

**ANGUS COUNCIL CHARITABLE FUNDS**  
**TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**AUDITED**

# Angus Council Charitable Funds

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## Angus Council Charitable Funds

### TRUSTEES' ANNUAL REPORT

#### 1. INTRODUCTION

Angus Council acts as administrator for 2 Trusts that have charitable status and are registered with the Office of the Scottish Charity Regulator (OSCR).

The Council administers these Trusts, but their assets are not available to the Council and the Council does not have control over the assets. The Trusts are therefore not included in the Council's own accounts statements but have been included in the Council's Group Accounts statements on a subsidiary basis applying the principle that the substance of the relationship indicates control by the Council.

This is the first Trustees' Annual Report for Angus Council Charitable Funds prepared under Regulation 7 (Connected Charities) of the Charities Accounts (Scotland) Regulations 2006. This regulation allows registered charities which have a common or related purpose, or have a common controlling body or administration, to prepare a single set of accounts.

These collated statements cover the following charities registered with OSCR:

- Robert & William Strang Mortification (SC018687) – hereafter referred to as “Strangs”
- Angus Council Charitable Trust (SC044695) – hereafter referred to as “ACCT”

The Trustees present this annual report together with a statement of financial activities and balance sheet for the year ended 31 March 2023.

#### ADMINISTRATION INFORMATION

Principal / contact address for both charities	Angus Council Director of Finance Angus House Orchardbank Business Park Forfar Angus DD8 1AN
Trustees	<p><u>Trustees during the period covered by the annual report</u></p> <p>Councillor Chris Beattie (ACCT) – appointed 26 May 2022</p> <p>Councillor Julie Bell (ACCT)</p> <p>Councillor Brian Boyd (ACCT)</p> <p>Councillor Kenny Braes (ACCT)</p> <p>Councillor Colin Brown (Strangs &amp; ACCT) – to 5 May 2022 election</p> <p>Councillor David Cheape (ACCT)</p> <p>Councillor Linda Clark (Strangs &amp; ACCT) – appointed 26 May 2022</p> <p>Councillor Serena Cowdy (ACCT) – appointed 26 May 2022</p> <p>Councillor Braden Davy (Strangs &amp; ACCT) – to 5 May 2022 election</p> <p>Councillor Lynne Devine (Strangs &amp; ACCT)</p> <p>Councillor Heather Doran (ACCT) – appointed 26 May 2022</p> <p>Councillor Bill Duff (ACCT)</p> <p>Councillor Brenda Durno (ACCT)</p> <p>Councillor David Fairweather (ACCT)</p> <p>Councillor Craig Fotheringham (ACCT)</p> <p>Councillor Iain Gall (ACCT) – appointed 26 May 2022</p> <p>Councillor Ross Greig (Strangs &amp; ACCT) – appointed 26 May 2022</p> <p>Councillor Sheila Hands (ACCT) – to 5 May 2022 election</p> <p>Councillor Alex King (ACCT) – (ACCT) – to 5 May 2022 election</p> <p>Councillor Ben Lawrie (ACCT) – to 5 May 2022 election</p> <p>Councillor David Lumgair (ACCT) – to 5 May 2022 election</p> <p>Councillor Angus Macmillan Douglas (ACCT) – to 5 May 2022 election</p> <p>Councillor Mark McDonald (ACCT)</p> <p>Councillor Ian McLaren (Strangs &amp; ACCT)</p> <p>Councillor George Meechan (ACCT) – appointed 26 May 2022</p> <p>Councillor Lloyd Melville (ACCT) – appointed 26 May 2022</p> <p>Councillor Richard Moore (ACCT) – to 5 May 2022 election</p> <p>Councillor Bob Myles (ACCT) – to 5 May 2022 election</p> <p>Councillor Gavin Nicol (ACCT)</p>

## Angus Council Charitable Funds

	<p>Councillor Louise Nicol (ACCT) – appointed 26 May 2022  Councillor Ronnie Proctor (ACCT)  Councillor Mark Salmond (ACCT) – to 5 May 2022 election  Councillor Jill Scott (ACCT) – appointed 26 May 2022  Councillor Martin Shepherd (ACCT) – appointed 26 May 2022  Councillor Lois Speed (ACCT)  Councillor Tommy Stewart (ACCT)  Councillor Ron Sturrock (ACCT) – to 5 May 2022 election  Councillor Derek Wann (ACCT)  Councillor Beth Whiteside (ACCT)</p>
Auditor	<p>Mark Laird  Senior Audit Manager  Audit Scotland  4<sup>th</sup> Floor South Suite  The Athenaeum Building  8 Nelson Mandela Place  Glasgow  G2 1BT</p>
Investment Managers	<p>Investec Wealth &amp; Investment  15 Lauriston Place  Edinburgh  EH3 9EN</p>

### 2. STRUCTURE AND GOVERNANCE

#### Robert & William Strang Mortification (Strangs)

The Trust is registered with OSCR and is governed by a deed of trust, disposed and conveyed by the Magistrates of the Burgh of Forfar, dated February 1873 and recorded in the Register of the Burgh of Forfar in February 1874. The charity is administered in line with the terms of the original bequest which was made in 1651 and enshrined within the deed of trust.

The current Trustees for the charity are the members of Angus Council for Ward 3 (Forfar and District) within the Angus Council local authority area. The Trustees were appointed on 26 May 2022 by a vote taken by Angus Council at its statutory meeting following the local government elections.

Decisions regarding the overall operation and management of the Trust are taken by the Trustees based on simple majority.

#### Angus Council Charitable Trust (ACCT)

The Trust is registered with OSCR and is governed by a deed of trust, disposed and conveyed by 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.

Decisions regarding consideration of applications for support up to a level of £1,000 per application, are delegated to members for the relevant Council Ward, based on simple majority. All other decisions are taken by all Trustees, also based on simple majority.

#### Strangs and ACCT

The Director of Legal & Democratic Services is the designated officer within Angus Council with responsibility for the proper administration of both Trusts.

The Director of Finance is the designated officer within Angus Council with responsibility for the proper administration of the financial affairs of both Trusts, including the maintenance of proper accounting records and ensuring that the collated financial statements comply with the Charities Accounts (Scotland) Regulations 2006 (as amended).

## **Angus Council Charitable Funds**

### **3. MANAGEMENT OF FUNDS AND INVESTMENT POLICY**

The Trustees arrange for the funds 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 cash funds is deposited with Angus Council's Loans Fund. Some is also managed by an external investment manager in conjunction with Angus Council's Director of Finance.

### **4. RESERVES POLICY**

There is no specific policy on the level of reserves that should be held but it is the stated intention to only disbursing revenue resources. Trustees do, however, have discretion to make payments from capital resources where they consider this appropriate. Decisions regarding payments from capital must be considered at a full meeting of Trustees.

### **5. CHARITABLE PURPOSE AND ACTIVITIES**

The purposes of the Trusts as set out within the deeds of trust cover 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 advancement of environmental protection or improvement; and 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 reserves.

The Trusts give grants and donations to individuals and organisations under the various charitable purposes detailed above. Grants and donations 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 collated 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 2023:

- investment income of £60,866 was received along with bank interest of £39,758; and
- 476 charitable awards totalling £75,097 were paid out as well as operating costs of £41,291.

Some 86% of the capital account value of the Trusts is held and managed by the external investment manager, Investec. The associated portfolios are managed by Investec on a basis that adopts a medium attitude to risk with the primary aim of generating in-year income returns for distribution to meet the charitable objectives of the Trusts.

On 31 March 2023 long-term investments were valued at £1,547,745 and cash and bank balances totalled £456,167. The value of investments decreased by £36,958 from £1,584,703 in 2021/22 as a result of market movements affected by ongoing world economic volatility.

### **7. PLANS FOR THE FUTURE**

The Trusts plan to continue to manage resources to provide grants, loans, gifts and donations to applicants that satisfy their 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 the Charities Statement of Recommended Practices (FRS102) (United Kingdom Generally Accepted Accounting Practice).

## Angus Council Charitable Funds

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 (as amended).

In preparing these financial statements, the Trustees are required to ensure:

- 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
- ensure the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the provisions of each charity's constitution.

### 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 26 October 2023 by:

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

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 MARCH 2023

	Note	Strangs Mortification			Angus Council Charitable Trust			Connected Charities Totals			
		Unres'd Funds 2022/23 £	Endow't Funds 2022/23 £	Total Funds 2022/23 £	Unres'd Funds 2022/23 £	Endow't Funds 2022/23 £	Total Funds 2022/23 £	Unrestricted Funds 2022/23 £	Endowment Funds 2022/23 £	Total Funds 2022/23 £	2021/22 £
<b>Income from:</b>											
Investment Income	6	47,210		47,210	13,656		13,656	60,866		60,866	47,556
Unit Trust Interest	6	0		0	0		0	0		0	1,000
Bank Interest	6	3,704		3,704	4,467		4,467	8,171		8,171	5,627
Donations	6	24,921		24,921	6,666		6,666	31,587		31,587	0
<b>Total</b>		<b>75,835</b>		<b>75,835</b>	<b>24,789</b>		<b>24,789</b>	<b>100,624</b>	<b>0</b>	<b>100,624</b>	<b>54,183</b>
<b>Expenditure on:</b>											
Investment Management	11	4,160		4,160	4,821		4,821	8,981		8,981	7,057
Charitable Activities – Grants / Donations	7	75,097		75,097	0		0	75,097		75,097	44,961
Audit Fee	13	3,700		3,700	3,000		3,000	6,700		6,700	6,000
Finance Support	9	6,726		6,726	7,695		7,695	14,421		14,421	13,478
Administration Support	9	6,500		6,500	4,089		4,089	10,589		10,589	9,895
Other Expenses		600		600	0		0	600		600	415
<b>Total</b>		<b>96,783</b>		<b>96,783</b>	<b>19,605</b>		<b>19,605</b>	<b>116,388</b>	<b>0</b>	<b>116,388</b>	<b>81,806</b>
<b>Net Income / (Expenditure) before gains / (losses) on investments</b>		<b>(20,948)</b>		<b>(20,948)</b>	<b>5,184</b>		<b>5,184</b>	<b>(15,764)</b>	<b>0</b>	<b>(15,764)</b>	<b>(27,623)</b>

## Angus Council Charitable Funds

	Note	Strangs Mortification			Angus Council Charitable Trust			Connected Charities Totals			
		Unres'd Funds 2022/23 £	Endow't Funds 2022/23 £	Total Funds 2022/23 £	Unres'd Funds 2022/23 £	Endow't Funds 2022/23 £	Total Funds 2022/23 £	Unrestricted Funds 2022/23 £	Endowment Funds 2022/23 £	Total Funds 2022/23 £	2021/22 £
<b>Net Income / (Expenditure) before gains / (losses) on investments</b>		(20,948)		(20,948)	5,184		5,184	(15,764)	0	(15,764)	(27,623)
Net gains/(losses) on investments		0	(98,743)	(98,743)	0	(35,053)	(35,053)	0	(133,796)	(133,796)	3,929
<b>Net Income / (Expenditure)</b>		<b>(20,948)</b>	<b>(98,743)</b>	<b>(119,691)</b>	<b>5,184</b>	<b>(35,053)</b>	<b>(29,869)</b>	<b>(15,764)</b>	<b>(133,796)</b>	<b>(149,560)</b>	<b>(23,694)</b>
Transfer between funds		0	0	0	0	0	0	0	0	0	0
Gains/(losses) on revaluation of fixed assets		0	0	0	0	0	0	0	0	0	0
Other gains / (losses)		0	0	0	0	0	0	0	0	0	0
<b>Net Movement in Funds</b>		<b>(20,948)</b>	<b>(98,743)</b>	<b>(119,691)</b>	<b>5,184</b>	<b>(35,053)</b>	<b>(29,869)</b>	<b>(15,764)</b>	<b>(133,796)</b>	<b>(149,560)</b>	<b>(23,694)</b>
<b>Reconciliation of Funds</b>											
Total Funds Brought Forward		60,756	1,504,235	1,564,991	4,929	592,306	597,235	65,685	2,096,541	2,162,226	2,185,920
<b>Total Funds Carried Forward</b>		<b>39,808</b>	<b>1,405,492</b>	<b>1,445,300</b>	<b>10,113</b>	<b>557,253</b>	<b>567,366</b>	<b>49,921</b>	<b>1,962,745</b>	<b>2,012,666</b>	<b>2,162,226</b>

**BALANCE SHEET on 31 MARCH 2023**

31 March 2022		Note	31 March 2023		
			Strangs £	ACCT £	Total £
	<b>Fixed Assets:</b>				
<b>1,584,703</b>	Investments	2	<b>1,196,987</b>	<b>350,758</b>	<b>1,547,745</b>
	<b>Current Assets:</b>				
13,417	Debtors	4	11,471	3,983	15,454
103,688	Premier Investment Account	2	32,203	105,666	137,869
466,418	Cash Balance due by Angus Council Loans Fund	2	208,339	109,959	318,298
<b>583,523</b>	<b>Total Current Assets</b>		<b>252,013</b>	<b>219,608</b>	<b>471,621</b>
	<b>Liabilities:</b>				
<b>6,000</b>	Creditors: Amounts falling due within one year	5	<b>3,700</b>	<b>3,000</b>	<b>6,700</b>
<b>577,523</b>	<b>Net Current Assets</b>		<b>248,313</b>	<b>216,608</b>	<b>464,921</b>
<b>2,162,226</b>	<b>Total Net Assets</b>		<b>1,445,300</b>	<b>567,366</b>	<b>2,012,666</b>
	<b>The funds of the charity:</b>				
2,096,541	Endowment funds	3	<b>1,405,492</b>	<b>557,253</b>	1,962,745
65,685	Unrestricted funds	3	<b>39,808</b>	<b>10,113</b>	49,921
<b>2,162,226</b>	<b>Total charity funds</b>		<b>1,445,300</b>	<b>567,366</b>	<b>2,012,666</b>

All of the charity's activities are continuing.

The Notes to the Financial Statements on page 10 to 12 form part of these Financial Statements.

This report was signed on 26 October 2023 by:

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

## Angus Council Charitable Funds

### 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).

These are collated statements prepared under Regulation 7 (Connected Charities) of the Charities Accounts (Scotland) Regulations 2006.

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

##### Going Concern

At the time of approving the financial statements, the Trustees for both Trusts have a reasonable expectation that the Trusts have adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees have adopted the going concern basis of accounting in preparing the financial statements.

##### Cash and Bank Balances

During the year cash was held by Angus Council, which manages the administration of the funds. The Council also acts as banker for the funds 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.

An element of cash is however held by the investment manager to effect investment transactions at the direction of the Council's Director of Finance. The split of the total cash held on 31 March 2023 is detailed in Note 10 along with the split on 31 March 2022 for comparative purposes.

##### Investments

Investments are shown at market value on 31 March 2023 as provided in a report by the investment manager, Investec. Investments are held by the external investment manager and are managed with an income return investment objective under a cautious with risk basis. An analysis of the market value of investments is detailed at Note 12.

#### Note 3: Nature and Purpose of Funds

Funds are held for the charitable purposes listed at section 5 of the Trustees' Annual Report. Decisions regarding the disbursement of funds is taken by the Trustees.

Expendable endowment funds relate to the funds in the 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 funds in the revenue account, held in cash, and are available in their entirety to meet the charitable objectives.

#### Note 4: Debtors

The accounts on 31 March 2023 include a debtor balance of £15,454 in respect of investment income accrued to 31 March 2023 but received after the year-end. The debtor balance in 2021/22 was £13,417.

#### Note 5: Creditors

The accounts on 31 March 2023 include a creditor balance of £6,700 which relates to the audit fee. The creditor balance in 2021/22 was £6,000 and also related to the audit fee.

## Angus Council Charitable Funds

### Note 6: Income

Income received during 2022/23 totalled £100,624 with £60,866 received from investments, £8,171 received from Angus Council in respect of the cash deposited with the Council's Loans Fund and £31,587 received in donations.

### Note 7: Grant Awards

During the year to 31 March 2023 grants totalling £75,097 were awarded as follows:

#### Heating Grants

463 heating grant applications were approved by the Trustees, each for value of £100 / £150 / £200. The total net amount of heating grants awarded in year was £66,050.

#### Property Related Grants

10 grant amounts totalling £3,491 were awarded to qualifying individuals for various property related costs, including furniture, flooring and repairs.

#### Miscellaneous Grant

3 miscellaneous grants were awarded this year totalling £5,556.

### 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

Angus Council charged £14,421 in respect of Finance support and £10,589 in respect of Administration support.

The comparative charges in 2021/22 were £13,478 and £9,895 respectively.

### Note 10: Cash and Bank Balances

	Cash Held at 31 March 2023 £	Cash Held at 31 March 2022 £
Angus Council	318,298	466,418
Investment Manager	137,869	103,688
<b>Total Cash</b>	<b>456,167</b>	<b>570,106</b>

### Note 11: Investment Management Fee

The investment management fee relating to financial year 2022/23 was £8,981 and was borne by the funds of the Trusts. The investment management fee relating to financial year 2021/22 was £7,057.

The investment management fee is directly linked to the value of the investment portfolio and thus the increase between years reflects additional investment placed with the investment manager as approved by the Trustees.

### Note 12: Investments

Investment Category	Market Value on 31 March 2023 £	Market Value on 31 March 2022 £
UK Fixed Interest	492,268	569,865
UK Equities	311,547	228,259
Overseas Fixed Interest	95,308	90,538
European Equities	73,479	60,423
North American Equities	62,422	74,760
Far East & Australasian Equities	24,592	54,420
International Equities	269,314	271,297
Property	35,912	38,693
Alternative Assets	182,903	206,448
<b>TOTALS</b>	<b>1,547,745</b>	<b>1,584,703</b>

## **Angus Council Charitable Funds**

### **Note 13: Audit Fee**

The audit fee for 2022/23 was £6,700 and was borne by the funds of the Trusts. The audit fee for 2021/22 was £6,000.

### **Note 14: Events After the Reporting Date**

There are no events after the reporting date which affect the accounts or otherwise require to be disclosed.

## Angus Council Charitable Funds

### INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ANGUS COUNCIL CHARITABLE FUNDS 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 Funds for the year ended 31 March 2023 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 charities as at 31 March 2023 and of their 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 charities 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 charities' 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 Trustees' Annual Report, 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 charities' 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 charities' operations, or have no realistic alternative but to do so.

## Angus Council Charitable Funds

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 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:

- using my understanding of the local government sector and charity sector to identify that the Local Government (Scotland) Act 1973, the Charities and Trustee Investment (Scotland) Act 2005, and The Charities Accounts (Scotland) Regulations 2006 are significant in the context of the charities;
- inquiring of the Trustees and the Director of Finance as to other laws or regulations that may be expected to have a fundamental effect on the operations of the charities;
- inquiring of the Trustees and the Director of Finance concerning the charities' policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on 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 charities' 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](http://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 the 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.

## Angus Council Charitable Funds

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.

Opinions 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).

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 108 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.

Mark Laird  
Senior Audit Manager  
Audit Scotland  
4th Floor  
8 Nelson Mandela Place  
Glasgow  
G2 1BT

*[Date will be inserted automatically]*

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