

The Trustees  
The Triangle Trust 1949 Fund  
Brighton Junction  
1a Isetta Square  
35 New England Street  
Brighton  
BN1 4GQ

27 September 2021

Dear Trustees

### **Audit for the Year Ended 31<sup>st</sup> March 2021**

We are pleased to confirm that we have again issued an unqualified audit report. If you are satisfied that the accounts are correct, we would be grateful if you these could be signed and three copies returned to us please.

We are required to issue a letter of representation in support of the accounts. This is the letter printed onto your headed paper. If approved, please could this be signed and returned to us with the accounts.

All items requiring amendment in the accounts have been amended. There are two areas of note in the accounts which we wish to bring to your attention. The usual amendment for grant accruals has been included, after a review of the grant processes in the year with Victoria. The main 2020/21 grants have been awarded subject to the usual project reviews and with installments generally being paid as soon as they are approved. However, the two new £50,000 one-year strategic grants are being paid in two installments with no full interim review. As a result, the second instalment of £25,000 for each strategic grant has been treated as a constructive liability and accrued. The second instalment of £12,500 allocated to Cranfield Trust for consultancy support to grantees has also been accrued and will be paid in due course. An accrual for the £7,500 due to Family Tree Wirall has been retained from 2020, as they are still expected to claim the grant when in a position to do so.

The second item we wish to bring to your attention, and where the financial statement again differ to the management accounts, is investment income. In addition to the main Sarasin portfolio, and the Sterling Liquidity units shown as current asset investments, Sarasin maintains two cash accounts. These cash accounts are combined and shown as cash on the balance sheet, rather than as part of the main portfolio, by historic preference of the trustees. The main transactions within these cash accounts are the receipt of investment income and rebated management fees which are then usually transferred onto the Trust's current account.

Begbies Chartered Accountants and Registered Auditors, 9 Bonhill Street, London, EC2A 4DJ  
t: 020 76285801 f: 020 76280390 e: admin@begbiesaccountants.co.uk w: begbiesaccountants.co.uk

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The financial statements record the dividends and other receipts as they are earned by the Trust, rather than by the timing of receipt into the current account. In February 2021, 71,972 additional Endowment units were purchased at a cost of £86,438 which has also reduced the cash available for transfer to the current account, but which was nonetheless an earned resource.

The purchase has been shown as an addition to the main endowment, funded by a transfer from unrestricted funds. This presentation retains the link between the endowment fund balance as a share of net assets, and the total of the endowment units and the Sterling units. If the trustees wish to sell the units to release cash in future they may do so as the endowment is expendable. We note that the June 2021 Sarasin income has been fully transferred to the current account, and if this remains the case the difference between the management accounts and the financial statements should be simply a short time lag.

The Sterling units are again presented as current asset investments, as we understand that the intention when purchased in 2018 was to hold these for the shorter term to fund increased expenditure. In 2017 Endowment units were sold to crystallise a gain at a time when the units had increased significantly in value, in order to fund future expenditure without the need to sell further endowment units. Half of the disinvestment was transferred out of the endowment fund for short term spending and was paid into the current account, and the other half was retained within the endowment and remained with Sarasin.

Sarasin cannot hold significant cash balances, and as a result in 2018 the retained funds were invested in the Sterling units. If in future, the trustees do not consider the units to be part of their medium-term liquidity management, and which to show these as fixed asset investments, the assets can be transferred within the accounts.

We have obtained and reviewed Sarasin's AAF 01/06 internal controls of service organisations report covering the year to December 2020. Deloitte LLP have reviewed Sarasin's internal controls procedures and have reported that they are suitably designed, and operated as expected. Given that the report does not cover the full year under review, we have obtained a bridging letter from Sarasin confirming that there were no material changes to their systems or controls to 31<sup>st</sup> March 2021.

We are also required to report to you any issues that have arisen in the audit of the accounts which we feel may be of importance, or state if we have found nothing of concern. We consider that the internal controls of the charity are appropriate for its size and nature and our sample review of the grants system showed that these are being monitored as expected.

We conducted our audit in accordance with the FRC Ethical Standards. In applying the standards, we took advantage of the provisions available for smaller entities. These provisions allow us to disregard certain requirements relating to self-review threats of providing non-audit services, such as the preparation of the financial statements.

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We would also like to take this opportunity to confirm that we consider ourselves to be independent of your organisation, as defined by the Ethical Standards, and that the safeguards in place are those recommended by our Institute.

We would also like to thank Victoria and Annie for their assistance during the audit.

With kind regards

Yours sincerely

A handwritten signature in blue ink, appearing to be 'A. H. D.', written in a cursive style.

**BEGBIES**

Encs.