



# **UNAUDITED ANNUAL REPORT AND FINANCIAL STATEMENTS**

**SBC WELFARE TRUST**

**Charity Registration Number: SCO44765**

**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.

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 Welfare Trust which was established for the purpose of:

- a) The prevention or relief of poverty
- b) The relief of those in need by reason of age, ill –health, disability, financial hardship or other disadvantage or
- c) The advancement of health, including the advancement of education in health.

By among other things, the payment of grants and/or loans to such charities or other organisations or to such individuals who are deserving of benefit as the Trustees shall, in their sole and unfettered discretion, select as suitable recipients of such benefit, to be applied by such recipients for the charitable purposes of either the prevention or relief of poverty or the relief of those in need or the advancement of health, as appropriate.

During 2014/15 following the winding up of various individually registered charities their balances were transferred into this new Charitable Trust.

During 2015/16 further work on the reorganisation of charity funds is expected to result in additional resources being transferred into this Charitable Trust.

In agreement with OSCR the charity is deemed to have been established on 1 April 2014, there is therefore no accounts information of 2013/14.

## 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

<b>Charity Name</b>	SBC Welfare Trust
<b>Charity registration number</b>	SCO44765
<b>Business Address</b>	Council HQ Newtown St Boswells Melrose Scottish Borders

### Trustees

The Trustees of this charity are the duly elected members of Scottish Borders Council (the Council), a local authority constituted under the Local Government (Scotland) Act 1994. These are

Sandy Aitchison	Gavin Logan
Willie Archibald	Stuart Marshall
Michelle Ballantyne	John G Mitchell
Stuart Bell	Donald Moffat
Catriona Bhatia	Simon Mountford
Jim Brown	Alexander J Nicol
Joan Campbell	David Parker
Michael J Cook	David Paterson
Keith Cockburn	Frances Renton
Alastair Cranston	Sandy Scott
Vicky M Davidson	Ron Smith
Gordon Edgar	Rory Stewart
James A Fullerton	Jim Torrance
Graham H T Garvie	George Turnbull
Iain Gillespie	Tom Weatherspoon
John Greenwell	Bill White .
Bill Herd	

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

**Chief Finance Officer** – David Robertson

**Auditor** KPMG LLP  
191 West George Street  
Glasgow  
G2 2LJ

### 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

### 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 newly established Charity.
- b) In terms of the Trustee's governance of the fund, these have been approved by Scottish Borders Council at its meeting on 21<sup>st</sup> May 2015 and have reflected this in the following its governance codes. The codes covering the governance of the Charity comprise of the following:-
  - 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.

### Charitable Purpose

- d) The prevention or relief of poverty
- e) The relief of those in need by reason of age, ill –health, disability, financial hardship or other disadvantage or
- f) The advancement of health, including the advancement of education in health.

By among other things, the payment of grants and/or loans to such charities or other organisations or to such individuals who are deserving of benefit as the Trustees shall, in their sole and unfettered discretion, select as suitable recipients of such benefit, to be applied by such recipients for the charitable purposes of either the prevention or relief of poverty or the relief of those in need or the advancement of health, as appropriate.

### Summary of the Main Activities

The Charity has taken steps to ensure that the assets of the funds are properly managed and accounted for. No funds have been disbursed during 2014/15.

## 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** Per the Councils Common Good and Trust Fund investment strategy the main balance of funds are invested in the Newton Real Return Fund.

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

## Plans for the Future

The fund will be promoted continue to groups who may be eligible for disbursement of funds.

The report was signed on behalf of the Trustees by

**David Parker**  
**Leader**  
**Scottish Borders Council**  
**XX 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;
- 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

	2014/15 Restricted Funds £	Notes
<b>Incoming Resources</b>		
<b>Incoming Resources from Generated Funds</b>		
Voluntary Income	0	
Interest and Investment Income	2,561	1
Transfer to the Entity in the year	99,202	
<b>Total Incoming Resources</b>	<b>101,763</b>	
<b>Resources Expended</b>		
Charitable Activities	0	2
Governance Costs	0	3
<b>Total Resources Expended</b>	<b>0</b>	
<b>Net Incoming / (Outgoing) Resources Before Other Recognised Gains And Losses</b>	<b>101,763</b>	
Net Unrealised Investment Gains/(Losses)	3,028	5
<b>Net Movement in Funds</b>	<b>104,791</b>	
<b>Reconciliation of Funds</b>		
Balance Brought Forward at 1 April 2014	0	
<b>Balance Carried Forward at 31 March 2015</b>	<b>104,791</b>	



## BALANCE SHEET as at 31 March 2015

	at 31 March 2015		Notes
	£	£	
<b>Fixed Assets</b>			
Investments	97,050		
		<b>97,050</b>	
<b>Current Assets</b>			
Short Term Investment SBC Loans Fund	7,741		
<b>Current Liabilities</b>			
Creditors: Amounts Falling Due Within One Year	331		
<b>Net Current Assets</b>		<b>7,410</b>	
<b>Total Assets Less Current Liabilities</b>		<b>104,461</b>	
<b>Funds</b>			
Restricted Funds	104,461		6
<b>Total Funds</b>		<b>104,461</b>	

All of the Charity's activities are continuing.

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

David Robertson CPFA  
Chief Financial Officer  
XX June 2015

## CASH FLOW for the year ended 31 March 2015

	2014/15 £
<b>Reconciliation of Operating Profit to Net Cash Flow from Operating Activities</b>	
Net Incoming/(Outgoing) Resources Before Other Recognised Gains and Losses	101,763
(Decrease)/Increase in Creditors	331
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>102,094</b>

<b>Cash Flow Statement</b>	
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>102,094</b>
<b>Returns on Investments and Servicing of Finance</b>	
<b>Investing Activities</b>	
(Purchase)/Disposal of Long Term Investments	(8,072)
(Deposit)/Withdrawal from Short Term Investments	(94,022)
<b>Increase / (Decrease) in Cash</b>	<b>0</b>
<b>Movement in Cash in Period</b>	

	As at 1 April 2014 £'000	Movement £'000	As at 31 March 2015 £'000
<b>Cash at Bank and In Hand</b>	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

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

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

	2014/15 £
Interest Receivable	121
Income from Investment Portfolio	2,440
	<b>2,561</b>

### 2 Charitable Activities during 2014/15

There were no charitable activities during 2014/15.

### 3 Governance Costs

The fee for the external audit of the charity is charged against Scottish Borders Council General Fund. There were no governance costs paid directly by the Charity.

### 4 Trustees and Employees

There are no employees and nothing was paid by the charity to its trustees for any expenses or remuneration in either the current or previous year.

### 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.

### 6 Restricted Funds

The funds held by the charity are restricted by area and purpose. The purpose of the funds are:

- a) The prevention or relief of poverty
- b) The relief of those in need by reason of age, ill –health, disability, financial hardship or other disadvantage or
- c) The advancement of health, including the advancement of education in health.

	Balance at 31 March 2014 £	Income £	Expenditure £	Balance at 31 March 2015 £
Mid & East Berwickshire (a & b)	53,326	2,634	-	<b>55,960</b>
Galashiels & District (a & b)	4,219	266	-	<b>4,485</b>
Leaderdale & Melrose (a & b)	8,056	499	-	<b>8,555</b>
Jedburgh & District (a & b)	18,605	1,135	-	<b>19,740</b>
Hawick/Denholm/Hermitage (a & b)	7,574	492	-	<b>8,066</b>
Tweeddale East & West (unrestricted))	671	41	-	<b>712</b>
Tweeddale East & West (a & b)	6,751	522	-	<b>7,273</b>
<b>TOTAL</b>	<b>99,202</b>	<b>5,589</b>	<b>-</b>	<b>104,791</b>

## INDEPENDENT AUDITOR'S REPORT

[To be inserted]

## ADDITIONAL INFORMATION

### Contact Details

For further information on the SBC Welfare Charitable Trust, please contact

Lynn Mirley	Telephone: 01835 – 825016
Corporate Finance Manager	E-mail: <a href="mailto:lmirley@scotborders.gov.uk">lmirley@scotborders.gov.uk</a>
Scottish Borders Council	Council Headquarters Newtown St Boswells MELROSE TD6 0SA