

Scottish Borders Council  
Ormiston Trust for Institute  
Charity Registration Number: SC019162

# annual report and financial statements

for the year to 31 March 2023



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## TRUSTEES' ANNUAL REPORT

The Trustees present their Annual Report and Financial Statements for the year ended 31 March 2023.

### **Background**

The implementation of the audit and reporting requirements of the Office of the Scottish Charity Regulator (OSCR) now requires that full audited accounts for this Charity are prepared.

Due to the Ormiston Institute containing heritable assets, it has not been included in the new Charities recently established by Scottish Borders Council following a reorganisation of a number of trusts in consultation with OSCR. The Ormiston Institute remains a single registered charity.

### **Structure**

The Charity is a single standalone charity for the Ormiston Institute in Melrose and is registered with OSCR.

### Charitable Purpose

- The fund is to be used to provide and maintain the property known as the Ormiston Institute in Melrose to provide recreational and educational rooms in the town for the inhabitants of the town and district.

### Summary of the Main Activities

- The Charity has taken steps to ensure that the assets of the funds are properly managed and accounted for.
- The funds generated during 2022/23 have been fully utilised during the year. The funds are expended on behalf of the Charity by Live Borders who manages the facility on behalf of the Trustees.

### Plans for the Future

- Scottish Borders Council will continue to manage the service on behalf of Trustees ensuring access to the services and building is provided.

## Governance and Management

### Type of Governing Documents

- a) The charity came to be administered by the Council during local government reorganisation in 1996. A Trust Disposition and settlement by the late Charles Walker Ormiston was requested with the books of Council and Session 13 February 1882. The present Council is the statutory successor to that body.
- a) The funds are governed by Trustees in line with the Local Code of Corporate Governance of Scottish Borders Council, consideration being given to:

Financial  
Regulations

Code of  
Corporate  
Governance

Procedural  
Standing  
Orders

Scheme of  
Administration

Scheme of  
Delegation

- c) When considering any action in connection with the Charity the Trustees must act in the interest of the Charity Funds.
- b) The financial statements comply with the Financial Reporting Standard 102 (FRS102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

### Recruitment and Appointment of Trustees

There is no recruitment process. Appointment is by virtue of election to the Council and the relevant ward, i.e. those wards covering former Burgh areas and in terms of the Council's Code of Governance.

## Financial Review

These financial statements have been prepared in accordance with current statutory requirements and the charity's governing document.

The applications of the Funds are detailed in the Notes to the Accounts.

### Reserves

The charity has considered the reserves required and has taken into account its current and future liabilities, ensuring reserves will be maintained at a level sufficient to respond to:

- all approved applications for grants
- all support and governance costs

At 31 March 2023, the reserves of the Ormiston Trust for Institute amounted to:

- Restricted Income Funds - £592,323

### Investments

Per the Council's Common Good and Trust Fund investment strategy, the main balance of funds is invested with Aegon Asset Management in a diversified income fund.

## Reference and Administrative Information

**Charity Name** Scottish Borders Council Ormiston Trust for Institute

**Charity registration number** SC019162

**Business Address** Council HQ  
Newtown St Boswells  
Melrose  
Scottish Borders  
TD6 0SA

### Trustees

The Trustees of this charity for the period 1 April to 5 May 2022 were the duly elected members of the Leaderdale and Melrose ward of Scottish Borders Council (the Council) at that time. These were:

David Parker

Jenny Linehan

Tom Miers

Due to Local Government elections on 5 May 2022, the Trustees for the remainder of the year to 31 March 2023 were the duly elected members of the Leaderdale and Melrose ward of Scottish Borders Council (the Council) at that time. These were:

David Parker

Jenny Linehan

John Paton-Day

**Chief Executive** - During the period of these financial statements, the Chief Executives of Scottish Borders Council were:

- Netta Meadows 1 April to 11 July 2022;
- David Robertson 12 July to 31 March 2023 (on an interim basis from 12 July to 17 January 2023).

**Auditor** Audit Scotland  
102 West Port  
Edinburgh  
EH3 9DN

### Professional support

The Council provides the Administrative, Legal and Financial support and advice to the Ormiston Trust for Institute. All financial transactions go through the Council's books of account and their Bankers are the Royal Bank of Scotland, Galashiels.

## Parent Entity

Scottish Borders Council is a local authority, constituted under the Local Government (Scotland) Act 1994, whose principal purpose is to provide a range of public services such as education, housing and planning, social care, roads and transport, economic development, environmental protection and waste management. A copy of the group financial statements can be obtained from the Council's website [www.scotborders.gov.uk](http://www.scotborders.gov.uk).

*David Parker*

**David Parker**  
**Trustee**  
**Scottish Borders Council Ormiston Trust for Institute**

01 December 2023

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

Under charity law, the trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The trustees have elected to prepare the financial statements in accordance with FRS102, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the excess of expenditure over income for that period.

In preparing these financial statements generally accepted accounting practice entails that the trustees:

- **Select suitable accounting policies and then apply them consistently;**
- **Make judgements and estimates that are reasonable and prudent;**
- **State whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;**
- **State where applicable, whether the financial statements comply with the trust deeds and rules, 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 required to act in accordance with the rules of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under the Charities and Trustee Investment (Scotland) Act 2005, those statements of accounts comply with the requirements of regulations under that Act. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the financial and other information included on the charity's information section on the Scottish Borders Council website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 March 2023

2021/22 £		2022/23 £	Notes
	<b>Income from:</b>		
500	Donations and legacies	1,000	4
504	Investments	487	1
<b>1,004</b>	<b>Total Income</b>	<b>1,487</b>	
	<b>Expenditure on:</b>		
(128,333)	Raising funds	(192,500)	2
(504)	Charitable activities	(486)	3
(500)	Other : Governance costs	(1,000)	4
<b>(129,337)</b>	<b>Total Expenditure</b>	<b>(193,986)</b>	
	<b>Other Recognised Gains/(Losses)</b>		
349,333	Gains on Revaluation of Fixed Assets	245,814	
(10)	Gain / (loss) on investment assets - unrealised	(1,208)	
<b>220,990</b>	<b>Net Movement in Funds</b>	<b>52,107</b>	
	<b>Reconciliation of Funds</b>		
319,226	Total funds brought forward	540,216	
<b>540,216</b>	<b>Total Funds Carried Forward</b>	<b>592,323</b>	10, 11

## BALANCE SHEET as at 31 March 2023

as at 31 March 2022			as at 31 March 2023		Notes
£	£		£	£	
		<b>Fixed Assets</b>			
530,000		Tangible assets	583,314		5
9,833		Investments	8,636		6
	<b>539,833</b>			<b>591,950</b>	
		<b>Current Assets</b>			
46		Debtors	27		7
532		Short term investment in SBC loans fund.	541		8
	<b>578</b>	<b>Total Current Assets</b>		<b>568</b>	
		<b>Current Liabilities</b>			
		Creditors:			
	<b>(195)</b>	Amounts falling due within 1 year		<b>(195)</b>	9
	<b>383</b>	<b>Net Current Assets</b>		<b>373</b>	
	<b>540,216</b>	<b>Total Net Assets</b>		<b>592,323</b>	
		<b>The Funds of the Charity</b>			
(61,814)		Restricted income funds	(60,607)		10
(478,402)		Revaluation reserve	(531,716)		11
	<b>(540,216)</b>	<b>Total Charity Funds</b>		<b>(592,323)</b>	

All income and expenditure transactions derive from continuing activities.

The Accounting Policies on pages 11 and 12 and the Notes on pages 13 to 15 form part of these Financial Statements.

The unaudited accounts were issued on 29 June 2023 and the audited accounts were authorised for issue on 01 December 2023

*Suzanne Douglas*

**Suzanne Douglas CPFA**  
**Director of Finance & Procurement**

01 December 2023

*David Parker*

**David Parker**  
**Trustee**  
**Scottish Borders Council Ormiston Trust for Institute**

01 December 2023

## ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material to the financial statements.

### 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.

### Funds Structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include the designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed.

### Income Recognition

Under FRS102, income is recognised when its receipt is “probable”, rather than “virtually certain”, which was the case under the previous Charities SORP 2005.

Full recognition criteria are:

- Entitlement – control over the rights or other access to the economic benefit has passed to the charity
- Probable – it is more likely than not that the economic benefits will flow to the charity
- Measurement – the monetary value or amount of the income and the costs to complete the transactions can be measured reliably

### Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Donations and grants are recorded as expenditure when they are approved, or if approved in principle only, when final confirmation of amount is received by the applying body.
- Where income and expenditure have been recognised, but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet.
- Income and expenditure are credited and debited to the relevant revenue account, unless they properly represent capital receipts or capital expenditure.

## Donations & Legacies

All donations and gifts are included within incoming resources under Restricted Funds. Donations and Gifts in Kind are brought into the financial statements at their market value to the charity.

## Resources Expended

Resources expended are analysed between charitable activities, costs of raising funds and governance costs. Charitable activities include all direct costs and other support costs.

## Tangible Fixed Assets and Depreciation

Tangible fixed assets, with a value greater than £5,000, having a value to the business greater than one year, other than those acquired for the purpose of specific projects, are capitalised.

Land is held at current valuation and is not depreciated. All tangible fixed assets are subject to revaluation every five years, with the last revaluation being undertaken in 2022/23. Depreciation is charged on all tangible fixed assets other than land at a rate which will reduce the current value of the asset to its residual value over the remaining effective life of the asset.

## Investments

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using closing quoted market price.

Unrealised gains and losses represent the difference between market value at the beginning and the end of the financial year or, if purchased in the year, the difference between cost and market value at the end of the financial year. Realised gains and losses represent the difference between the proceeds and cost.

## Short Term Investments

Short Term Investments are current asset investments which are disposable without curtailing or disrupting the business and are convertible into known amounts of cash at or close to their carrying values. Short Term Investments comprise of call deposits with the Council.

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Investment Income

2021/22 £		2022/23 £
0	Bank Interest Receivable	10
504	Income from Investment Portfolio	477
<b>504</b>		<b>487</b>

Following a prior year drop in the income from the Aegon Investment Fund due to the impact of Covid-19, dividend income returned to pre-pandemic levels in 2021/22 and remained at a similar level in 2022/23.

### 2 Expenditure on Raising Funds

Expenditure on Raising Funds includes a depreciation charge for the use of the asset and is funded from the Restricted Funds. This is not a cash transaction.

### 3 Charitable Activities during 2022/23

A single grant is made to Live Borders to maintain the property and provide the services required under the Charity terms.

### 4 Governance Costs

The fee for the external audit of the charity is charged against Scottish Borders Council General Fund and notionally recharged to the Ormiston Institute, recognised under Governance Costs. This fee amounted to £1,000 in 2022/23. A notional grant from SBC to cover the full cost is recognised under Donations and Legacies. No Trustee remuneration or other expenses were incurred.

### 5 Tangible Fixed Assets

The charity has a fixed asset of the Ormiston Institute building and land at Greenyards in Melrose. An out of cycle revaluation of the building was carried out as at 1 April 2021 and the the building has been depreciated accordingly in 2022/23. However, a further revaluation was carried out as 31 March 2023. The site is valued at £27,250.

The movement in the value of Tangible Fixed Assets has been driven by the following movements:

	Ormiston Trust Institute £	Greenyards Trust £	Total £
<b>Opening Balance at 1 April 2022</b>	<b>411,000</b>	<b>119,000</b>	<b>530,000</b>
Gain on revaluation of assets	245,814	0	245,814
Depreciation for year	(192,500)	0	(192,500)
<b>Closing Balance at 31 March 2023</b>	<b>464,314</b>	<b>119,000</b>	<b>583,314</b>

## 6 Investments

All investments are through regulated funds or are traded on a recognised investment exchange.

At 31 March 2023 all investments were with the Aegon Asset Management Diversified Monthly Income Fund. An unrealised loss for the 12 month period of these accounts means the market value of the funds invested has now fallen below the book value. However, taking account of the income received, the fund has achieved an overall positive return since the initial investment.

## 7 Debtors

2021/22 £		2022/23 £
46	Prepayments and accrued income	27
<b>46</b>		<b>27</b>

## 8 Short term investment in SBC Loans Fund

All surplus cash is invested on behalf of the charity with Scottish Borders Council.

## 9 Creditors: amounts falling due within 1 year

2021/22 £		2022/23 £
195	Grants payable	195
<b>195</b>		<b>195</b>

## 10 Restricted income funds

The funds held with the Charity are restricted by area, purpose or both.

2021/22 Balance £	Trust Fund £	Income £	Expendi- ture £	Unrealised movement on investment assets £	2022/23 Balance £
55,786	Ormiston Trust Institute	596	(596)	(466)	55,320
6,028	Greenyards Trust	891	(890)	(742)	5,287
<b>61,814</b>		<b>1,487</b>	<b>(1,486)</b>	<b>(1,208)</b>	<b>60,607</b>

## 11 Revaluation reserve

The movement in the value of the revaluation reserve has been driven by the following movements:

	Ormiston Trust Institute £	Greenyards Trust £	Total £
<b>Opening Balance at 1 April 2022</b>	<b>359,402</b>	<b>119,000</b>	<b>478,402</b>
Gain on revaluation of assets	245,814	0	245,814
Depreciation for year	(192,500)	0	(192,500)
<b>Closing Balance at 31 March 2023</b>	<b>412,716</b>	<b>119,000</b>	<b>531,716</b>

## 12 Related Party Transactions

Due to the nature of the operations and composition of the SBC Ormiston Trust for Institute (Trustees are comprised of Elected Council Members of Scottish Borders Council), Scottish Borders Council is registered as a related party. Transactions with Scottish Borders Council for the year under review are listed below:

	£
Interest received on funds invested in SBC Loans Fund	10

## INDEPENDENT AUDITOR'S REPORT

### to the trustees of Scottish Borders Council Ormiston Trust for Institute 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 Scottish Borders Council Ormiston Trust for Institute 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 charity as at 31 March 2023 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 Trustees' 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 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 charity;
- inquiring of the Trustees and Director of Finance and Procurement as to other laws or regulations that may be expected to have a fundamental effect on the operations of the charity;
- inquiring of the Trustees and Director of Finance and Procurement concerning the charity's 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 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](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.

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.

*Stephanie Harold*

Stephanie Harold  
Audit Scotland  
4<sup>th</sup> Floor  
8 Nelson Mandela Place  
Glasgow  
G2 1BT

01 December 2023

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

You can get this document on audio CD, in large print, and various other formats by contacting us at the address below. In addition, contact the address below for information on language translations, additional copies, or to arrange for an officer to meet with you to explain any areas of the publication that you would like clarified.

Contact us at Suzy Douglas, Director of Finance and Procurement, Financial Services,  
Council Headquarters, Newtown St Boswells Melrose TD6 0SA  
Tel: 01835 825881 Fax: 01835 825011 or email: [sdouglas@scotborders.gov.uk](mailto:sdouglas@scotborders.gov.uk)