Income was received from investments of £2,377, and £3,411 was received from Angus Council in respect of cash deposited with the Council's Loans Fund and £1,455 was transferred from the Capital Accounts.

Note 5: Grant Awards

During the financial year to 31 March 2018 grants amounting to £4,241 were awarded.

Note 6: Trustee Remuneration, Expenses and Related Party Transactions

No remuneration or expenses were paid to the Trustees or any connected persons during the year.

The charity was charged £11,728 by Angus Council in respect of Finance and Administration support. The comparative charge in 2016/17 was £4,001. This reflects additional work required during the year including one-off work on the management of investments to comply with regulatory requirements.

Note 7: Heritable Property

The Angus Council Charitable Trust includes Heritable Property amounting to £120. It is uncertain the nature of this property due to the passage of time.

Note 8: Management Fee

The investment management fee relating to financial year 2017/18 was £900 and was borne by the charity. The investment management fees relating to financial year 2016/17 were £898.

Note 9: Audit Fee

The audit fee for 2017/18 was £3,000 (2016/17 £1,500). The Council has agreed to bear the cost of the audit fee.