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**MONITORING REPORT FOR 9 MONTHS TO 31 DECEMBER  
2019**

**Report by the Executive Director Finance & Regulatory**  
**WILLIAM HILL TRUST FUND SUB-COMMITTEE**

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**19 FEBRUARY 2020**

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**1 PURPOSE AND SUMMARY**

**1.1 This report provides the details of the income and expenditure for the William Hill Trust Fund for the nine months to 31 December 2019, a full year projected out-turn for 2019/20, and projected balance sheet values as at 31 March 2020.**

1.2 Appendix 1 provides the actual income and expenditure position for 2019/20. This shows a projected surplus of £15,445 for the year.

1.3 Appendix 2 provides a balance sheet value as at 31 March 2020. It shows an increase in reserves of £15,445.

1.4 Appendix 3 shows the value of the funds invested with Kames Capital Investment Fund to 31 December 2019.

**2 RECOMMENDATIONS**

**2.1 It is recommended that the Trust Fund Sub-Committee:**

- (a) Agrees the projected income and expenditure for 2019/20 in Appendix 1 as the revised budget for 2019/20;**
- (b) Notes the projected balance sheet value as at 31 March 2020 in Appendix 2;**
- (c) Notes the current position of the investment in the Kames Capital Investment Fund in Appendix 3.**

### 3 BACKGROUND

3.1 This report provides the Committee with financial information for the period to 31 December 2019 and projections to 31 March 2020. The report also contains a projected balance sheet for the Trust as at 31 March 2020.

### 4 FINANCIAL POSITION 2019/20

4.1 Appendix 1 provides detail on income and expenditure for the 2019/20 financial year. The projected net position for the year is a surplus of £15,445.

#### 4.2 Income & Expenditure – Income

(a) The projected outturn position shows an amount of £170 relating to interest receivable on cash held by SBC. Also included are dividends from the Common Good Funds investment in Kames Capital Investment Fund amounting to £8,375, which is in line with the overall 5% target and the monthly distribution profile projections provided by Kames.

(b) Included within other income is a rebate from Kames Capital (£88), which has been re-invested to purchase an additional 80 units.

#### 4.3 Income & Expenditure – Grants & Other Donations

The grants and other donations distributed to 31 March 2020 are shown below.

Grant Recipients Approved and Paid to 31 December 19	Approved		TOTAL
	Date	£	£
Fund 3 Sports Champion Melrose Primary	Annual	40	40
Fund 3 18/19 Grant to Individual – returned	August 19	(35)	(35)
<b>Total Paid to 31 March 2020</b>			<b>5</b>
<b>Approved Budget 2019/20</b>			<b>3,500</b>
<b><i>(Unallocated)/Over allocated Budget</i></b>			<b><i>(3,545)</i></b>

4.4 Appendix 2 provides the balance sheet value as at 31 March 2019, the projected movement in year and a projected balance sheet at 31 March 2020.

#### 4.5 Balance Sheet – Kames Capital Investment Fund

The fund has a +5.90% unrealised gain in market value since investment, largely due to continued volatility in investment markets. Overall, however taking account of the income received the fund has achieved a return of +16.05% since investment in February 2018.

## 4.6 Balance Sheet – Cash Balance

The cash held by the fund is projected to be £60,605 at 31 March 2020 and is detailed below:

<b>Cash Balance</b>	<b>£</b>
<b>Opening Balance at 1 April 2019</b>	45,160
<b>Repayment of Principal (Long Term Debtors)</b>	
Melrose Golf Club Loan	0
Surplus for year from Income & Expenditure Statement	15,445
Net Cash Movement in Debtors/Creditors	0
Kames Fund Rebate	(150)
<b>Closing Balance at 31 March 2020</b>	<b>60,605</b>

## 5 IMPLICATIONS

### 5.1 Financial

There are no further financial implications other than those explained above in Section 4.

### 5.2 Risk and Mitigations

There is a risk that investments in the Kames Capital may reduce in value due to market or investment performance. This risk cannot be fully mitigated; however, it is being managed by the selection of a Fund Manager with a clear objective of preserving capital values while aiming to produce returns in line with the benchmark.

### 5.3 Equalities

It is anticipated that there are no adverse equality implications arising from the proposals contained in this report.

### 5.4 Acting Sustainably

Whilst there are no economic, social or environmental effects arising from the proposals contained in this report, there are, through the activities reported upon, positive impacts upon the economy through protection of employment, positive impacts upon the quality of community life and improvements in local amenities and nurturing of local talent. The potential improvement in levels of income through the use of the new investment fund will act to make the Trust Fund more sustainable in the future.

### 5.5 Carbon Management

There are no effects on carbon emissions arising from the proposals contained in this report.

### 5.6 Rural Proofing

There are no effects on rural proofing arising from the proposals contained in this report.

## 5.7 Changes to Scheme of Administration or Scheme of Delegation

There are no changes required to the Scheme of Administration or Scheme of Delegation arising from the proposals contained in this report.

## 6 CONSULTATION

- 6.1 The Monitoring & Chief Legal Officer, the Chief Officer Audit and Risk, the Service Director Human Resources & Communications and the Clerk to the Council are being consulted and their appropriate comments will be incorporated into this report.

### Approved by

**David Robertson**  
**Executive Director Finance & Regulatory**

**Signature .....**

### Author(s)

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### Background Papers:

**Previous Minute Reference:** William Hill Trust Fund Committee 19 June 2019.

**Note** – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. We can also give information on other language translations as well as providing additional copies.

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**WILLIAM HILL TRUST FUND  
PROJECTED INCOME AND EXPENDITURE 2019/20**

	<b>Actuals at 31/12/19 £</b>	<b>Full Year Approved Budget 2019/20 £</b>	<b>Full Year Projected Out-turn 2019/20 £</b>	<b>Full Year Projected Over/(Under) Spend 2019/20 £</b>	<b>Para Ref</b>	<b>Commentary</b>
<b>INCOME</b>						
<b>Interest on Cash deposited with Council</b>						
Interest Received		(170)	(170)		4.2	
Misc Income	(88)	0	(150)	(150)		
<b>Total Income</b>	<b>(88)</b>	<b>(170)</b>	<b>(320)</b>	<b>(150)</b>		
Investment Fund – Dividends	(4,491)	(8,375)	(8,375)		4.2	
<b>Total Dividends Received</b>	<b>(4,491)</b>	<b>(8,375)</b>	<b>(8,375)</b>			
<b>Donations from Other Trusts</b>						
Greenyards Trust	0	(286)	(286)			
Gibson Park	0	(9,806)	(9,806)			
Fraser bequest	0	(158)	(158)			
	<b>0</b>	<b>(10,250)</b>	<b>(10,250)</b>			
<b>TOTAL INCOME</b>	<b>(4,579)</b>	<b>(18,795)</b>	<b>(18,945)</b>			
<b>EXPEDITURE</b>						
<b>Running costs –</b>						
<b>Grants &amp; Other Donations</b>						
General Fund	5	3,500	3,500		4.3	
<b>TOTAL EXPENDITURE</b>	<b>5</b>	<b>3,500</b>	<b>3,500</b>			
<b>Total Net (Surplus)/Deficit for year</b>	<b>(4,574)</b>	<b>(15,295)</b>	<b>(15,445)</b>	<b>(150)</b>		

## WILLIAM HILL TRUST FUND

## PROJECTED BALANCE SHEET VALUE AT 31 March 2020

	Opening Balance at 01/04/19	Movement in Year £	Closing Balance at 31/03/20 £
<b>Capital in Kames Investment Fund</b>			
Investment in Kames Fund	149,055	0	149,055
Unrealised Gains/(Loss)	1,033	0	1,033
<b>Total Investment</b>	<b>150,088</b>	<b>0</b>	<b>150,088</b>
<b>Long Term Debtors</b>			
Loan to Melrose Golf Club	<b>150</b>	<b>(150)</b>	<b>0</b>
<b>Current Assets</b>			
Debtors	<b>635</b>	<b>0</b>	<b>635</b>
<b>Total Cash deposited with SBC</b>	<b>45,160</b>	<b>15,445</b>	<b>60,605</b>
<b>Current Liabilities</b>			
Creditors	<b>(150)</b>	<b>150</b>	<b>0</b>
<b>Net Assets</b>	<b>195,883</b>	<b>15,445</b>	<b>211,328</b>
<b>Funded by: Reserves</b>			
Revenue Reserve Fund	(80,522)	(15,445)	(95,967)
Capital Reserve Fund	(115,361)	0	(115,361)
<b>Total Reserves</b>	<b>(195,883)</b>	<b>(15,445)</b>	<b>(211,328)</b>

## WILLIAM HILL TRUST FUND

## INVESTMENTS EXTERNALLY MANAGED

<b>Book value movements</b>	<b>Units</b>	<b>£</b>
Initial Investment Kames Capital – 12 February 2018	<b>137,529</b>	<b>148,903</b>
Kames Fund Rebate – 2018-19	141	152
Kames Fund rebate – 2019-20	80	88
<b>Total Book value as at 31 March 2020</b>	<b>137,750</b>	<b>149,143</b>

<b>Market Value of Investment</b>	<b>£</b>
12 Feb 2018	154,910
31 March 2018	154,910
Fund 1 – Transfer (1 April 2018)	(199)
Fund 2 – Transfer (1 April 2018)	(5,807)
1 April 2018	148,904
31 March 2019	150,088
30 June 2019	152,631
30 September 2019	152,754
31 December 2019	157,931
<b>Increase/(Decrease) from Total Cash Invested</b>	<b>8,788</b>