

annual report and financial statements

Ormiston Trust for Institute

Charity Registration Number: SC019162

For the year to 31 March 2015

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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.

Due to the Ormiston Institute containing heritable assets it has not been included within 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.

TRUSTEES' ANNUAL REPORT

The Trustees present their Annual Report and the audited Financial Statements for the year ended 31 March 2015.

Reference and Administrative Information

Charity Name	Ormiston Trust for Institute
Charity registration number	SC019162
Business Address	Council HQ Newtown St Boswells Melrose Scottish Borders

Trustees

The Trustees of this charity are the duly elected members of Scottish Borders Council, a local authority constituted under the Local Government (Scotland) Act 1994 for the ward of Leaderdale and Melrose, namely.

Iain Gillespie
David Parker

Jim Torrance

Chief Executive The Chief Executive of Scottish Borders Council is Tracey Logan.

Chief Finance Officer David Robertson

Auditor KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Professional support

The Council provides the Administrative, Legal and Financial support and advice to the Charity.

All financial transactions go through the Council's books of account and their Bankers are the Bank of Scotland, Newtown St Boswells, Melrose.

Structure

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

Governance and Management

Type of Governing Documents

- a) The charity came to be administered by the Council at 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 are the statutory successors to that body.
- b) In terms of the Trustee's governance of the fund, they have determined that this is in terms of the Corporate Governance of the Council, namely the code as comprises
 - Financial Regulations;
 - Code of Corporate Governance;
 - Procedural Standing Orders;
 - Scheme of Administration; and
 - Scheme of Delegation.
- 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 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 ward of Leaderdale and Melrose.

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 2014/15 have been fully utilized during the year. The funds are expended on behalf of the Charity by Scottish Borders Council who manages facility on behalf of the Trustees.

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 Financial Statements.

Funding and reserves

Investments Following agreement to implement a single investment strategy for Common Good Funds and other Trust and bequest funds held by the Council, tenders were obtained for a Fund Manager and Newton was appointed. Funds held by Scottish Borders Council for the Charity were deposited in the Newton Real Return Fund. The Investment held in this fund on behalf of the Ormiston Trust for Institute is £3,969 at market value as at 31/3/15.

Policy on Reserves The Council treats the Charities' funds in line with recognised national governance and applicable codes of practice.

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.

The report was signed on behalf of the Trustees by

David Parker
Trustee
Ormiston Trust for Institute
29 September 2015

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

The Trustees are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires that the trustees prepare financial statements for each financial 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, including the income and expenditure, 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 (2005);
- 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 charitable company will continue in its activities.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time 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 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF FINANCIAL ACTIVITIES (Including an Income and Expenditure Account) for the year ended 31 March 2015

2013/14 Restricted Funds £		2014/15 Restricted Funds £	Notes
	Incoming Resources		
	Incoming Resources from Generated Funds		
63	Interest and Investment Income	102	1
63	Total Incoming Resources	102	
	Resources Expended		
(63)	Charitable Activities	(102)	2
(16,366)	Property Costs (Depreciation)	(25,500)	3
(16,429)	Total Resources Expended	(25,602)	
(16,366)	Net Outgoing Resources before Other Recognised Gains and Losses	(25,500)	
	Other Recognised Gains/(Losses)		
0	Gains/(Loss) on Revaluation of Fixed Assets for Charity's Own Use	102,835	
73	Gains/(Loss) on Investment Assets	136	
(16,293)	Net Movement in Funds	77,471	
	Reconciliation of Funds		
209,962	Total Funds Brought Forward	193,669	
193,669	Total Funds Carried Forward	271,140	

BALANCE SHEET as at 31 March 2015

at 31 March 2014			at 31 March 2015		Notes
£	£		£	£	
189,533		Fixed Assets	266,867		4
3,832		Investments	3,969		5
	193,365				
		Current Assets			
304		Short Term Investment in SBC Loans Fund	304		
	304	Net Current Assets		304	
	193,669	Total Assets Less Current Liabilities		271,140	
		The Funds of the Charity			
193,669		Restricted Funds	271,140		
	193,669	Total Funds		271,140	

All of the Charity's activities are continuing.

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

The unaudited accounts were issued on 30 June 2015 and the audited accounts were authorised for issue on 29 September 2015.

David Robertson CPFA
29 September 2015

CASH FLOW for the year ended 31 March 2015

2013/14 £		2014/15 £
	Reconciliation of Operating Profit to Net Cash Flow from Operating Activities	
(16,366)	Net Outgoing Resources before Other Recognised Gains and Losses	(25,500)
16,366	Adjustment for Depreciation Charges which are non-cash movements	25,000
0	Net Cash Inflow/(Outflow) from Operating Activities	0

	Cash Flow Statement	
0	Net Cash Inflow/(Outflow) from Operating Activities	0
0	Increase / (Decrease) in Cash in Period	0

Reconciliation of Net Cash Flow to Movement in Net Funds			
	As at 1 April 2014 £	Movement £	As at 31 March 2015 £
Cash at Bank and In Hand	0	0	0
	0	0	0

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 financial statements have been prepared in accordance with applicable accounting standards and under historic cost accounting rules modified for the revaluation of certain fixed assets and in accordance with the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) regulations 2006 (as amended) and the Statement of Recommended Practice: Accounting and reporting by Charities issued in February 2006, except for the non-recognition of donated assets (see donations and gifts below).

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.
- 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.

Funds

Funds are classified as Restricted Funds, defined as follows:

Restricted funds are funds subject to specific conditions, which may be declared by the donors or with their authority or created through legal processes, but still within the objects of the charity.

Voluntary Income

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

The only resource expended was a grant issued for charitable activities. There were no costs associated with the costs of generating funds and governance costs

Tangible Fixed Assets

Tangible fixed assets, with a value greater than £1,000, 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, A revaluation was undertaken on 1st April 2014. 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

Fixed asset investments are stated at market value. Unrealised gains and losses represent the difference between market value at the beginning and the end of the financial year, or if purchases 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.

Cash and Short Term Investments

Cash, for the purposes of the cash flow statement, comprises cash in hand and deposits repayable on demand. 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

2013/14 £		2014/15 £
21	Interest Receivable	1
42	Income from Investment Portfolio	101
63		102

2 Charitable Activities during 2014/15

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

3 Property Costs

The property costs consist of a depreciation charge for the use of the asset and are funded from the Restricted Funds. This is not a cash transaction.

4 Tangible Fixed Assets

The Charity has a single fixed asset of the Ormiston Institute building in Melrose. This has been revalued on 1st April 2014 as part of the cycle of revaluations and has increased in value by £102,834.

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

	£
Opening Balance at 1 April 2014	189,533
Depreciation for year	(25,500)
Surplus on Revaluation	102,834
Closing Balance at 31 March 2015	266,867

5 Investments

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

At 31 March 2015 all investments were with the Newton Real Return Fund.

INDEPENDENT AUDITOR'S REPORT

to the Trustees of Ormiston Trust for Institute and the Accounts Commission for Scotland

We certify that we have audited the financial statements of Ormiston Trust for Institute for the year ended 31 March 2015 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 the financial activities, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 125 of the Code of Audit Practice approved by the Accounts Commission for Scotland, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of the trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts or disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2015 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.

Opinion on other prescribed matter

In our opinion 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.

Independent Auditor's Report to the Trustees of Ormiston Trust for Institute and the Accounts Commission for Scotland (continued)

Matters on which we are required to report by exception

We are required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

**Hugh Harvie,
for and on behalf of KPMG LLP, Statutory Auditor**

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

30 September 2015

ADDITIONAL INFORMATION

Contact Details

For further information on the Ormiston Trust for Institute, please contact

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