



UNAUDITED ANNUAL REPORT AND FINANCIAL STATEMENTS

SBC EDUCATION TRUST

Charity Registration Number: SCO44762

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 Education Trust.

The purpose of the new charity is “To advance and/or promote cultural exchange by, among other things, the payment of grants and/or loans, the award of bursaries, the award of prizes, payment towards cultural exchanges that further an educational purpose both within Scottish Borders area and further afield (including abroad), to such educational institution, charities or other organisation or to such individuals 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 purpose of the advancement of education and/or promotion of cultural exchange”

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.

During 2014/15 following the winding up of the individual charity for the Isabella Thom Prize Fund, these 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.

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	SBC Welfare Trust
Charity registration number	SC044765
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 (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

The Charity consist of a single fund cover the whole of the Borders.

Governance and Management

Type of Governing Documents

- a) A Trust Deed was 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 21st 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

The charitable purpose of this charity:-

To advance and/or promote cultural exchange by, among other things, the payment of grants and/or loans, the award of bursaries, the award of prizes, payment towards cultural exchanges that further an educational purpose both within Scottish Borders area and further afield (including abroad), to such educational institution, charities or other organisation or to such individuals 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 purpose of the advancement of education and/or promotion of cultural exchange”

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 has made donations to two eligible beneficiaries during the year to 31 March 2015.

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 continue to disburse to eligible recipients.

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
Incoming Resources		
Incoming Resources from Generated Funds		
Voluntary Income		
Interest and Investment Income	119	
Transfer to the Entity in the year	1,530	
Total Incoming Resources	1,738	
Resources Expended		
Charitable Activities	110	1
Governance Costs		2
Total Resources Expended	110	
Net Incoming / (Outgoing) Resources Before Other Recognised Gains And Losses	1,628	
Net Unrealised Investment Gains/(Losses)	56	
Net Movement in Funds	1,684	
Reconciliation of Funds		
Balance Brought Forward at 1 April 2014	0	
Balance Carried Forward at 31 March 2015	1,684	

BALANCE SHEET as at 31 March 2015

	at 31 March 2015		Notes
	£	£	
Fixed Assets			
Investments	1,616		9
Current Assets			
Short Term Investment in SBC Loan Fund	68		
Current Liabilities			
Creditors: Amounts Falling Due Within One Year	0		
Net Current Assets		68	
Total Assets Less Current Liabilities		1,684	
Funds			
Restricted Funds	1,684		12
Total Funds		1,684	

All of the Charity's activities are ongoing.

The Accounting Policies on pages 10 and the Notes on pages 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 £

Reconciliation of Operating Profit to Net Cash Flow from Operating Activities	
Net Incoming/(Outgoing) Resources Before Other Recognised Gains and Losses	1,628
Adjustments for items included in the Net Incoming/(Outgoing) Resources that are investing activities	(1,530)
Net Cash Inflow/(Outflow) from Operating Activities	68

Cash Flow Statement	
Net Cash Inflow/(Outflow) from Operating Activities	68
Investing Activities	
(Deposit)/Withdrawal from Short Term Investments	(68)
Increase / (Decrease) in Cash in Period	0

Reconciliation of Net Cash Flow to Movement in Net Funds	As at 1 April 2014 £'000	Movement £'000	As at 31 March 2015 £'000
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

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 Charitable Activities during 2014/15

The Charity has made donations to two eligible beneficiaries during the year to 31 March 2015

2 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.

3 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.

4 Tangible Fixed Assets

There are no Tangible Fixed Assets.

5 Investments

The investments are all held in the Newton Real Return Fund.

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 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: lmirley@scotborders.gov.uk
Scottish Borders Council	Council Headquarters Newtown St Boswells MELROSE TD6 0SA