



# **UNAUDITED ANNUAL REPORT AND FINANCIAL STATEMENTS**

**SCOTTISH BORDERS COUNCIL  
ORMISTON TRUST FOR INSTITUTE**

Charity Registration Number: SC019162

FOR THE YEAR TO 31 MARCH 2022

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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.

Due to the Ormiston Institute containing heritable assets it has not been included in the new Charities recently established by Scottish Borders Council following a reorganisation of a number of trusts, in consultation with OSCR. The Ormiston Institute remains a single registered charity.

## TRUSTEES' ANNUAL REPORT

The Trustees present their Annual Report and Financial Statements for the year ended 31 March 2022.

### **Structure**

The Charity is a single standalone charity for the Ormiston Institute in Melrose and is registered with OSCR.

### Charitable Purpose

- The fund is to be used to provide and maintain the property known as the Ormiston Institute in Melrose to provide recreational and educational rooms in the town for the inhabitants of the Town and district.

### 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 funds generated during 2021/22 have been fully utilised during the year. The funds are expended on behalf of the Charity by Live Borders who manages the facility on behalf of the Trustees.
- A project, led by the Trimontium Trust, which aimed to expand and improve the Trimontium Museum, located within the Ormiston Institute, has now been completed and opened its doors to visitors in August 2021.

### Plans for the Future

- Scottish Borders Council will continue to manage the service on behalf of Trustees ensuring access to the services and building is provided.

## Governance and Management

### Type of Governing Documents

- a) The charity came to be administered by the Council during local government reorganisation in 1996. A Trust Disposition and settlement by the late Charles Walker Ormiston was requested with the books of Council and Session 13 February 1882. The present Council are the statutory successors to that body.
- a) 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 Charity the Trustees must act in the interest of the Charity Funds.
- b) The financial statements comply with the Financial Reporting Standard 102 (FRS102), 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 support and governance costs

At 31 March 2022, the reserves of the Ormiston Trust for Institute amounted to:

- Restricted Income Funds - £411,883

### Investments

Per the Council's Common Good and Trust Fund investment strategy, the main balance of funds are invested with Aegon Asset Management in a diversified income fund.

## Reference and Administrative Information

**Charity Name** Scottish Borders Council Ormiston Trust for Institute

**Charity registration number** SC019162

**Business Address** Council HQ  
Newtown St Boswells  
Melrose  
Scottish Borders  
TD6 0SA

### Trustees

The Trustees of this charity for the year to 31 March 2022 were the duly elected members of the Leaderdale and Melrose ward of Scottish Borders Council (the Council) at that time. These were:

David Parker

Jenny Linehan

Tom Miers

Due to Local Government elections on 5 May 2022, the Trustees for the year to 31 March 2023 will change.

**Chief Executive** - Netta Meadows

**Auditor** Audit Scotland  
102 West Port  
Edinburgh  
EH3 9DN

### Professional support

The Council provides the Administrative, Legal and Financial support and advice to the Ormiston Trust for Institute. All financial transactions go through the Council's books of account and their Bankers are the Royal Bank of Scotland, Newtown St Boswells.

### Parent Entity

Scottish Borders Council is a local authority, constituted under the Local Government (Scotland) Act 1994, whose principal purpose is to provide a range of public services such as education, housing and planning, social care, roads and transport, economic development, environmental protection, and waste management. A copy of the group financial statements can be obtained from the Council's website [www.scotborders.gov.uk](http://www.scotborders.gov.uk).

**David Parker**  
**Trustee**  
**Scottish Borders Council Ormiston Trust for Institute**  
**27 June 2022**

## 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 expenditure over income 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, 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 information/section on the Scottish Borders Council 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 2022

2020/21 £		2021/22 £	Notes
	<b>Income from:</b>		
500	Donations and legacies	500	4
416	Investments	504	1
<b>916</b>	<b>Total Income</b>	<b>1,004</b>	
	<b>Expenditure on:</b>		
(55,000)	Raising funds	(128,333)	2
(416)	Charitable activities	(504)	3
(500)	Other : Governance costs	(500)	4
<b>(55,916)</b>	<b>Total Expenditure</b>	<b>(129,337)</b>	
	<b>Other Recognised Gains/(Losses)</b>		
0	Gains on Revaluation of Fixed Assets	221,000	
1,554	Gain / (loss) on investment assets - unrealised	(10)	
<b>(53,446)</b>	<b>Net Movement in Funds</b>	<b>92,657</b>	
	<b>Reconciliation of Funds</b>		
372,672	Total funds brought forward	319,226	
<b>319,226</b>	<b>Total Funds Carried Forward</b>	<b>411,883</b>	10, 11



## BALANCE SHEET as at 31 March 2022

as at 31 March 2021			as at 31 March 2022		Notes
£	£		£	£	
		<b>Fixed Assets</b>			
309,000		Tangible assets	401,667		5
9,833		Investments	9,833		6
	<b>318,833</b>			<b>411,500</b>	
		<b>Current Assets</b>			
35		Debtors	46		7
519		Short term investment in SBC loans fund.	532		8
	<b>554</b>	<b>Total Current Assets</b>		<b>578</b>	
		<b>Current Liabilities</b>			
		Creditors:			
	<b>(161)</b>	Amounts falling due within 1 year		<b>(195)</b>	9
	<b>393</b>	<b>Net Current Assets</b>		<b>383</b>	
	<b>319,226</b>	<b>Total Net Assets</b>		<b>411,883</b>	
		<b>The Funds of the Charity</b>			
(61,824)		Restricted income funds	(61,814)		10
(257,402)		Revaluation reserve	(350,069)		11
	<b>(319,226)</b>	<b>Total Charity Funds</b>		<b>(411,883)</b>	

All income and expenditure transactions derive from continuing activities.

The Accounting Policies on pages 10 and 11 and the Notes on pages 12 to 14 form part of these Financial Statements.

The unaudited accounts were issued on 27 June 2022.

**David Robertson CPFA**  
Director – Finance & Corporate Governance

## 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 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 they are approved or if approved in principle only, when final confirmation of amount is received by the applying body.
- 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 2019/20. 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 Investment Income

2020/21		2021/22	
£		£	
1	Bank Interest Receivable		0
415	Income from Investment Portfolio		504
<b>416</b>			<b>504</b>

Following a prior year drop in the income from the Aegon Investment Fund due to the impact of Covid-19, dividend income has returned to pre-pandemic levels in the current year.

### 2 Expenditure on Raising Funds

Expenditure on Raising Funds includes a depreciation charge for the use of the asset and is funded from the Restricted Funds. This is not a cash transaction.

### 3 Charitable Activities during 2021/22

A single grant is made to Live Borders to maintain the property and provide the services required under the Charity terms.

### 4 Governance Costs

The fee for the external audit of the charity is charged against Scottish Borders Council General Fund and notionally recharged to the Ormiston Institute, recognised under Governance Costs. This fee amounted to £500 in 2021/22. A notional grant from SBC to cover the full cost is recognised under Donations and Legacies. No Trustee remuneration or other expenses were incurred.

### 5 Tangible Fixed Assets

The charity has a fixed asset of the Ormiston Institute building and land at Greenyards in Melrose. Following completion of the recent building works to the Ormiston Institute building, an out of cycle revaluation has been carried out as at 1 April 2021.

The movement in the value of Tangible Fixed Assets has been driven by the following movements:

	Ormiston Trust Institute £	Greenyards Trust £	Total £
<b>Opening Balance at 1 April 2021</b>	<b>190,000</b>	<b>119,000</b>	<b>309,000</b>
Gain on revaluation of assets	221,000	0	221,000
Depreciation for year	(128,333)	0	(128,333)
<b>Closing Balance at 31 March 2022</b>	<b>282,667</b>	<b>119,000</b>	<b>401,667</b>

### 6 Investments

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

At 31 March 2022 all investments were with the Aegon Asset Management Diversified Monthly Income Fund; while the market value of the funds invested continues to exceed the book value, there is a small unrealised loss for the 12 month period of these accounts.

## 7 Debtors

2020/21 £		2021/22 £
35	Prepayments and accrued income	46
<b>35</b>		<b>46</b>

## 8 Short term investment in SBC Loans Fund

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

## 9 Creditors: amounts falling due within 1 year

2020/21 £		2021/22 £
161	Grants payable	195
<b>161</b>		<b>195</b>

## 10 Restricted income funds

The funds held with the Charity are restricted by area, purpose or both.

2020/21 Balance £	Trust Fund £	Income £	Expendi- ture £	Unrealised movement on investment assets £	2021/22 Balance £
55,790	Ormiston Trust Institute	388	(388)	(4)	55,786
6,034	Greenyards Trust	616	(616)	(6)	6,028
<b>61,824</b>		<b>1,004</b>	<b>(1,004)</b>	<b>(10)</b>	<b>61,814</b>

## 11 Revaluation reserve

The Revaluation Reserve contains only revaluation gains made by the Trust arising from increases in the value of its tangible fixed assets. The movement in the value of the revaluation reserve has been driven by the following movements:

	Ormiston Trust Institute £	Greenyards Trust £	Total £
<b>Opening Balance at 1 April 2021</b>	<b>138,402</b>	<b>119,000</b>	<b>257,402</b>
Gain on revaluation of assets	221,000	0	221,000
Depreciation for year	(128,333)	0	(128,333)
<b>Closing Balance at 31 March 2022</b>	<b>231,609</b>	<b>119,000</b>	<b>350,609</b>

## 12 Related Party Transactions

Due to the nature of the operations and composition of the SBC Ormiston Trust for Institute (Trustees are comprised of Elected Council Members of Scottish Borders Council), Scottish Borders Council is registered as a related party. Transactions with Scottish Borders Council for the year under review are listed below:

	£
Interest received on funds invested in SBC Loans Fund	0

**INDEPENDENT AUDITOR'S REPORT**

**to the trustees of Scottish Borders Council Ormiston Trust for Institute  
and the Accounts Commission for Scotland**

## ADDITIONAL INFORMATION

### Contact Details

For further information on the Ormiston Trust for Institute, please contact:

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Scottish Borders Council	Council Headquarters Newtown St Boswells MELROSE TD6 0SA