

Falconer Museum Trust (SC019050)

Trustees' Report and Financial Statements

For the year ended 31 March 2016

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Trustees' Annual Report

The Trustees present their annual report and financial statements for the Trust for the year ended 31 March 2016. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 (FRS 102) applicable in the UK and Republic of Ireland which is effective for accounting periods beginning after 1 January 2015.

Objectives and Activities

The main objective of the trust is to fulfil its supervisory functions following the transfer of ownership of the Museum and the Collection to Moray Council in 1994.

The trust fund does not carry out any other activity.

Achievements and Performance

The Annual General Meeting was held on 26 April 2016 and the Trustees considered a report and documents prepared by Moray Council setting out key elements of the Museum's management, operation and finance. It was also noted that in April 2015, the Museum retained its 5 star visitor attraction status awarded from VisitScotland, with emphasis on the high standard of customer service. To achieve these standards the museum must meet published requirements in how they care for and document their collections, how they are governed and managed and the information and services they offer to their users.

Financial Review

All funds are unrestricted.

Income received during the year was £118 (2014/15 £1). This was a contribution towards the Governance costs incurred in the year, £117 and investment income £1.

The trust uses the Moray Council's bank account for financial transactions and the balance is also invested in the Council's Loans Fund, for which it earns annual interest. It was agreed by the Council's Policy and Resources Committee on 10 June 2014 that a two year fixed interest rate of 1.6% be applied for the years 2014/15 and 2015/16.

Expenditure in the year was £203 (2014/15 £5). This resulted in a net loss for the year of £85 (2014/15 £4 loss).

The default policy for Council administered Trusts, relating to the reinvestment of income in, and disbursement from, the Trust was amended on 8 October 2013. The policy was amended to allow disbursement of capital from the Trust in accordance with the trust deed, provided there is unanimity amongst the trustees. The whole annual income of the trust will be available for disbursement in accordance with the trust deed, provided sufficient funds are maintained to meet commitments.

The default policy is to only disburse grants from trusts where the cumulative disposable income is greater than £50.

The Trust assets are exhausted and the Trust has virtually no capacity to generate funds.

Risk Management

The Trustees implemented a risk management strategy which monitors and assesses the major risks to which they are exposed. This comprised of an annual review of the risks which the trust may face, the establishment of systems and processes to mitigate those risks identified in the risk assessment and the implementation of procedures designed to minimise any potential impact on the trust should any of those risks materialise.

Trustees' Annual Report (continued)

Plans for Future Periods

The council has undertaken a review of its Trusts, in consultation with OSCR, to identify options for restructuring its existing charitable and non charitable trusts in order to create a smaller number of trusts with improved governance arrangements and with the opportunity to maximise the use of these resources to the benefit of the citizens of Moray. The overall reorganisation of Council administered Trusts will continue in consultation with Trustees and this Trust may be subject to review and possible reorganisation in future years.

While the Trust does not require resources to directly undertake its supervisory functions, resources are required in respect of governance costs. The Trustees are looking at ways to reduce these costs.

Structure, Governance and Management

The trustees are listed below. They are the Council Convenor, the Chair of Children & Young People's Services Committee, the Vice Chair of Children & Young People's Services Committee, two of the Forres elected members, the Local Minister of St Laurence Parish Church, Forres, Major General Peter Grant Peterkin CB OBE, Sheriff Alexander Pollock and Mr Peter Laverick Taylor.

The local councillors who are trustees are appointed at local government elections and were appointed at the most recent election of 3 May 2012. The next election is scheduled for 4 May 2017.

Major General Peter Grant Peterkin CB OBE, Sheriff Alexander Pollock and Mr Peter Laverick Taylor were appointed at an Extraordinary General Meeting of the trustees held on 19 February 2015.

The trust is governed using the same governance framework that is applicable to the Council. This framework includes the principles:

- taking informed and transparent decisions which are subject to effective scrutiny and managing risk
- engaging with local people and other stakeholders to ensure robust public accountability.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under that law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at anytime the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the Moray Council's website in so far as it relates to the charity. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Trustees' Annual Report (continued)

Structure, Governance and Management (continued)

Reference and Administrative Details

Falconer Museum Trust
Registered Charity No: SC019050

Principal Address of the Trust is:

The Moray Council
Council Offices
High Street
Elgin
IV30 1BX

Names of Trustees on Date of Approval of Trustee's Annual Report:

Councillor Allan G Wright
Councillor Anne Skene
Councillor George Alexander
Councillor Aaron McLean
Councillor Lorna Creswell
Reverend Barry Boyd
Major General Peter Grant Peterkin CB OBE
Sheriff Alexander Pollock
Mr Peter Laverick Taylor

Signed by one trustee on behalf of all the trustees:

Councillor Allan G Wright

16 December 2016

Statement of Financial Activities for the year ended 31 March 2016

	Notes	2015/16 Unrestricted £	2014/15 Unrestricted £
Income and endowments from:			
Investment Income	2	1	1
Other	3	117	-
Total		118	1
Expenditure on:			
Charitable Activities	4	203	5
Total		203	5
Net movement in funds		(85)	(4)
Reconciliation of funds:			
Total funds brought forward at 1 April 2015		85	89
Total funds carried forward at 31 March 2016		-	85

All results derive from continuing operations.

All gains and losses recognised in the year are included in the statement of financial activities.

Balance Sheet as at 31 March 2016

	Notes	2015/16 £	2014/15 £
Current assets:			
Loans Fund Balance		-	95
Debtors	5	<u>5</u>	<u>-</u>
		5	95
Liabilities:			
Creditors: amounts falling due within one year	6	(5)	(10)
Net current assets		-	85
Total net assets or liabilities		<u>-</u>	<u>85</u>
The funds of the charity:			
Unrestricted Funds		-	85
Total charity funds		<u>-</u>	<u>85</u>

The notes on page 7 to 9 form part of these financial statements.

Approved by the Trustees on 16 December 2016 and signed on their behalf by

Councillor Allan G Wright

16 November 2016

Statement of Cash Flows for the year ended 31 March 2016

		2015/16	2014/15
		£	£
	Note		
Cash flows from operating activities:			
<i>Net cash (used in)/provided by operating activities</i>	7	<u>(96)</u>	<u>-</u>
Cash flows from investing activities:			
Interest from Investments	7	<u>1</u>	<u>1</u>
<i>Net cash provided by investing activities</i>		<u>1</u>	<u>1</u>
<i>Change in cash and cash equivalents in the reporting period</i>		(95)	1
Cash and cash equivalents at the beginning of the reporting period		<u>95</u>	<u>94</u>
<i>Cash and cash equivalents at the end of the reporting period</i>		<u>-</u>	<u>95</u>

Notes to the Financial Statements

Note 1 Accounting Policies

Basis of Preparation

The financial statements for the trust have been prepared in accordance with the Charities: Statement of Recommended Practice 2015, commonly referred to as the SORP, in accordance with the Financial Reporting Standard 102 (FRS 102), which is effective for accounting periods beginning after 1 January 2015. The financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at fair value, in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The financial statements are prepared on a going concern basis and in accordance with applicable United Kingdom accounting standards. The principal accounting policies have been applied consistently throughout the year.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. No restatements were required.

Incoming Resources

Investment income and other income is accounted for in the period in which the charity is entitled to the receipt and the amount can be measured with reasonable clarity.

Resources expended

Expenditure is included in the financial statements on an accruals basis and recognised when the activity takes place and not simply when the cash payment is made.

Governance Costs include the costs of the preparation and examination of statutory financial statements.

Funds

Unrestricted funds are available to spend on activities that further any of the purposes of the trust.

Financial Instruments

The trust only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Other Matters

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

There are no judgements, apart from those involving estimations, that the trustees have made in the process of applying the entity's accounting policies that have a significant effect on the amounts recognised in the accounts.

There are no key assumptions concerning the future, or other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Notes to the Financial Statements (continued)

Note 2 Investment Income

	2015/16	2014/15
	£	£
Interest earned on loans pool income	1	1
	<u>1</u>	<u>1</u>

Note 3 Other Income

	2015/16	2014/15
	£	£
Contribution for Governance Costs	117	-
	<u>117</u>	<u>-</u>

Note 4 Expenditure on Charitable Activities

	2015/16	2014/15
	£	£
Governance Costs		
Accountancy Costs	198	-
Independent Examination of the Accounts	5	5
	<u>203</u>	<u>5</u>

Note 5 Debtors

	2015/16	2014/15
	£	£
Contribution from Museums Service for Independent Examination Fee	5	-
	<u>5</u>	<u>-</u>

Note 6 Creditors: amounts falling due within one year

	2015/16	2014/15
	£	£
Independent Examination Fee	5	10
	<u>5</u>	<u>10</u>

Note 7 Statement of Cash Flows

	2015/16	2014/15
	£	£
Net income/(expenditure) for the reporting period (per the SoFA)	(85)	(4)
Adjustments for:		
(Increase)/decrease in debtors	(5)	-
(Decrease)/increase in creditors	(5)	5
Interest from investments	(1)	(1)
Net cash (used)/provided by operating activities	<u>(96)</u>	<u>-</u>
Net cash provided by investing activities	1	1

Notes to the Financial Statements (continued)

Note 8 Trustee Remuneration, Benefits and Expenses

Neither the trustees of the Trust nor any associated person connected with them have received any remuneration for their services. Further, no directly incurred expenses were reimbursed to the trustees during the year.

Note 9 Staff Costs and Emoluments

The Trust has no employees and has not incurred any staff costs or emoluments.

Note 10 Analysis of Charitable Funds

Analysis of movements in unrestricted funds

	Balance at 1 April 15	Income	Expenditure	Balance at 31 March 16
	£	£	£	£
General Fund	85	118	(203)	-

The unrestricted funds are available to spend on activities that further any of the purposes of the trust.