



FLEMING TRUST

SC052182

**ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023**

UNAUDITED

June 2023

FLEMING TRUST

ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

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TRUSTEES' ANNUAL REPORT

LEGAL & ADMINISTRATIVE INFORMATION

Trustees

The Trustees of the Fleming Trust are the 29 councillors of Dundee City Council. Councillors are elected to serve for a period of five years. The last full Council election was held on 5 May 2022 and the first statutory meeting of the new Council took place on 23 May 2022. The following Councillors were in office during the 2022/23 financial year:

Up to 23 May 2022	From 23 May 2022
Bailie Ian Borthwick (Lord Provost)	Bill Campbell (Lord Provost)
John Alexander (Leader of the Administration)	John Alexander (Leader of the Administration)
Stewart Hunter	Daniel Coleman
Bailie Kevin Keenan	Stewart Hunter
Alan Ross	Bailie Kevin Keenan
Bill Campbell	Charlie Malone
Bailie Fraser Macpherson	Wendy Scullin
Richard McCready	Roisin Smith
Bailie Helen Wright	Siobhan Tolland
Georgia Cruickshank	Michael Crichton
Ken Lynn	Nadia El-Nakla
Lynne Short	Baillie Fraser Macpherson
Gregor Murray	Heather Anderson
Steven Rome	Mark Flynn
Bailie Willie Sawers	George McIrvine
Will Dawson	Baillie Helen Wright
Bailie Christina Roberts	Georgia Cruickshank
Bailie Derek Scott	Ken Lynn
Kevin Cordell	Lynne Short
Charlie Malone	Jax Finnegan
Michael Marra	Steven Rome
Roisin Smith	Baillie Willie Sawers
Donald Hay	Baillie Will Dawson
Mark Flynn	Dorothy McHugh
George McIrvine	Baillie Christina Roberts
Anne Rendall	Kevin Cordell
Margaret Richardson	Craig Duncan
Craig Duncan	Baillie Derek Scott
Philip Scott	Pete Shears

Principal Address

c/o Dundee City Council
City Square Complex
Dundee

External Auditor

The appointed external auditor is:
Richard Smith - Senior Audit Manager
Audit Scotland
4th Floor, South Suite, The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT

Banking Arrangements

Royal Bank of Scotland plc
3 High Street
Dundee
DD1 9YL

ANNUAL REPORT 2022/23

Administrative Details

During the 2022/23 financial year, Dundee City Council acted as sole trustee for the Fleming Trust. The Council administers the Fleming Trust's funds but the associated assets are not available to the Council and have not been included in the Council's Single Entity or Group Balance Sheets.

The Fleming Trust was registered with the Office of the Scottish Charity Regulator (OSCR) on 12 December 2022 with charity registration number SC52182. There was no change to the Fleming Trust's objectives, governance arrangements and activities upon registration.

Objectives & Activities

Estate gifted in 1929 by the late Robert Fleming Esq. with the following objects: "the clearance and demolition of slum dwelling houses and the provision of suitable accommodation for re-housing the displaced occupants of slum property in Dundee, and failing them, other persons residing or wishing to take up residence in Dundee... at rents reasonably within the capacity of the beneficiaries to pay..."

The Fleming Trust's funds derive from this expendable endowment. There are restrictions as to how the income derived from this is spent.

Structure, Governance & Management Arrangements

During the 2022/23 financial year, the City Council was, in law, the sole trustee for the Fleming Trust. Elected members of the Council are automatically appointed as trustees on an ex-officio basis. "Dundee City Council as Fleming Trustees" meets typically a couple of times a year.

The Fleming Trust is governed by a Supervisory Committee comprising the Lord Provost, a Councillor and a number of individuals external to the Council. The Supervisory Committee is assisted by Council officers and an external solicitor as Clerk. The Supervisory Committee typically meets once a year.

The responsibility for day-to-day management of the Trust has been delegated to the relevant chief officers of the Council.

Risk

The trustees have not identified any major risks to which the Fleming Trust is exposed.

Financial Administration

Dundee City Council acted as sole trustee during the 2022/23 financial year. The financial administration of the Fleming Trust is undertaken in accordance with the Council's approved Financial Regulations. The Financial Regulations contain the following specific references to Trusts and Charitable Funds:

"11.19 The Executive Director of Corporate Services shall ensure the proper and safe custody and control of all charitable funds held by the Council and shall ensure that all expenditure is in accordance with the conditions of the trustees etc.

All officers acting as trustees by virtue of their official position shall deposit all securities etc relating to the trust or charitable fund with the Executive Director of Corporate Services.

All investments of money shall be made by the Executive Director of Corporate Services in the name of Council. Any investments made will be made in accordance with the policy determined by the Policy and Resources Committee.

The Executive Director of Corporate Services and other relevant officers shall ensure compliance with the requirements of the Office of the Scottish Charities Regulator (OSCR).”

Financial Review

For the 2022/23 financial year, the total net deficit was £53,295 (2021/22: surplus of £196,666). Total income was £416,695 (2021/22: £371,779) comprising property rental income of £386,665 (2021/22: £370,037) and investment income of £30,030 (2021/22: £1,742). Property rental income relates to rents for 96 dwellings, at rates similar to those charged by Dundee City Council’s Housing Revenue Account. Investment income relates solely to interest on surplus funds that are deposited with Dundee City Council's Loans Fund.

Total expenditure was £469,990 (2021/22: £175,113). This related mainly to repairs and maintenance costs of £210,848 (2021/22: £135,562), lost rents of £21,751 (2021/22: £26,301), depreciation of £153,196 (2021/22: £nil) and a one-off compensation event of £71,779 relating to Covid19-related delays at the Derby Street site.

Depreciation is a non-cash expense, and a requirement in order to comply with the Charities Statement of Recommended Practice (SORP) and FRS102.

In addition to the 92 original dwellings in operation throughout 2022/23, the Fleming Trust has been working with Dundee City Council to acquire a further 12 dwellings at Derby Street, a housing development being undertaken in conjunction with Dundee City Council. Of the 12 dwellings, 4 newly constructed dwellings came into operation during the year (cost £618,603) and 8 dwellings were complete but not yet operational by 31 March 2023 (cost £1,346,242). As per report 119-2015, Fleming Trust will acquire a total of 12 units, at a cost of approximately £2,000,000 (actual cost was £1,964,845). These dwellings will be financed from existing Trust funds and a loan for £1,000,000 from Dundee City Council’s Loans Fund.

Total charity funds amounted to £8,489,587 as at 31 March 2023 (£8,542,882 as at 31 March 2022). The entire fund is an expendable endowment fund. Cash-backed reserves are operated in accordance with the charity’s aims and objectives, as set out in the original founding document. The charity’s working capital is represented by its net current assets, amounting to £214,938 as at 31 March 2023 (£2,079,882 as at 31 March 2022). The decrease relates mainly to the liability payable to Dundee City Council for the afore-mentioned 12 new dwellings at Derby Street.

Achievements & Performance

As disclosed above, during 2022/23 the Fleming Trust incurred costs of £2,175,693 in pursuit of its objectives:

- £210,848 was spent on repairs and maintenance and other property costs
- £1,964,845 was incurred on the acquisition of 12 new-built dwellings, of which 4 became operational during 2022/23

Trustee Remuneration & Expenses

No trustees received any remuneration or expenses during the 2022/23 financial year (2021/22: £nil).

External Audit

The financial statements are the subject of an external audit. Please note that details of charitable trust funds are incorporated within Dundee City Council's Annual Accounts. This includes separate disclosures on the Fleming Trust. The Fleming Trust account is therefore also audited as part of the wider audit of Dundee City Council's Annual Accounts.

Further Information

Any queries regarding this document should, in the first instance, be addressed to:

Francois de Villiers FCA, CA(SA)
Accounting Strategy Manager, Corporate Services
Dundee City Council
50 North Lindsay Street
Dundee
DD1 3RF
(Email: francois.devilliers@dundeecity.gov.uk)
(Telephone: 07385 931075)

Signed on behalf of the trustees on 20 June 2023



Bailie Willie Sawers
Senior Councillor with responsibility for Finance
Dundee City Council

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The charity trustees are responsible for preparing a trustees' annual report and 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 charity trustees to prepare financial statements for each year which 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 the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charity 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees on 20 June 2023 and signed on their behalf by:



Bailie Willie Sawers
Senior Councillor with responsibility for Finance
Dundee City Council

FLEMING TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

	note	Total funds 2022/2023 £	RESTATED Total Funds 2021/2022 £
Rent		386,665	370,037
Investment Income	7	30,030	1,742
Total income		416,695	371,779
Property Insurance		5,000	5,000
Repairs & Maintenance		210,848	135,562
Landlords Supplies		5,000	5,000
Audit Fees		1,732	2,750
Computer-Consumables		500	500
Lost Rents		21,751	26,301
Lost rents		184	-
Compensation event		71,779	-
Depreciation		153,196	-
Total expenditure		469,990	175,113
Net income/(expenditure)		(53,295)	196,666
Net movement in funds		(53,295)	196,666
Total funds brought forward		8,542,882	8,346,216
Total funds carried forward		8,489,587	8,542,882

These funds are deemed to be restricted, permanent endowment (capital) funds.

FLEMING TRUST

BALANCE SHEET AS AT 31 MARCH 2023

	note	As at 31 March 2023	RESTATED As at 31 March 2022
		£	£
Fixed assets			
Tangible assets	3	8,274,649	6,463,000
Total fixed assets		8,274,649	6,463,000
Current assets			
Debtors	4	65,212	91,365
Investments	5	1,908,157	1,508,157
Cash at Bank and In Hand		443,882	654,756
Total current assets		2,417,251	2,254,278
Liabilities			
Creditors falling due within one year	6	(2,202,313)	(174,397)
Net current assets		214,938	2,079,882
Total assets less current liabilities		8,489,587	8,542,882
Creditors falling due after more than one year		-	-
Net assets		8,489,587	8,542,882
The funds of the charity			
Endowment funds		8,489,587	8,542,882
Total charity funds		8,489,587	8,542,882

The notes at pages 11 to 13 form part of these accounts.

The unaudited accounts were authorised for issue on 20 June 2023 and signed on behalf of the Trustees by:-



Baillie Willie Sawers
Senior Councillor with responsibility for Finance
Dundee City Council

FLEMING TRUST

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

	note	As at 31 March 2023	As at 31 March 2022
		£	£
Cash flows from operating activities:			
Net cash provided by (used in) operating activities		159,096	261,667
Cash flows from investing activities:			
Dividends, interest and rents from investments		30,030	1,742
Purchase of property, plant and equipment		-	-
Net cash provided by (used in) investing activities		30,030	1,742
Cash flows from financing activities:			
Repayments of borrowing		-	-
Cash inflows from new borrowing		-	-
Net cash provided by (used in) financing activities		-	-
Change in cash and cash equivalents in the reporting period		189,126	263,409
Cash and cash equivalents at the beginning of the reporting period	8	2,162,913	1,899,504
Cash and cash equivalents at the end of the reporting period		2,352,039	2,162,913

The notes at pages 11 to 13 form part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting Policies

The following accounting policies set out the basis upon which the financial statements have been prepared and explain the accounting treatment of both general and specific items.

a) Basis of Preparation

The accounts (financial statements) 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 financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

b) Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

c) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

d) Tangible fixed assets and depreciation

All assets costing more than £6,000 are capitalised and valued at historical cost. Depreciation is charged on a straight-line basis over their estimated useful lives, from the first full operational year following acquisition. Assets with a cost over £1m are componentised and depreciated as follows:

Component	% of cost	Useful life
Building structure	50	50
Building roof	10	35
Kitchens & Boilers	15	15
Bathrooms & Radiators	15	30
Building Externals	10	45
Total	100	

The cost of Land is not depreciated.

e) Investments

There are no external investments, rather all surplus funds are deposited with Dundee City Council's Loans Fund. All such deposits are valued at historical cost in the Balance Sheet.

f) Going Concern

The accounts are prepared on the going concern basis as it is considered by the trustees that the Fleming Trust is financially sustainable for the foreseeable future.

2 **Change in Accounting Policy**

2022/23 is the first year that the Fleming Trust accounts were prepared on the basis of the Statement of Recommended Practice: Accounting and Reporting by Charities in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

As at 1 April 2022, we have adopted and incorporated into the accounts the following FRS102 transition provisions and requirements:

- to use the previous revalued carrying values for tangible assets (£6,463,000 as at 31 March 2022) as deemed cost as at the transition date of 1 April 2022
- Tangible assets were previously carried at a revaluation basis which resulted in a Revaluation Reserve of £6,463,000 as at 31 March 2022. Following the adoption of the cost model for tangible assets permitted under FRS102, the Revaluation Reserve balance was absorbed into Endowment Funds.
- Depreciation has been applied from 1 April 2022 in accordance with the accounting policy disclosed above
- Presentation of comparative (2021/22) figures has been amended to ensure compliance with the Statement of Recommended Practice: Accounting and Reporting by Charities in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019

3 **Analysis of Tangible Fixed Assets**

	Land and buildings	Assets under construction	Total
	£	£	£
Cost			
At 1 April 2022	6,463,000	-	6,463,000
Additions	618,603	1,346,242	1,964,845
Disposals	-	-	-
Transfers	-	-	-
At 31 March 2023	7,081,603	1,346,242	8,427,845
Depreciation			
At 1 April 2022	-	-	-
Charge for the year	153,196	-	153,196
Eliminated on disposals	-	-	-
At 31 March 2023	153,196	-	153,196
Net book value			
At 31 March 2023	6,928,407	1,346,242	8,274,649
At 31 March 2022	6,463,000	-	6,463,000

4 Debtors

Relates to rent receivable at year end.

5 Investments

Relates to amounts invested, and held by, Dundee City Council's Loans Fund.

6 Creditors

Relates to amount due to Dundee City Council to cover cost of the new dwellings at Derby Street £1,965,845 (2021/22: £nil) and other reimbursements payable to Dundee City Council £235,736 (2021/22: £174,397) as well as the audit fee of £1,732 (2021/22: £nil).

7 Investment Income

There are no external investments, rather all surplus funds are deposited with Dundee City Council's Loans Fund. Interest receivable is based on the Loans Fund interest on revenue balances (IORB) rate and is paid twice yearly. The average IORB rate during 2022/23 was 1.59% (2021/22: 0.13%).

8 Cashflow Statement: cash and cash equivalents

The balance of cash and cash equivalents is made up of the following elements:

	31 March 2023	31 March 2022
	£	£
Investments held with Dundee City Council's Loans Fund	1,908,157	1,508,157
Cash at Bank and in hand	443,882	654,756
Total cash and cash equivalents	<u>2,352,039</u>	<u>2,162,913</u>

9 Related Party Transactions

During 2022/23, all surplus funds were deposited with Dundee City Council's Loans Fund. At 31 March 2023, a total balance of £1,908,157 (31 March 2022: £1,508,157) was held with Dundee City Council. Investment income of £30,030 (2021/22: £1,742) was received from Dundee City Council's Loans Fund during 2022/23. Refer also to Creditors note for balances payable to Dundee City Council.

10 Events After the Reporting Period

There were no events that occurred between 1 April 2023 and xx June 2023 that would require adjustment to the 2022/23 financial statements. The latter date is the date on which the unaudited accounts were authorised for issue by the Senior Councillor with responsibility for Finance.

11 Parent Entity

The Fleming Trust is a subsidiary of Dundee City Council, a local authority established under the Local Government etc. (Scotland) Act 1994. Copies of the Group Accounts of Dundee City Council can be obtained from the contact listed on page 6.