

annual report and financial statements

SBC Welfare Trust

Charity Registration Number: SC044765

For the year to 31 March 2015

Contents

	Page
Foreword	2
Trustee's Annual Report	3
Statement of Trustees' Responsibilities for the Annual Report and Financial Statements	6
Financial Statements	
Statement of Financial Activities	7
Balance Sheet	8
Cash flow Statement	9
Reconciliation of Net Cash Flow Movements to Net Funds	9
Accounting Policies	10
Notes to the Accounts	11
Independent Auditor's Report to the Trustees	12
Additional Information	14

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

Charity Name	SBC Welfare Trust
Charity registration number	SCO44765
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	Watson McAteer (from May 2014)
Stuart Bell	John G Mitchell
Catriona Bhatia	Donald Moffat
Jim Brown	Simon Mountford
Joan Campbell	Alexander J Nicol
Michael J Cook	David Parker
Keith Cockburn	David Paterson
Alastair Cranston	Frances Renton
Vicky M Davidson	Sandy Scott
Gordon Edgar	Ron Smith
James A Fullerton	Rory Stewart
Graham H T Garvie	Jim Torrance
Iain Gillespie	George Turnbull
John Greenwell	Tom Weatherspoon .
Bill Herd	Bill White

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

Chief Finance Officer David Robertson

Auditor KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

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

Following the establishment of the Trust, Scottish Borders Council on 21st May 2015 approved the appointment of the Convenor of Scottish Borders Council as the Chairman and the creation of Charitable Trusts Sub-Committees. The Council has delegated powers to the Sub-Committee to manage the operation of the Trust according to geographical area.

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 21st May 2015 and have reflected this in the following 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 purposes 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.

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 and continue to grant awards to recipients who may be eligible for disbursement of funds under the eligibility restrictions of the funds.

The report was signed on behalf of the Trustees by

David Parker
Trustee
SBC Welfare Trust
29 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 (2005);
- 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		
Interest and Investment Income	2,561	1
Other Incoming Resources	99,202	
Total Incoming Resources	101,763	
Resources Expended		
Charitable Activities	0	2
Total Resources Expended	0	
Net Incoming Resources before Other Recognised Gains and Losses	101,763	
Other Recognised Gains/(Losses)		
Gains/(Loss) on Investment Assets	3,028	
Net Movement in Funds	104,791	
Reconciliation of Funds		
Total Funds Brought Forward	0	
Total Funds Carried Forward	104,791	

BALANCE SHEET as at 31 March 2015

	at 31 March 2015		Notes
	£	£	
Fixed Assets			
Investments	97,050		4
		97,050	
Current Assets			
Investments:			
Short Term Investment SBC Loans Fund	8,072		5
Current Liabilities			
Creditors: Amounts Falling Due Within One Year	(331)		
Net Current Assets		7,741	
Net Assets		104,761	
The Funds of the Charity			
Restricted Income Funds	104,791		6
Total Funds		104,791	

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.

The unaudited accounts were issued on 30 June 2015 and the audited accounts were authorised for issue on 29 September 2015.

David Robertson CPFA
29 September 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 Resources before Other Recognised Gains and Losses	101,763
Other Incoming Resources	(99,202)
Increase/(Decrease) in Creditors	331
Net Cash Inflow/(Outflow) from Operating Activities	2,892

Cash Flow Statement	
Net Cash Inflow/(Outflow) from Operating Activities	2,892
Investing Activities	
(Deposit)/Withdrawal - Short Term Investments	(2,892)
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
	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

The only resource expended was a grant issued for charitable activities. There were no costs associated with the costs of generating funds and governance 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
	2,561

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 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.

5 Short term Investments in SBC Loans Fund

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

6 Restricted Funds

The funds held with the Charity are restricted by area, purpose or both. The restrictions for each fund are shown in the table below. The purpose of these 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.

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

INDEPENDENT AUDITOR'S REPORT to the Trustees of SBC Welfare Trust and the Accounts Commission for Scotland

We certify that we have audited the financial statements of SBC Welfare Trust for the year ended 31 March 2015 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 the financial activities, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 125 of the Code of Audit Practice approved by the Accounts Commission for Scotland, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of the trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts or disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2015 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.

Independent Auditor's Report to the Trustees of SBC Welfare Trust and the Accounts Commission for Scotland (continued)

Opinion on other prescribed matter

In our opinion 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.

Matters on which we are required to report by exception

We are required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Hugh Harvie,
for and on behalf of KPMG LLP, Statutory Auditor

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

30 September 2015

ADDITIONAL INFORMATION

Contact Details

For further information on the SBC Welfare 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