

Scottish Borders Council

Community Enhancement Trust

Charity Registration Number: SC044764

# annual report and financial statements

for the year to 31 March 2019



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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.

Working with OSCR, Scottish Borders Council completed the first step of the re-organisation of a number of trusts. This resulted in the establishment of the SBC Community Enhancement Trust, the "Trust", which was established from 10 funds held by Scottish Borders Council. The purpose of the trust is as follows:

- a) The advancement of community development;
- b) The advancement of the arts, heritage, culture or science, including the upkeep of heritage assets;
- c) The provision of recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended; or
- d) The advancement of environmental protection or improvement.

During 2017/18 further work on the reorganisation of charity funds continued and on 21<sup>st</sup> December 2017, Scottish Borders Council approved the reorganisation, in consultation with OSCR, for a number of funds to be amalgamated into this Trust on 1<sup>st</sup> April 2018.

## TRUSTEES' ANNUAL REPORT

The Trustees present their Annual Report and the audited Financial Statements for the year ended 31 March 2019.

### Structure

On 21 December 2017, Scottish Borders Council approved the delegation of authority to the Services Director of Customer and Communities for the following:

1. Approve applications for funding up to the value of £500 from the SBC Community Enhancement Trust and SBC Welfare Trust;
2. Approve applications for grants from £501 to £2,500 to the SBC Welfare Trust, subject to the agreement of at least 50% of the Members in the relevant Wards; and
3. Approve applications for grants from £501 to £5,000 to the SBC Community Enhancement Trust, subject to the agreement of at least 50% of the Members in the relevant Wards.

Grants over £5,000 require approval by the Executive Committee of Scottish Borders Council.

## Charitable Purpose

- The advancement of Community Development;
- The advancement of the arts, heritage, culture or science, including the upkeep of heritage assets;
- The provision of recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended; or
- The advancement of environmental protection or improvement.

## 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 charity made donations totalling £1,269 during the financial year to 31 March 2019.
- Criteria and revised governance structure approved by Scottish Borders Council on 21st December 2017, following public consultation.
- Approval given by Scottish Borders Council and where required OSCR for a number of Trusts and Bequests to be amalgamated into the Trust from 1st April 2018.

## Plans for the Future

- The fund will be promoted via Scottish Borders Council web site and continue to grant awards to recipients who may be eligible for disbursement of funds under the eligibility restrictions of the funds.

## Governance and Management

### Type of Governing Documents

- a) A Trust Deed has been established and approved by OSCR detailing the purpose and structure of the Community Enhancement Trust.
- b) In terms of the Trustees' governance of the fund, these have been approved by Scottish Borders Council at its meeting on 21<sup>st</sup> May 2015 and have been reflected in its governance codes. The codes covering the governance of the Charity comprise 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 are covered

At 31 March 2019, the reserves of the SBC Community Enhancement Trust amounted to:

- Restricted Income Funds - £193,397.

### 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

<b>Charity Name</b>	Scottish Borders Council Community Enhancement Trust
<b>Charity registration number</b>	SC044764
<b>Business Address</b>	Council HQ Newtown St Boswells Melrose Scottish Borders

### Trustees

The Trustees of this charity for the year to 31 March 2019 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
Kevin Drum	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
Caroline Penman	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** The Chief Executive of Scottish Borders Council is Tracey Logan.

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

### Professional support

The Council provides the Administrative, Legal and Financial support and advice to the Community Enhancement Trust.

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

**Shona Haslam**  
Trustee  
Scottish Borders Council Community Enhancement Trust  
26 September 2019

## 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 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 2019**

2017/18 £		2018/19 £	Notes
	<b>Income from:</b>		
500	Donations and legacies	500	3
1,997	Investments	11,461	1
0	Charitable activities	30	
<b>2,497</b>	<b>Total Income</b>	<b>11,991</b>	
	<b>Expenditure on:</b>		
(2,697)	Raising funds	(6)	
0	Charitable activities	(1,269)	2
(743)	Other : Governance Costs	(500)	3
<b>(3,440)</b>	<b>Total Expenditure</b>	<b>(1,775)</b>	
(229)	(Loss) / gain on investment assets	1,786	
	<b>Net Income / (Expenditure)</b>	<b>12,002</b>	
	<b>Other Recognised Gains / (Losses)</b>		
0	Recognition of Investments	109,007	4
<b>(1,172)</b>	<b>Net Movement in Funds</b>	<b>121,009</b>	
	<b>Reconciliation of Funds</b>		
73,560	Total funds brought forward	72,388	
<b>72,388</b>	<b>Total Funds Carried Forward</b>	<b>193,397</b>	8

## BALANCE SHEET as at 31 March 2019

as at 31 March 2018			as at 31 March 2019		Notes
£	£		£	£	
70,594	70,594	<b>Fixed Assets</b>			
		Investments	177,521		5
				177,521	
	1,794	<b>Current Assets</b>			
0		Debtors	751		6
1,794		Short term investment in SBC loans fund	15,125		7
				15,876	
	<b>72,388</b>	<b>Total Net Assets</b>		<b>193,397</b>	
	(72,388)	<b>The Funds of the Charity</b>			
		Restricted income funds	(193,397)		8
	<b>(72,388)</b>	<b>Total Charity Funds</b>		<b>(193,397)</b>	

All income and expenditure transactions derive from continuing activities.

The Accounting Policies on pages 10 and 11 and the Notes on pages 12 to 16 form part of these Financial Statements.

The unaudited accounts were issued on 25 June 2019 and the audited accounts were authorised for issue on 26 September 2019.

David Robertson CPFA  
Chief Financial Officer  
26 September 2019

Shona Haslam  
Trustee  
Scottish Borders Council Community  
Enhancement Trust  
26 September 2019

## 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.

### 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.

### 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

## **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.

## **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

2017/18 £		2018/19 £
13	Bank Interest Receivable	109
1,984	Income from Investment Portfolio	11,352
<b>1,997</b>		<b>11,461</b>

### 2 Charitable Activities

The charitable activities during 2018/19 are included in note 8 by individual fund within the charity.

### 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 Community Enhancement Trust, recognised under Governance Costs. This fee amounted to £500 in 2018/19. 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 Recognition of Investments

The table below details the funds which transferred from the Scottish Borders Council Charitable Trusts (SCO43896) on 1 April 2018.

Fund	Restricted by Area	Restricted by Purpose	1 April 2018 Balance £
Alex Grieves Bequest (1)	Hawick Denholm & Hermitage	c	418
Alex Grieves Bequest (2)	Hawick Denholm & Hermitage	b	279
Ayton War Memorial Fund	Berwickshire	b	957
Coldstream War Memorial	Berwickshire	b	60
Longformacus Public Park	Berwickshire	c	251
Wm Brown's Bequest	Hawick Denholm & Hermitage	b	294
I Wallace Bequest	Earlston	b	595
<b>Total Transferring</b>			<b>2,854</b>

The table below details the funds not registered with OSCR which are managed by Scottish Borders Council and which transferred on 1 April 2018.

Fund	Restricted by Area	Restricted by Purpose	1 April 2018 Balance £
William Hall's Trust	Hawick Denholm/Hawick & Hermitage	b	243
W Rutherford Bequest	Hawick Denholm/Hawick & Hermitage	None	20,300
Hawick War Memor.(Flower Section)	Hawick Denholm/Hawick & Hermitage	b	51

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Alexander Ritchies Bequest	Hawick Denholm	b	25
Miss Jessie Patersons Bequest	Hawick & Hermitage	b	50
Barton Bequest	Hawick & Hermitage	b	304
Mrs Mills Bequest	Hawick & Hermitage	b	40
G H L Oliver Bequest	Hawick Denholm	b	187
Mrs Susan Bells Bequest	Hawick Denholm	b	8
Abbey Floodlighting Fund	Jedburgh & District	b	169
Queen Marys House	Jedburgh & District	b	552
Robert Jack Bequest	Jedburgh & District	b	124
Miss C J Barries Bequest	Jedburgh & District	b	100
Mrs McNair Trust	Jedburgh & District	b	54
Yair Bequest	Kelso & District	b	30
Huggan Bequest	Jedburgh & District	b	50
War Graves Upkeep	Jedburgh & District	b	25
Miss Mary Smiths Bequest	Kelso & District	b	10
Robert Dodds	Kelso & District	b	201
Chisholm Bequest	Jedburgh & District	b	191
W H Thomsons Trust	Kelso & District	b	199
Hamilton Bequest	Jedburgh & District	b	71
Home Bequest	Jedburgh & District	b	10
Mrs Isabella D R Doves Bequest	Jedburgh & District	b	32
Ramsay-Fairfax Bequest	Jedburgh & District	b	217
Morrison Bequest	Kelso & District	b	27
Hownam Trust Fund	Kelso & District	b	110
Roxburgh War Memorial	Kelso & District	b	230
Greenlaw Parish Acc	Berwickshire	c	83
Coldstream Assoc.Trusts Fund	Berwickshire	None	1,482
Flodden Memorial Fund	Berwickshire	b	2,651
Robt. Elliot B G Trust	Berwickshire	b	14
Mrs A A Swan Duns B G	Berwickshire	b	139
Rutherford B G Trust	Berwickshire	b	32
Mrs. Agnes Dodds	Berwickshire	b	61
Mrs M C A Taubman	Berwickshire	b	133
Earlston Back Row Repair Fund	Earlston	None	38
Miss Isabella Wallace's Fund	Earlston	None	13,728
Earlston Mill Meadow	Earlston	None	2,876
Woods Bequest	Earlston	b	361
War Memorial fund	Galashiels & District	b	5,794
Eastlands Burying Ground Fund	Galashiels & District	b	1,448
Fraser Memorial fund	Selkirk & District	b	217
James Hogg Centenary Fund	Selkirk & District	b	180
John Brodie Bequest	Selkirk & District	b	1,086
Selkirk Std. Bearer Memorial Fund	Selkirk & District	b	2,224
Sir Walter Scott Monument Fund	Selkirk & District	b	377
Alexander Kirk Bequest	Selkirk & District	b	10
James Barrie's Bequest	Selkirk & District	b	30
Miss Euphemia Ballantyne's Beqst.	Selkirk & District	b	10

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Miss Helen A.Lawson Bequest	Selkirk & District	b	25
Miss Thomasina Riddell's Bequest	Selkirk & District	b	174
Mrs Katherine A.Steven Bequest	Selkirk & District	b	25
Mrs Robina H McCracken's Bequest	Selkirk & District	b	40
Mrs.Elizabeth Hogg Bequest	Selkirk & District	b	90
Rodger Bequest	Selkirk & District	b	10
Somerville Bequest	Selkirk & District	b	10
T.D.B.Hutchinson Bequest	Selkirk & District	b	37
Meade Trust	Selkirk & District	b	4,794
Miss E.Chalmer's Bequest	Selkirk & District	b	24
Mrs E.Parr Fund	Selkirk & District	b	413
Rev. R. Birkett's Fund	Selkirk & District	b	88
Thomas Dickson Bequest	Selkirk & District	b	286
Alex Kirk Fund	Selkirk & District	b	66
Kirkwood Bequest	Lauder & District	b	65
William Murray's Fund	Lauder & District	b	62
Lauder Light Railway	Lauder & District	b	390
Lauder Library Trust (Marion Turnbull)	Lauder & District	b	32,275
Ormiston Trust ( Meikle Clock)	Melrose	b	36
William Hill Trust No1	Melrose	b	205
Brewster bequest	Melrose	b	342
Fraser Bequest (2)	Melrose	b	92
Nash bequest	Melrose	b	39
Philpott Bequest	Melrose	b	56
Winser legacy	Melrose	b	498
Hunter Bequest	Melrose	b	79
Phin Bequest	Melrose	b	83
Mertoun War Memorial	Selkirkshire	b	44
King George V Playing Field	Selkirkshire	b	3,116
Sir Walter Scott Statue Fund	Tweeddale	b	820
Peebles County War Memorial Fund	Tweeddale	b	1,110
Lady Thomson's Endowment Fund	Tweeddale	b	25
West Linton War Memorial Fund	Tweeddale	b	112
Tweedside Physical & Antiquarian Socy.	Tweeddale	b	2,289
J. W. Riddell Bequest	Tweeddale	b	588
Peter Lockie's Bequest	Tweeddale	b	117
Mrs J O Hogg's bequest	Tweeddale	b	154
Peebles Cemetery-Lair Enclosure	Tweeddale	b	462
Thomas Ross Bequest	Tweeddale	b	28
Provost Mathieson Bequest	Tweeddale	b	265
Gracie Bequest	Tweeddale	b	135
<b>Total Funds Transferring</b>			<b>106,153</b>

## 5 Investments

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

At 31 March 2019 all investments were with the Kames Capital Diversified Monthly Income Fund.

## 6 Debtors

2017/18 £		2018/19 £
0	Prepayments and accrued income	751
<b>0</b>		<b>751</b>

## 7 Short Term Investments in SBC Loans Fund

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

## 8 Restricted Income Funds

The funds held with the Charity are restricted by area, purpose or both. Income includes the unrealised gain on the Kames Capital plc investment during the year and the funds received from Scottish Borders Council Charitable Trusts and non-registered trusts.

The restrictions for each are shown in the table below. The purpose of these funds are:

- a) Advancement of Community Development
- b) The advancement of the arts, heritage, culture or science, including the upkeep of heritage assets
- c) The provision of recreational facilities, or the organisation of recreational activities are primarily intended, or
- d) Advancement of environmental protection or improvement

2017/18 Balance RESTATED  £	Restricted by Area	Restricted by Purpose	Income  £	Expenditure  £	2018/19 Balance  £
1,608	Cheviot	Allerley Well Park	103	4	1,707
1,503	Borders Wide	b	92	3	1,592
19,777	Hawick, Denholm & Hermitage	b	2,121	45	21,853
27,982	Mid & East Berwickshire	b	6,456	82	34,356
6,870	Hawick, Denholm & Hermitage	b&d	426	15	7,281
13,027	Berwickshire	Unrestricted	2,382	33	15,376
520	Berwickshire	Henderson Park & War Memorial	37	1	556
1,101	Selkirk	Unrestricted	1,662	1,189	1,574
0	Earlston	Unrestricted	17,674	37	17,637
0	Earlston	b	1,045	3	1,042
0	Galashiels & District	b	7,741	18	7,723
0	Hawick, Denholm & Hermitage	c	446	1	445
0	Hawick, Denholm & Hermitage	Unrestricted	21,729	52	21,677
0	Hawick Denholm	b	236	1	235
0	Hawick & Hermitage	b	420	1	419
0	Jedburgh & District	b	1,753	6	1,747
0	Kelso & District	b	862	2	860
0	Melrose	b	1,527	4	1,523
0	Selkirk & District	b	10,917	26	10,891
0	Selkirkshire	b	3,248	3	3,245
0	Tweeddale	b	6,504	8	6,496
0	Berwickshire	c	357	1	356
0	Lauder & District	b	35,046	240	34,806
<b>72,388</b>			<b>122,784</b>	<b>1,775</b>	<b>193,397</b>

## 9 Related Party Transactions

Due to the nature of the operations and composition of the SBC Community Enhancement Trust (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	109

## INDEPENDENT AUDITOR'S REPORT

### to the trustees of Scottish Borders Council Community Enhancement Trust and the Accounts Commission

#### 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 Community Enhancement Trust for the year ended 31 March 2019 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 2019 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](http://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 OBE  
4th Floor  
102 West Port  
Edinburgh  
EH3 9DN

September 2019

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

## ADDITIONAL INFORMATION

### Contact Details

For further information on the SBC Community Enhancement Trust, please contact:

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