

Scottish Borders Council

Common Good Funds

Charity Registration Number: SC031538

annual report and financial statements

for the year to 31 March 2018



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FOREWORD

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

The Charity comprises of the ten Common Good Funds within Scottish Borders Council, each holding property which it is responsible for maintaining, with many distributing grants to local causes which are eligible within its charitable purpose.

Each Common Good Fund within the charity has financial investments and / or property assets; the operational management of which is overseen by individual Sub-Committees of Elected Members from the relevant ward(s), supported by officers from the Council.

TRUSTEES' ANNUAL REPORT

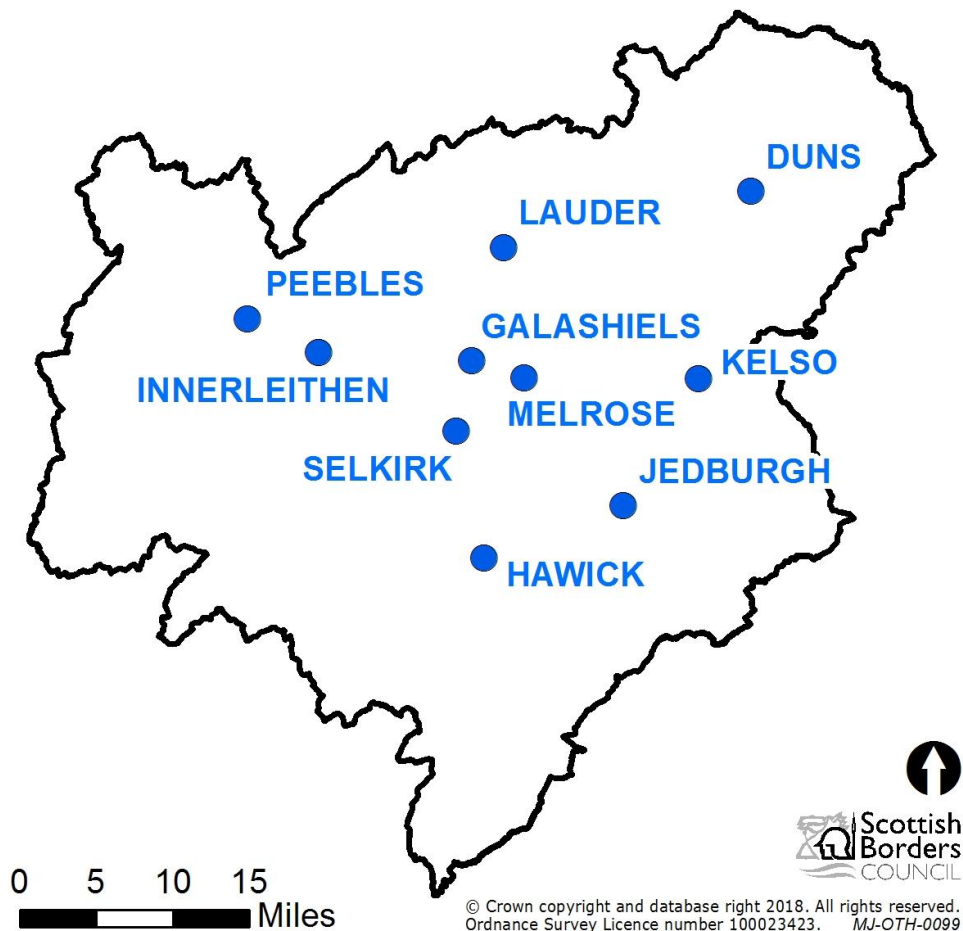
The Trustees present their Annual Report and the Financial Statements for the year ended 31 March 2018.

Structure

a) The Charity comprises a number of separate funds for the former Burghs of:



In 2017/18, a Scout Hall (old Town Hall) in Melrose was recognised as a Common Good Asset, thereby creating Melrose Common Good Fund.



b) Each fund is administered by a Sub-Committee of Elected Members representing the Council wards in which each Burgh is situated.

Charitable Purpose

- The charitable purposes of the Common Good Funds are that, subject to their legal responsibilities in terms of any assets held by the charities, the **funds are operated for the common good of the residents** of the aforesaid former Burghs and may be used to **provide advancement of citizenship or community development**.
- In respect of those funds which have land and property, the Trustees recognise their obligations to ensure that these assets are maintained.

Summary of the Main Activities

- The Charity has taken steps to ensure that the **assets of the Funds are properly managed and accounted for**. Quarterly budget monitoring reports have been prepared for consideration by the Trustees forming the Working Group for each individual Burgh and the minutes of these meetings reported to the full Council in terms of the Code of Governance.
- Maintenance work has been approved and carried out on fixed assets and responses made to applications for financial assistance as detailed in the Notes to the Financial Statements on page 16.
- Most of the individual funds have made donations to eligible beneficiaries in their Burghs with a total of £85,565 being paid out in the year.
- Common Good investment funds were transferred from Newton to Kames Capital plc during 2017/18. 5 year investment performance by Newton fell below their own target as monthly and annual performance figures indicated they would. Kames Capital plc offer a targeted 5% dividend and a 2-3% capital growth.

Plans for the Future

- The Common Good Funds will continue to **maintain their heritable assets and will look to maximise their income** from any of these assets which are let commercially. Where assets are used by third parties towards the Common Good of the Burgh then rental levels may reflect this aspect of the tenants' activity.
- Where funds permit, the Common Good Funds will look to make grants to organisations in their Burghs which will provide benefit to the Burgh residents, as approved by the individual Common Good Committees.

Governance and Management

Type of Governing Documents

- a) The overarching governance of the Charity is the principle of statute and common law. The statutory framework is the successive Acts from the Common Good Act 1491 through to the Local Government Scotland Act 1994, with the Local Government (Scotland) Act 1973 provisions still in force, and the Local Government in Scotland Act 2003. Cognisance is also to be taken of the various judicial opinions in case law governing the treatment of Common Goods.
- b) The funds are governed by Trustee's 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 Common Good Funds the Trustees have regard to the interests of the inhabitants of the area to which the Common Good formerly related.
- 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 Financial Reporting Standard 102 (FRS 102), 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 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 financial obligations in respect of properties owned by the charity, where relevant, and
- all support and governance costs.

At 31 March 2018, the reserves of the Common Good Funds amounted to:

- Restricted Income Funds - £3,418k
- Revaluation Reserves - £10,038k

Investments Per the Council's Common Good and Trust Fund investment strategy the main balance of funds are invested in the Kames Capital Diversified Income Fund. This is a result of an approved move from the Newton Real Return Fund as approved at Council on 21 December 2017.

Reference and Administrative Information

Charity Name	Scottish Borders Council Common Good Funds
Charity registration number	SC031538
Business Address	Council HQ Newtown St Boswells Melrose Scottish Borders TD6 0SA

Trustees

The Trustees of this charity for the year to 31 March 2018 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. Due to local elections on the 4th May 2017, there were a number of changes to the Trustees. The tables below shows the current Trustees, the names in bold are those Trustees who took up their roles from 4 May 2017 or, where indicated, 23 February 2018. The second table details those Councillors who are no longer Trustees but who held positions as Trustees for part of the year.

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 (from 23/02/18)	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		

The following elected members were Trustees until Local Government elections on 4 May 2017, apart from Michelle Ballantyne, who held this position until 30 November 2017.

Willie Archibald	Michelle Ballantyne	Catriona Bhatia
Joan Campbell	Michael J Cook	Keith Cockburn
Alastair Cranston	Vicky M Davidson	Graham H T Garvie
Bill Herd	Gavin Logan	John G Mitchell
Alexander J Nicol	Ron Smith	Rory Stewart
Jim Torrance	Bill White	

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 Common Good Funds which is recognised within *Other: governance costs* in the financial statements. 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 Common Good Funds
25 September 2018

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 and 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 2018

2016/17 £'000		2017/18 £'000	Notes
	Income from:		
27	Donations and legacies	77	1
69	Investments	75	2
238	Charitable activities	216	
334	Total Income	368	
	Expenditure on:		
(385)	Raising funds	(504)	
(171)	Charitable activities	(85)	
(48)	Other: governance costs	(60)	
(604)	Total Expenditure	(649)	3
(8)	(Losses) / gains on investment assets – unrealised	(8)	
(278)	Net Income / (Expenditure)	(289)	
	Other Recognised Gains / (Losses)		
128	Recognition of Investments	0	
(150)	Net Movement in Funds	(289)	
	Reconciliation of Funds		
13,895	Total funds brought forward	13,745	
13,745	Total Funds Carried Forward	13,456	

BALANCE SHEET as at 31 March 2018

as at 31 March 2017			as at 31 March 2018		Notes
£'000	£'000		£'000	£'000	
		Long Term Assets			
10,746		Tangible fixed assets	10,538		5
2,700		Investments	2,659		6
47		Long term loan to third party	35		
	13,493	Total Long Term Assets		13,232	
		Current Assets			
20		Debtors	54		
255		Short term investment in SBC loans fund	259		
	275	Total Current Assets		313	
		Current Liabilities			
	(23)	Creditors: Amounts falling due within 1 year		(89)	
	252	Net Current Assets		224	
	13,745	Total Net Assets		13,456	
		The Funds of the Charity			
	(3,478)	Restricted income funds		(3,464)	7
	(10,267)	Revaluation reserve		(9,992)	
	(13,745)	Total Charity Funds		(13,456)	

CASH FLOW STATEMENT as at 31 March 2018

The Cash Flow Statement shows how the Common Good Funds generate and use cash as classified into operating, investing and financing activities. The amount of cash held by Common Good Funds at the year-end is always nil, as all surplus cash is invested in the short term, in the SBC Loans Fund.

as at 31 March 2017 RESTATED			as at 31 March 2018	
£'000	£'000		£'000	£'000
		Cash Flows from Operating Activities		
	(85)	Net cash provided by / (used in) operating activities (see reconciliation table below)		33
		Cash flows from Investing Activities		
69		Dividends and Interest	75	
0		(Purchase) of tangible fixed assets	(48)	
(218)		(Purchase) of investments	(67)	
221		Movement in short term investments	(5)	
	72	Net Cash Flows from Investing Activities		(45)
		Cash flows from Financing Activities		
13		Cash Received from Loans	12	
	13	Net Cash Flows from Financing Activities		12
	0	Net Movement in Cash		0

Reconciliation of net income / (expenditure) to net cash flow from Operating Activities

2016/17 £'000		2017/18 £'000
(278)	Net income / (expenditure) for the year ended 31 March	(289)
	<i>Adjustments for:</i>	
275	Depreciation charges	267
8	(Gains) / losses on Investments	108
(69)	Dividends and interest	(75)
1	(Increase) / decrease in debtors	(34)
(22)	Increase / (decrease) in creditors	66
0	Other non-cash item	(10)
(85)	Net cash provided by / (used in) operating activities	33

All of the charity's activities are continuing.

The Accounting Policies on pages 14 and 15 and the Notes on pages 16 to 19 form part of these Financial Statements.

The unaudited accounts were issued on 26 June 2018 and the audited accounts were authorised for issue on 25 September 2018.

**David Robertson CPFA
Chief Financial Officer
25 September 2018**

**Shona Haslam
Trustee
Scottish Borders Council Common Good Funds
25 September 2018**

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 and Assessment of Going Concern

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 the activity they relate to takes place, regardless of when applications 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.

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 2014/15. 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 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 Donations and Legacies

2016/17 £'000		2017/18 £'000
2	Duns	1
1	Galashiels	1
6	Hawick	7
0	Innerleithen	0
1	Jedburgh	1
1	Kelso	1
6	Lauder	7
0	Melrose	38
5	Peebles	3
5	Selkirk	18
27		77

Following investigation of title deeds and historic documents, the Scout Hall in Melrose was found to be a Common Good asset, rather than a Council asset. It was valued and recognised as a Melrose Common Good Fund asset on 1 April 2017.

2 Income from Investments

2016/17 £000		2017/18 £'000
3	Bank Interest Receivable from SBC Loans Fund	2
66	Income from Investment Portfolio	73
69		75

3 Analysis of Charitable Expenditure

2016/17 Total £'000		Activities Undertaken Directly £'000	Support and Governance Costs £'000	Property Cost & Depreciation £'000	2017/18 Total £'000
3	Duns	0	3	0	3
38	Galashiels	0	2	42	44
160	Hawick	17	13	169	199
17	Innerleithen	0	0	17	17
92	Jedburgh	13	7	45	65
50	Kelso	2	2	53	57
29	Lauder	6	12	26	44
0	Melrose	0	0	3	3
81	Peebles	19	9	72	100
134	Selkirk	28	12	77	117
604		85	60	504	649

4 Governance Costs

Governance costs are comprised of a recharge from SBC and reflect the cost of the proportionate administration, finance, and legal time spent on Common Good funds and also a pro-rated proportion of investment advice costs relating to the move to Kames Capital Fund manager. In addition the fee for the external audit of the charity is charged against Scottish Borders Council General Fund and recharged to the Common Good Funds, recognised under Governance Costs. This fee amounted to £3,500 in 2017/18. A grant from SBC to cover the full cost is recognised under Donations. No Trustee remuneration or other expenses were incurred.

5 Tangible Fixed Assets

The change in the value of tangible fixed assets has been driven by the following movements:

As at 31 March 2017		as at 31 March 2017		
Total		Asset Additions	Depreciation	Total
£'000		£'000	£'000	£'000
0	Duns	0	0	0
588	Galashiels	0	(36)	552
3,598	Hawick	0	(40)	3,558
290	Innerleithen	0	(17)	273
464	Jedburgh	0	(14)	452
797	Kelso	0	(43)	756
1,006	Lauder	0	(11)	995
0	Melrose	38	(3)	35
842	Peebles	0	(35)	803
3,161	Selkirk	21	(68)	3,114
10,746		59	(267)	10,538

Asset additions include capital expenditure amounting to £21k which was incurred at Selkirk Victoria Hall in replacing 4 stone pillars at the entrance to the building. Also £38k asset addition being the recognition of a Scout Hall in Melrose as a Common Good Fund asset.

Tangible fixed assets are broken down between Land & buildings and Heritage assets as follows:

As at 31 March 2017		as at 31 March 2018		
Total		Land & Buildings at Net Book Value	Heritage Assets	Total Long Term Assets
£'000		£'000	£'000	£'000
0	Duns	0	0	0
588	Galashiels	552	0	552
3,598	Hawick	3,555	3	3,558
290	Innerleithen	273	0	273
464	Jedburgh	454	0	452
797	Kelso	737	19	756
1,006	Lauder	993	0	995
0	Melrose	35	0	35
842	Peebles	801	2	803
3,161	Selkirk	3,113	1	3,114
10,746		10,513	25	10,538

6 Investments

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

During the financial year Scottish Borders Council approved the change in investment Fund from Newton Real Return Fund to Kames Capital Diversified Income Fund. At 31 March 2018 all investments were with the Kames fund.

Investment amounts and unrealised gains on these investments at 31 March 2018, per Common Good Fund are detailed below:

As at 31 March 2017		as at 31 March 2018			
Total Investment		Additional Investments	Realised Loss on Newton Disinvestment	Kames Unrealised Loss	Total Investment
£'000		£'000	£'000	£'000	£'000
0	Duns	18	1	0	17
154	Galashiels	0	6	0	148
473	Hawick	0	17	1	455
0	Innerleithen	0	0	0	0
937	Jedburgh	0	34	3	900
254	Kelso	0	10	1	243
258	Lauder	0	10	1	247
0	Melrose	0	0	0	0
435	Peebles	0	16	1	418
189	Selkirk	50	7	1	231
2,700		68	101	8	2,659

7 Restricted Income Funds

Balance at 31 March 2017 £'000 RESTATED		SOFA Surplus / (loss)	Unrealised movement on investment assets	Balance at 31 March 2018 £'000
18	Duns	(1)	0	17
317	Galashiels	(3)	0	314
640	Hawick	(34)	1	607
135	Innerleithen	0	0	135
990	Jedburgh	(34)	3	959
291	Kelso	(8)	1	284
296	Lauder	(9)	1	288
0	Melrose	35	0	35
520	Peebles	(8)	1	513
271	Selkirk	40	1	312
3,478		(22)	8	3,464

8 Contingent Assets

The charity granted a secured grant to Jedburgh Golf Club in 2004 to purchase land. The grant is to be written down over 20 years. If during this period the land is sold the balance of the remaining funds are to be returned to the charity.

INDEPENDENT AUDITOR'S REPORT

to the trustees of Scottish Borders Council Common Good Funds and the Accounts Commission for Scotland

Independent auditor's report to the trustees of Scottish Borders Council Common Good Funds and the Accounts Commission

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 approved by the Accounts Commission, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

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 Common Good Funds for the year ended 31 March 2018 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, Cash Flow Statement, 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 2018 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)). 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 achieve 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.

Asif A Haseeb OBE
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

September 2018

Asif A Haseeb 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 Common Good Funds, 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