

ANGUS COUNCIL CHARITABLE TRUST

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

REGISTERED CHARITY NUMBER SC044695

Angus Council Charitable Trust

Table of Contents

TRUSTEES' ANNUAL REPORT	3
STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 st MARCH 2022	7
BALANCE SHEET as at 31 st MARCH 2022	8
NOTES TO THE FINANCIAL STATEMENTS.....	9
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ANGUS COUNCIL CHARITABLE TRUST AND THE ACCOUNTS COMMISSION	11

Angus Council Charitable Trust

TRUSTEES' ANNUAL REPORT

1. INTRODUCTION

This is the eighth 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 27 February 2014 and the transfer was effected as at 1 August 2014.

The Trustees present this annual report together with a statement of financial activities and balance sheet for the year ended 31 March 2022.

ADMINISTRATION INFORMATION

Charity Name	Angus Council Charitable Trust
Charity Number	SC044695
Principal / Contact Address	Angus Council Director of Finance Angus House Orchardbank Business Park Forfar Angus DD8 1AF
Trustees	<p><u>Trustees during the period covered by the annual report</u></p> <p>Councillor Julie Bell Councillor Brian Boyd Councillor Kenny Braes Councillor Colin Brown (to 5 May 2022 election) Councillor David Cheape Councillor Braden Davy (to 5 May 2022 election) Councillor Lynne Devine Councillor Bill Duff Councillor Brenda Durno Councillor David Fairweather Councillor Craig Fotheringham Councillor Sheila Hands (to 5 May 2022 election) Councillor Alex King (to 5 May 2022 election) Councillor Ben Lawrie (to 5 May 2022 election) Councillor David Lumgair (to 5 May 2022 election) Councillor Angus Macmillan Douglas (to 5 May 2022 election) Councillor Mark McDonald Councillor Ian McLaren Councillor Richard Moore (to 5 May 2022 election) Councillor Bob Myles (to 5 May 2022 election) Councillor Gavin Nicol Councillor Ronnie Proctor Councillor Mark Salmond (to 5 May 2022 election) Councillor Lois Speed Councillor Tommy Stewart Councillor Ron Sturrock (to 5 May 2022 election) Councillor Derek Wann Councillor Beth Whiteside</p> <p><u>New Trustees appointed 26 May 2022</u></p> <p>Councillor Chris Beattie Councillor Linda Clark Councillor Serena Cowdy Councillor Heather Doran Councillor Iain Gall Councillor Ross Greig Councillor George Meechan Councillor Lloyd Melville</p>

Angus Council Charitable Trust

	Councillor Louise Nicol Councillor Jill Scott Councillor Martin Shepherd
Auditor	Rachel Browne Senior Audit Manager Audit Scotland 4 th Floor, 102 West Port Edinburgh EH3 9DN
Investment Managers	Investec Wealth & Investment 15 Lauriston Place Edinburgh EH3 9EN

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 current trustees for the charity are all 28 members of Angus Council who were appointed on 26 May 2022 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 Director of Legal & Democratic Services is the designated officer within Angus Council with responsibility for the proper administration of the charity. The Director of Finance 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 Director of Finance.

Some 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 Director of Finance.

In October 2019, the Trustees approved additional investment in the externally managed investment portfolio be made from the Trust's cash reserves in order to generate a better level of distributable income. Discussions on how best to implement this were underway but were overtaken by market reactions to the COVID-19 outbreak. There was no investment made in financial year 2020/21. However, it was felt that market volatility had sufficiently settled down and an additional investment of £300,000 was made in August 2021 with Investec Wealth and Investment. It is intended to make a further investment through Investec Wealth and Investment during 2022/23.

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.

Angus Council Charitable Trust

5. CHARITABLE PURPOSE 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.

6. FINANCIAL OVERVIEW

The accounts have been prepared on an accruals basis. Activity is accounted for in the year that it takes place, not simply when cash payments are made or received.

In the year to 31 March 2022, the charity received investment income of £3,780 and bank interest of £1,583. It incurred operating costs amounting to £16,601 and paid out no charitable awards. There were 4 applications but 2 were from outwith Angus and were not eligible and the remaining 2 were Forfar based and were referred to the Robert & William Strang Mortification which is Forfar specific and had more distributable funds available.

At 31 March 2022 the charity held long-term investments valued at £312,162 and cash and bank balances totalling £285,964. The value of investments increased by £251,360 from £60,802 in 2020/21 as a result of a change in investment strategy approved by the Trustees.

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. Revisions to existing governance arrangements have been agreed by the Trustees and are being confirmed with OSCR. There are no changes to the charity purpose or objectives but changes in how the available funds are managed have been agreed. The Trust will now operate as a single Angus-wide fund to give the most flexibility to utilise the distributable funds and to reduce administrative burdens and costs. This has led to the removal of the detailed table previously included at Note 3 to the accounts.

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 the Charities Statement of Recommended Practices (FRS102) (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.

Angus Council Charitable Trust

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 signed on 29 November 2022 by:

Ian Lorimer CPFA Director of Finance Angus Council	Councillor Lynne Devine Trustee

Angus Council Charitable Trust

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31st MARCH 2022

	Note	Unrestricted Funds 2021/22 £	Endowment Funds 2021/22 £	Total Funds 2021/22 £	2020/21 £
Income from:					
Investment Income	6	3,780		3,780	1,847
Bank Interest	6	1,583		1,583	2,828
Total		5,363	0	5,363	4,675
Expenditure on:					
Investment Management	10	2,588		2,588	898
Charitable Activities – Grants / Donations	7	0		0	0
Audit Fee	11	3,000		3,000	3,000
Finance Support	9	7,192		7,192	8,804
Administration Support	9	3,821		3,821	2,804
Total		16,601	0	16,601	15,506
Net gains/(losses) on investments		0	(4,373)	(4,373)	6,816
Net Income / (Expenditure)		(11,238)	(4,373)	(15,611)	(4,015)
Transfer between funds	6	0	0	0	0
Gains/(losses) on revaluation of fixed assets			0	0	0
Other gains / (losses)				0	0
Net Movement in Funds		(11,238)	(4,373)	(15,611)	(4,015)
Reconciliation of Funds					
Total Funds Brought Forward		16,167	596,679	612,846	616,861
Total Funds Carried Forward		4,929	592,306	597,235	612,846

Angus Council Charitable Trust

BALANCE SHEET as at 31st MARCH 2022

As at 31 st March 2021			Note	As at 31 st March 2022	
£	£			£	£
		Fixed Assets:			
	60,802	Investments	2		312,162
		Current Assets:			
354		Debtors	4	2,109	
2,457		Premier Investment Account	2	44,136	
552,233		Cash Balance due by Angus Council Loans Fund	2	241,828	
	555,044	Total Current Assets			288,073
		Liabilities:			
	3,000	Creditors: Amounts falling due within one year	5		3,000
	552,044	Net Current Assets			285,073
	612,846	Total Net Assets			597,235
		The funds of the charity:			
	596,679	Endowment funds	3	592,306	
	16,167	Unrestricted funds	3	4,929	
	612,846	Total charity funds			597,235

All of the charity's activities are continuing.

The Notes to the Financial Statements on page 9 to 10 form part of these Financial Statements.

This report was signed on 29 November 2022 by:

Ian Lorimer CPFA Director of Finance Angus Council	Councillor Lynne Devine Trustee

Angus Council Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Basis of Preparation

The accounts (financial statements) have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the FRS102, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The accounts have been prepared on an accruals basis. Activity is accounted for in the year that it takes place, not simply when cash payments are made or received.

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.

Investments

Investments are shown at market value as at 31 March 2022 as provided in a report by the investment manager, Investec.

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: Nature and Purpose of Funds

Angus Council Charitable Trust holds its funds for specific ring-fenced charitable purposes. Decisions regarding the disbursement of these ring-fenced funds is taken by the local members for the relevant Ward to which applications relate.

Expendable endowment funds relate to the charity's capital account, held in both cash and investments. Trustees are not prohibited from expending these funds, however, the Trustees operate an informal policy of retaining these funds to generate distributable income and only expending these funds in exceptional circumstances.

Unrestricted funds are the charity's revenue account, held in cash, and are available in their entirety to meet the charity's objectives.

Note 4: Debtors

The accounts at 31 March 2022 include a debtor balance of £2,109 in respect of investment income accrued to 31 March 2022 but received after the year-end. The debtor balance in 2020/21 was £354.

Note 5: Creditors

The accounts at 31 March 2022 include a creditor balance of £3,000 which relates to the audit fee. The creditor balance in 2020/21 was also £3,000 and also related to the audit fee.

Note 6: Income

Income amounting to £5,363 was received overall. Income of £3,780 was received from investments and £1,583 was received from Angus Council in respect of cash deposited with the Council's Loans Fund.

Note 7: Grant Awards

During the financial year to 31 March 2022 there were no grants awarded. There were also no grants awarded in 2020/21.

Angus Council Charitable Trust

Note 8: Trustee Remuneration, Expenses and Related Party Transactions

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

Note 9: Related Party Transactions

The charity was charged £11,013 by Angus Council in respect of Finance (£7,192) and Administration support (£3,821). The comparative charge in 2020/21 was £11,608 (Finance £8,804 and Administration support £2,804).

Note 10: Investment Management Fee

The investment management fee relating to financial year 2021/22 was £2,588 and was borne by the charity. The investment management fee relating to financial year 2020/21 was £898. The investment management fee is directly linked to the value of the investment portfolio and thus the increase between years reflects the additional investment placed with the investment manager as approved by the Trustees.

Note 11: Audit Fee

The audit fee for 2021/22 was £3,000 and was borne by the Charity. The audit fee for 2020/21 was also £3,000.

Angus Council Charitable Trust

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

Reporting 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 2022 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 Financial Activities, the Balance Sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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

I conducted my 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. 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.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

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 that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees intend to discontinue the charity's operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My 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 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

Angus Council Charitable Trust

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how the charity is complying with that framework;
- identifying which laws and regulations are significant in the context of the charity;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the charity's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

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.

Reporting on other requirements

Other information

The trustees are responsible for other information in the statement of accounts. The other information comprises the Trustees' Annual Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 the Trustees' Annual Report to the extent explicitly stated in the following opinion prescribed by the Accounts Commission.

Opinion prescribed by the Accounts Commission on the Trustees' Annual Report

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 SORP (FRS 102).

Angus Council Charitable Trust

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.

Use of my 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, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Rachel Browne CPFA
Senior Audit Manager
Audit Scotland
102 West Port
Edinburgh
EH3 9DN

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