

Scottish Borders Council Charitable Trusts

Charity Registration Number: SC043896

annual report and financial statements

for the year to 31 March 2020



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FOREWORD

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.

In late 2012/13 the charitable status of 76 various funds was formally recognised under a single Charity registration.

Work commenced in 2014/15 to re-organise a number of the other registered Charities managed by Scottish Borders Council into three new Charities covering Welfare, Community Enhancement and Education. Following public consultation meetings and discussion with OSCR during 2017 a report was presented to Scottish Borders Council on 21 December 2017 recommending the transfer of a number of the restricted funds to the Scottish Borders Council Welfare Trust and Scottish Borders Council Community Enhancement Trust. The formal submission requests were submitted to OSCR during February 2018 for approval; following receipt of this approval from OSCR, the transfer took place on 1 April 2018 leaving 32 various funds remaining within this Charity. A further report will be submitted to Scottish Borders Council for the remaining Funds during 2020/21.

TRUSTEES' ANNUAL REPORT

The Trustees present their Annual Report and Financial Statements for the year ended 31 March 2020.

Structure

Following the transfer on 1 April 2018 of 7 funds to the Scottish Borders Council Community Enhancement Trust and 37 funds to the Scottish Borders Council Welfare Trust, the Charity currently comprises 32 charitable funds originally established for a variety of purposes - their charitable status was regulated by OSCR at the end of 2012/13.

Charitable Purpose

- The charitable purpose of this charity is to hold funds for each Trust, Endowment or bequest comprising the Charity. Each of these funds have their own purpose related to the general purpose of the prevention or relief of poverty by reason of age, ill-health, disability, financial hardship or other disadvantage.

Summary of the Main Activities

- A number of the funds have made donations to eligible beneficiaries during the year to 31 March 2020 totalling £11,871 including contributions through area based Education Trusts for Further Education including overseas study and travel as well as music and dance expenses. This expenditure is included within the Charitable activities figure in the Statement of Financial Activities, which is detailed further in Notes 2 and 8 to the Financial Statements.

Plans for the Future

- Approval to transfer a number of Funds to the Scottish Borders Council Welfare Trust and Scottish Borders Council Community Enhancement Trust was given by OSCR and resulted in a number of funds transferring their full reserve balances from the SBC Charitable Trusts from 1 April 2018. The remaining 32 funds continue to be reviewed in conjunction with all stakeholders, including OSCR.

Governance and Management

Type of Governing Documents

- a) Since this Charity was originally formed as a holding charity for some 76 individual funds there is no overall governance document. 44 of these funds have now been successfully amalgamated into other SBC Trusts. An ongoing review is being undertaken into each of the remaining constituent funds with a view to further amalgamation into existing SBC Trusts.
- b) In terms of the Trustees' governance of the fund, these have been approved by Scottish Borders Council at its meeting on 21 May 2015 and have been reflected in its governance codes. The Local Code of Corporate Governance of Scottish Borders Council covers the governance of the Charity and is comprised of the following:



- c) When considering any action in connection with the Charity the Trustees have to act in the interest of the Charity Funds.
- d) The financial statements comply with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance 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.

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 have 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 2020, the reserves of the SBC Charitable Trust Funds amounted to:

- Restricted Income Funds - £247,785

Investments

Per the Councils Common Good and Trust Fund investment strategy, the main balance of funds are invested with Kames Capital plc in a diversified income fund.

Reference and Administrative Information

Charity Name	Scottish Borders Council Charitable Trusts
Charity registration number	SC043896
Business Address	Council HQ Newtown St Boswells Melrose Scottish Borders TD6 0SA

Trustees

The Trustees of this charity for the year to 31 March 2020 were the duly elected members of Scottish Borders Council (the Council), a local authority constituted under the Local Government (Scotland) Act 1994, at that time. These were:

Sandy Aitchison	Andy Anderson	Heather Anderson
Stuart Bell	Jim Brown	Kris Chapman
Caroline Cochrane	Kevin Drum (to 7 March 2020)	Gordon Edgar
Jim Fullarton	John Greenwell	Carol Hamilton
Scott Hamilton	Shona Haslam	Euan Jardine
Helen Laing	Stuart Marshall	Watson McAteer
Tom Miers	Donald Moffat	Simon Mountford
David Parker	David Paterson	Clair Ramage
Neil Richards	Euan Robson	Mark Rowley
Harry Scott	Sandy Scott	Eric Small
Robin Tatler	Elaine Thornton-Nicol	George Turnbull
Tom Weatherston		

Chief Executive During the period of these financial statements, the Chief Executive of Scottish Borders Council was Tracey Logan; at the date the audited accounts are authorised for issue, the Executive Director Finance & Regulatory, David Robertson, and the Executive Director Corporate Improvement & Economy, Rob Dickson, are covering the duties undertaken by the Chief Executive.

Auditor Audit Scotland
102 West Port
Edinburgh
EH3 9DN

Professional support

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

Shona Haslam

Shona Haslam
Trustee
Scottish Borders Council Charitable Trusts

05 November 2020

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 income over expenditure 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 2020

2018/19 £		2019/20 £	Notes
	Income from:		
500	Donations and legacies	500	3
26,793	Investments	36,672	1
27,293	Total Income	37,172	
	Expenditure on:		
(386,125)	Charitable activities	(11,871)	2
0	Raising funds	0	
(500)	Other : Governance Costs	(500)	3
(386,625)	Total Expenditure	(12,371)	
2,045	Gain / (loss) on investment assets - unrealised	(31,931)	
(357,287)	Net Movement in Funds	(7,130)	
	Reconciliation of Funds		
612,202	Total funds brought forward	254,915	
254,915	Total Funds Carried Forward	247,785	8

BALANCE SHEET as at 31 March 2020

as at 31 March 2019			as at 31 March 2020		Notes
£	£		£	£	
202,673	202,673	Fixed Assets			
		Investments	170,913		4
				170,913	
858	52,242	Current Assets			
51,384		Debtors	791		5
		Short term Investment in SBC loans fund	76,081		6
		Total Current Assets		76,872	
		Current Liabilities			
	0	Creditors:			
		Amounts falling due within 1 year		0	7
	52,242	Net Current Assets		76,872	
	254,915	Total Net Assets		247,785	
		The Funds of the Charity			
(254,915)		Restricted income funds	(247,785)		8
	(254,915)	Total Charity Funds		(247,785)	

All income and expenditure transactions derive from continuing activities.

The Accounting Policies on pages 10 and 11 and the Notes on pages 12 to 13 form part of these Financial Statements.

The unaudited accounts were issued on 23 June 2020 and the audited accounts were authorised for issue on 5 November 2020.



David Robertson CPFA
Executive Director, Finance & Regulatory
05 November 2020



Shona Haslam
Trustee
Scottish Borders Council Charitable Trusts

05 November 2020

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 generating funds and governance costs. Charitable activities include all direct costs and other support costs.

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 either 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

2018/19 £		2019/20 £
291	Bank Interest Receivable from SBC Loans Fund	245
26,502	Income from Investment Portfolio	36,427
26,793		36,672

2 Charitable Activities

The charitable activities during 2019/20 are included in note 8 by individual fund within the charity. All expenditure incurred was for direct charitable activities.

3 Governance Costs

The fee for the external audit of the charity is charged against Scottish Borders Council General Fund and notionally recharged to the SBC Charitable Trust, recognised under Governance Costs. This fee amounted to £500 in 2019/20. A notional grant from SBC to cover the full cost is recognised under Donations and legacies. No Trustee remuneration or other expenses were incurred.

4 Investments

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

At 31 March 2020 all investments were with the Kames Capital Investment Diversified Monthly Income Fund. As a result of the COVID-19, global markets across most asset classes have seen a drop, resulting in an unrealised loss for 2019/20.

5 Debtors

2018/19 £		2019/20 £
858	Prepayments and accrued income	791
858		791

6 Short Term Investments in SBC Loans Fund

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

7 Creditors: amounts falling due within 1 year

2018/19 £		2019/20 £
0	Grants payable	0
0		0

8 Restricted Funds

The funds held with the Charity are restricted by area, purpose or both. Expenditure includes the unrealised loss on the Kames Capital plc investment during the year.

2018/19 Balance	Fund	Income	Expenditure	2019/20 Balance
£		£	£	£
934	Andrew, Agnes & John Kyle	107	120	921
8,061	Berwickshire Educational Trust	861	1,735	7,187
352	C W Dunnet Award	36	43	345
913	Campbell Calderhead Prize	72	100	885
3,411	Col. Jem Richard Prize Fund	256	380	3,287
1,019	Coldstream Guards Prize	111	243	887
1,587	Dr Milne Memorial Fund	116	179	1,524
20,609	Geoffrey Simpson Bequest	2,307	2,378	20,538
617	Hans D Langmack Prize Fund	59	142	534
2,906	J Purves Bequest	273	403	2,776
26,165	J A S Henderson Memorial Scholarship	5,940	3,223	28,882
1,184	James Robertson Trust	94	129	1,149
1,547	Jane Grieve Endowment	119	171	1,495
2,013	Jean Kincaid Grieve Endowment	148	226	1,935
1,603	Jedburgh Public Library Fund	70	217	1,456
736	John Jamieson Prize Fund	53	84	705
653	Kelso Library Book Fund	29	88	594
704	Kennedy Medal Fund	55	77	682
1,755	Kenneth Cochrane Library Fund	77	237	1,595
5,205	F W Dobson VC	516	1,208	4,513
963	Mary Dickson Prize Fund	87	114	936
921	Mr & Mrs W F Johnstone Fund	63	108	876
1,085	Mrs Clelland Memorial Prize	79	123	1,041
3,380	Murray Medal Fund	296	405	3,271
274	Peebles Public Library	13	40	247
23,234	Peeblesshire Educational Trust	3,211	3,777	22,668
112,012	Roxburghshire Educational Trust	14,109	18,443	107,678
1,341	Special Air Service Reg. Fund	130	309	1,162
3,759	Selkirk Library Fund	164	508	3,415
11,702	Selkirkshire Educational Trust	1,754	3,498	9,958
12,843	Sir Walter Leitch Scholarship	5,865	5,431	13,277
1,427	Walter Geddes Prize Fund	102	163	1,366
254,915		37,172	44,302	247,785

9 Related Party Transactions

Due to the nature of the operations and composition of the SBC Charitable Trusts (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	245

INDEPENDENT AUDITOR'S REPORT

to the trustees of Scottish Borders Council Charitable Trusts and the Accounts Commission for Scotland

Report 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 Charitable Trusts for the year ended 31 March 2020 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, Accounting Policies and Notes to the Financial Statements. 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 2020 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 nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about ability of the charity to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of 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 determine 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 deemed inappropriate.

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.

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. This description forms part of my auditor's report.

Other information in the statement of accounts

The trustees are responsible for the other information in the statement of accounts. The other information comprises the information other than the financial statements and my auditor's report thereon. 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 matters prescribed by the Accounts Commission or required by applicable law to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the statement of accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Report on other requirements

Opinion on matter prescribed by the Accounts Commission

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 120 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.

Asif A Haseeb

Asif A Haseeb OBE
4th Floor
102 West Port Edinburgh
EH3 9DN

Asif A Haseeb OBE is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973.

05 November 2020

ADDITIONAL INFORMATION

Contact Details

For further information on the SBC Charitable Trusts, please contact:

Kirsty Robb	Telephone: 01835 825249
Pension & Investment Manager	E-mail: krobb@scotborders.gov.uk
Scottish Borders Council	Council Headquarters Newtown St Boswells MELROSE TD6 0SA

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Contact us at Kirsty Robb, Pension & Investment Manager,
Council Headquarters, Newtown St Boswells Melrose TD6 0SA
Tel: 01835 825249 Fax: 01835 825011 or email: KRobb@scotborders.gov.uk