

Scottish Borders Council

Common Good Funds

Charity Registration Number: SC031538

annual report and financial statements

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) requires that full audited accounts for this Charity are prepared.

The Charity comprises of the twelve Common Good Funds within Scottish Borders Council, each holding property which it is responsible for maintaining, with many distributing grants to local causes which are eligible within its charitable purpose.

Each Common Good Fund within the charity has financial investments and / or property assets; the operational management of which is overseen by individual Sub-Committees of Elected Members from the relevant ward(s), supported by officers from the Council.

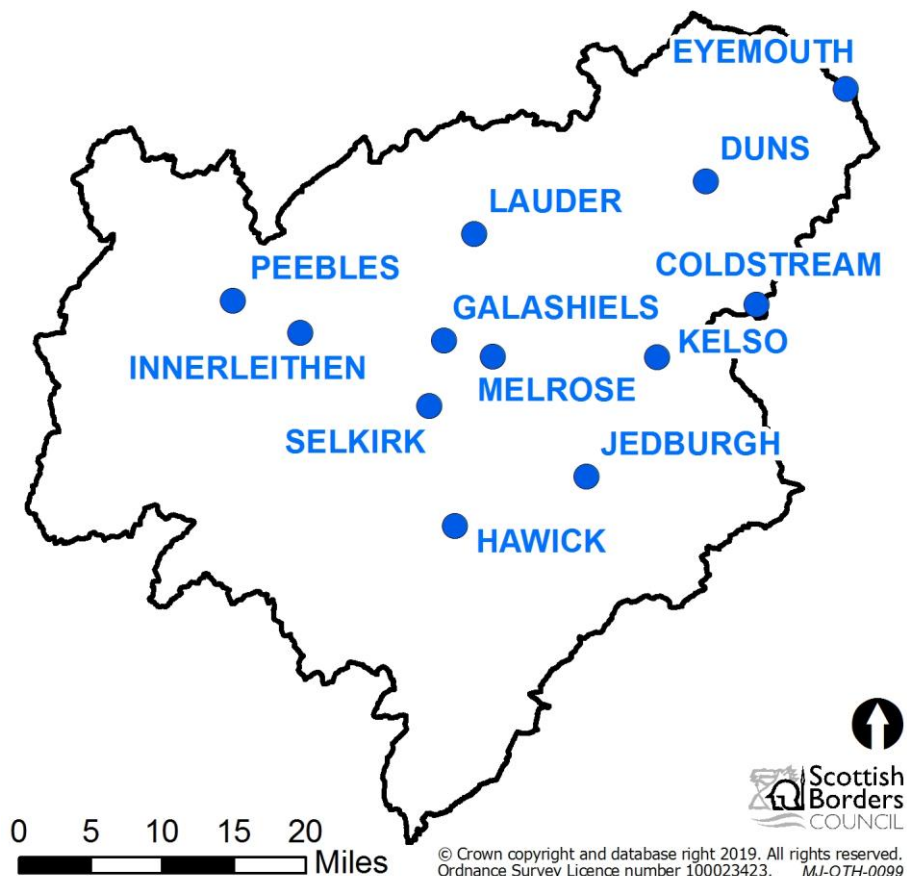
TRUSTEES' ANNUAL REPORT

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

Structure

a) The Charity comprises a number of separate funds for the former Burghs of:

Coldstream	Duns	Eyemouth	Galashiels	Hawick	Innerleithen
Jedburgh	Kelso	Lauder	Melrose	Peebles	Selkirk



b) Each fund is administered by a Sub-Committee of Elected Members representing the Council wards in which each Burgh is situated.

Charitable Purpose

- The charitable purposes of the Common Good Funds are that, subject to their legal responsibilities in terms of any assets held by the charities, the **funds are operated for the common good of the residents** of the aforesaid former Burghs and may be used to **provide advancement of citizenship or community development**.
- In respect of those funds which have land and property, the Trustees recognise their obligations to ensure that these assets are maintained.

Summary of the Main Activities

- The Charity has taken steps to ensure that the **assets of the Funds are properly managed and accounted for**. Quarterly budget monitoring reports have been prepared for consideration by the Trustees forming the Working Group for each individual Burgh and the minutes of these meetings reported to the full Council in terms of the Code of Governance.
- Maintenance work has been approved and carried out on fixed assets and responses made to applications for financial assistance as detailed in the Notes to the Financial Statements from page 15 onwards.
- A number of the individual funds have made donations to eligible beneficiaries in their Burghs with a total of £76,714 being paid out in the year.

Plans for the Future

- The Common Good Funds will continue to **maintain their heritable assets and will look to maximise their income** from any of these assets which are let commercially. Where assets are used by third parties towards the Common Good of the Burgh then rental levels may reflect this aspect of the tenants' activity.
- Where funds permit, the Common Good Funds will look to make grants to organisations in their Burghs which will provide benefit to the Burgh residents, as approved by the individual Common Good Committees.

Governance and Management

Type of Governing Documents

- a) The overarching governance of the Charity is the principle of statute and common law. The statutory framework is the successive Acts from the Common Good Act 1491 through to the Local Government Scotland Act 1994, with the Local Government (Scotland) Act 1973 provisions still in force, and the Local Government in Scotland Act 2003. Cognisance is also to be taken of the various judicial opinions in case law governing the treatment of Common Goods.
- b) The funds are governed by Trustees in line with the Local Code of Corporate Governance of Scottish Borders Council, consideration being given to:



- c) When considering any action in connection with the Common Good Funds the Trustees have regard to the interests of the inhabitants of the area to which the Common Good formerly related.
- d) The financial statements comply with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102 (FRS 102), 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 financial obligations in respect of properties owned by the charity, where relevant, and
- all support and governance costs.

At 31 March 2022, the reserves of the Common Good Funds amounted to:

- Restricted Income Funds - £4,019k
- Revaluation Reserves - £13,718k

Investments

Per the Council's Common Good and Trust Fund investment strategy the main balance of funds are invested in the Aegon Asset Management Diversified Income Fund.

Reference and Administrative Information

Charity Name Scottish Borders Council Common Good Funds

Charity registration number SC031538

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 Scottish Borders Council (the Council) at that time. These were:

Sandy Aitchison	Andy Anderson	Heather Anderson
Stuart Bell	Jim Brown	Kris Chapman
Caroline Cochrane	Gordon Edgar	Jim Fullarton
John Greenwell	Carol Hamilton	Scott Hamilton
Shona Haslam	Euan Jardine	Helen Laing
Jenny Linehan	Stuart Marshall	Watson McAteer
Tom Miers	Donald Moffat	Simon Mountford
David Parker	David Paterson	Clair Ramage
Neil Richards	Euan Robson	Mark Rowley
Harry Scott	Sandy Scott	Eric Small
Robin Tatler	Elaine Thornton-Nicol	George Turnbull
Tom Weatherston		

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

Chief Executive - During the period of these financial statements, the Chief Executive of Scottish Borders Council was Netta Meadows; at the date the audited accounts are authorised for issue, the Director Finance & Corporate Governance, David Robertson, is covering the duties undertaken by the Chief Executive.

Auditor Audit Scotland
102 West Port
Edinburgh
EH3 9DN

Professional support

The Council provides the Administrative, Legal and Financial support and advice to the Common Good Funds which is recognised within *Other: governance costs* in the financial statements. 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.

Euan Jardine
Trustee
Scottish Borders Council Common Good Funds

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 income over expenditure 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 and 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 £'000 RESTATED		2021/22 £'000	Notes
	Income from:		
3	Donations and legacies	3	1
120	Investments	148	2
287	Charitable activities	232	3
410	Total Income	383	
	Expenditure on:		
(628)	Raising funds	(668)	
(92)	Charitable activities	(77)	
(54)	Other: governance costs	(55)	5
(774)	Total Expenditure	(800)	4
443	Gains / (losses) on investment assets – unrealised	(3)	7, 12
79	Net Income / (Expenditure)	(420)	
	Other Recognised Gains / (Losses)		
87	Profit on Revaluation of Fixed Assets	1,308	6
166	Net Movement in Funds	888	
	Reconciliation of Funds		
16,683	Total funds brought forward	16,849	
16,849	Total Funds Carried Forward	17,737	12, 13

BALANCE SHEET as at 31 March 2022

as at 31 March 2021 RESTATED			as at 31 March 2022		Notes
£'000	£'000		£'000	£'000	
		Long Term Assets			
13,484		Tangible fixed assets:			6
25		- Land & buildings	14,333		
		- Heritage assets	25		
2,857		Investments	2,902		7
24		Long term loan to third party	5		8
	16,390	Total Long Term Assets		17,265	
		Current Assets			
57		Debtors	59		9
430		Short term investment in SBC loans fund	457		10
	487	Total Current Assets		516	
		Current Liabilities			
		Creditors:			
	(28)	Amounts falling due within 1 year		(44)	11
	459	Net Current Assets		472	
	16,849	Total Net Assets		17,737	
		The Funds of the Charity			
	(3,980)	Restricted income funds		(4,019)	12
	(12,869)	Revaluation reserve		(13,718)	13
	(16,849)	Total Charity Funds		(17,737)	

All income and expenditure transactions derive from continuing activities.

The Accounting Policies on pages 13 and 14 and the Notes on pages 15 to 19 form part of these Financial Statements.

The unaudited accounts were issued on 27 June 2022 and the audited accounts were authorised for issue on 24 November 2022.

Suzanne Douglas CPFA
Acting Chief Financial Officer

Euan Jardine
Trustee
Scottish Borders Council Common Good
Funds

CASH FLOW STATEMENT as at 31 March 2022

The Cash Flow Statement shows how the Common Good Funds generate and use cash as classified into operating, investing and financing activities. The amount of cash held by Common Good Funds at the year-end is always nil, as all surplus cash is invested in the short term, in the SBC Loans Fund.

as at 31 March 2021 RESTATED			as at 31 March 2022		Notes
£'000	£'000		£'000	£'000	
		Cash Flows from Operating Activities			
	(43)	Net cash provided by / (used in) operating activities		(93)	14
		Cash flows from Investing Activities			
120		Dividends and Interest	148		
0		(Purchase) of tangible fixed assets	0		
(79)		(Purchase)/Disposal of investments	(48)		
(29)		Movement in short term investments	(26)		
	12	Net Cash Flows from Investing Activities		74	
		Cash flows from Financing Activities			
31		Cash Received from Loans	19		
	31	Net Cash Flows from Financing Activities		19	
	0	Net Movement in Cash		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 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 the activity they relate to takes place, regardless of when applications 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.

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, comprising land & buildings and heritage 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.

Where purchased, Heritage assets are held at acquisition cost, and for donations the initial valuation is used as the deemed cost, removing the need for subsequent valuations. These Heritage assets are deemed to have indeterminable lives and accordingly depreciation is not charged.

Land is held at current valuation and is not depreciated. All land and buildings are subject to revaluation every five years, with the last revaluation being undertaken in 2021/22. Depreciation is charged on all tangible fixed assets other than land and heritage assets at a rate which will reduce the current value of the asset to its residual value over the remaining effective life of the asset.

Following a judicial review decision and the issue of a public consultation on the identification of Common Good assets in the Scottish Borders, a number of assets have been transferred from Scottish Borders Councils' Balance Sheet to the Common Good Funds as a prior period adjustment. Common Good building assets currently used by the Council to deliver services have been treated as finance lease assets by the Council and remain on the Councils' balance sheet. This is on the basis that formal arrangements for continued Council use of the assets are anticipated to be agreed. In the event that this process requires further asset transfers the necessary adjustments will be made following agreement.

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 Donations and Legacies

2020/21 £'000		2021/22 £'000
0	Coldstream	0
0	Duns	0
0	Eyemouth	0
0	Galashiels	0
1	Hawick	1
0	Innerleithen	0
0	Jedburgh	0
0	Kelso	0
1	Lauder	0
0	Melrose	0
0	Peebles	1
1	Selkirk	1
3		3

2 Income from Investments

2020/21 £000		2021/22 £'000
1	Bank Interest Receivable from SBC Loans Fund	1
119	Income from Investment Portfolio	147
120		148

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.

3 Analysis of Charitable Income

Charitable income is comprised of rental income for properties which are owned by Common Good Funds and let commercially; as well as income from the sale of trees from the Burgh Woodlands in Hawick of £61k causing a large increase in the prior year.

2020/21 £'000		2021/22 £'000
0	Coldstream	0
0	Duns	0
0	Eyemouth	0
1	Galashiels	0
164	Hawick	102
0	Innerleithen	0
0	Jedburgh	0
0	Kelso	0
10	Lauder	11
0	Melrose	0
48	Peebles	55
64	Selkirk	64
287		232

4 Analysis of Charitable Expenditure

2020/21 Total RESTATED		Activities Undertaken Directly	Support and Governance Costs	Property Cost & Depreciation	2021/22 Total
£'000		£'000	£'000	£'000	£'000
10	Coldstream	0	0	10	10
1	Duns	0	1	0	1
0	Eyemouth	0	0	0	0
61	Galashiels	0	3	56	59
245	Hawick	30	13	151	194
31	Innerleithen	0	0	31	31
19	Jedburgh	22	4	12	38
68	Kelso	2	2	61	65
66	Lauder	2	11	64	77
3	Melrose	0	0	4	4
95	Peebles	11	9	128	148
175	Selkirk	10	12	151	173
774		77	55	668	800

5 Governance Costs

Governance costs are comprised of a recharge from SBC and reflect the cost of the proportionate administration, finance, and legal time spent on Common Good funds. The fee for the external audit of the charity is charged against Scottish Borders Council General Fund and notionally recharged to the Common Good Funds, recognised under Governance Costs. This fee amounted to £3,500 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.

6 Tangible Fixed Assets

The change in the value of tangible fixed assets has been driven by the following movements:

As at 31 March 2021 Total RESTATED		As at 31 March 2022			
		Asset Additions	Gain/(Loss) on Revaluation of Assets	Depreciation	Total
£'000		£'000	£'000	£'000	£'000
266	Coldstream	0	30	(10)	286
0	Duns	0	0	0	0
2	Eyemouth	0	0	0	2
628	Galashiels	0	163	(54)	737
4,402	Hawick	0	49	(64)	4,387
483	Innerleithen	0	94	(31)	546
529	Jedburgh	0	35	(12)	552
887	Kelso	0	182	(61)	1,008
1,603	Lauder	0	114	(36)	1,681
25	Melrose	0	16	(3)	38
891	Peebles	0	260	(78)	1,073
3,793	Selkirk	0	365	(110)	4,048
13,509		0	1,308	(459)	14,358

Tangible fixed assets are broken down between Land & buildings and Heritage assets as follows:

As at 31 March 2021 Total RESTATED		As at 31 March 2022		
£'000		Land & Buildings at Net Book Value £'000	Heritage Assets £'000	Total Long Term Assets £'000
266	Coldstream	286	0	286
0	Duns	0	0	0
2	Eyemouth	2	0	2
628	Galashiels	737	0	737
4,402	Hawick	4,384	3	4,387
483	Innerleithen	546	0	546
529	Jedburgh	552	0	552
887	Kelso	989	19	1,008
1,603	Lauder	1,681	0	1,681
25	Melrose	38	0	38
891	Peebles	1,071	2	1,073
3,793	Selkirk	4,047	1	4,048
13,509		14,333	25	14,358

Following a judicial review decision and the issue of a public consultation on the identification of Common Good assets in the Scottish Borders, a number of assets have been transferred from Scottish Borders Councils' Balance Sheet to the Common Good Funds as a prior period adjustment. These assets amount to a value of £421k as at 1 April 2020. Common Good building assets currently used by the Council to deliver services have been treated as finance lease assets by the Council and remain on the Councils' balance sheet at a carrying value of £10,261k. This is on the basis that formal arrangements for continued Council use of the assets are anticipated to be agreed. In the event that this process requires further asset transfers the necessary adjustments will be made following agreement.

7 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. Investment amounts and unrealised losses on these investments at 31 March 2022, per Common Good Fund are detailed below:

As at 31 March 2021		As at 31 March 2022		
Total Investment		Additional Investments / (Disinvestment)	Aegon Unrealised (Loss)	Total Investment
£'000		£'000	£'000	£'000
0	Coldstream	0	(0)	0
17	Duns	0	(0)	17
0	Eyemouth	0	(0)	0
161	Galashiels	0	(0)	161
460	Hawick	0	(0)	460
0	Innerleithen	0	(0)	0
953	Jedburgh	1	(1)	953
267	Kelso	15	(0)	282
251	Lauder	0	(0)	251
10	Melrose	0	(0)	10
508	Peebles	1	(1)	508
230	Selkirk	31	(1)	260
2,857		48	(3)	2,902

8 Long Term Loan to Third Party

Balance at 31 March 2021 £'000		Advances paid out £'000	Repayments received £'000	Balance at 31 March 2022 £'000
14	Jedburgh	0	(9)	5
10	Peebles	0	(10)	0
24		0	(19)	5

9 Debtors

2020/21 £'000		2021/22 £'000
40	Trade debtors	44
10	Prepayments and accrued income	14
7	Other debtors	1
57		59

10 Short Term Investments in SBC Loans Fund

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

11 Creditors: amounts falling due within 1 year

2020/21 £'000		2021/22 £'000
0	Grants payable	0
28	Accruals and deferred income	44
28		44

12 Restricted Income Funds

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

Balance at 31 March 2021 £'000		SOFA (Surplus) / Loss	Unrealised movement on investment assets	Balance at 31 March 2022 £'000
(122)	Coldstream	0	(0)	(122)
(18)	Duns	(1)	(0)	(19)
(1)	Eyemouth	0	(0)	(1)
(327)	Galashiels	(3)	(0)	(330)
(750)	Hawick	4	(0)	(746)
(135)	Innerleithen	0	(0)	(135)
(1,043)	Jedburgh	(21)	(1)	(1,065)
(311)	Kelso	(10)	(0)	(321)
(287)	Lauder	18	(0)	(269)
(37)	Melrose	0	(0)	(37)
(628)	Peebles	(11)	(1)	(640)
(321)	Selkirk	(12)	(1)	(334)
(3,980)		(36)	(3)	(4,019)

13 Revaluation Reserve

Balance at 31 March 2021 RESTATED £'000		SOFA (Surplus) / Loss £'000	Balance at 31 March 2022 £'000
(144)	Coldstream	(20)	(164)
0	Duns	0	0
(1)	Eyemouth	0	(1)
(475)	Galashiels	(109)	(584)
(4,268)	Hawick	15	(4,253)
(348)	Innerleithen	(63)	(411)
(526)	Jedburgh	(23)	(549)
(887)	Kelso	(121)	(1,008)
(1,600)	Lauder	(78)	(1,678)
(7)	Melrose	(13)	(20)
(841)	Peebles	(182)	(1,023)
(3,772)	Selkirk	(255)	(4,027)
(12,869)		(849)	(13,718)

14 Reconciliation of net income/(expenditure) to net cash flow from Operating Activities

2020/21 £'000 RESTATED		2021/22 £'000
166	Net income/(expenditure) for the year ended 31 March	888
	<i>Adjustments for:</i>	
459	Depreciation charges	459
(443)	(Gains) / losses on Investments	3
(120)	Dividends and interest	(148)
1	(Increase) / decrease in debtors	(3)
(19)	Increase / (decrease) in creditors	16
(87)	Other non-cash item (revaluation/recognition of fixed asset)	(1,308)
(43)	Net cash provided by / (used in) operating activities	(93)

15 Contingent Assets

The charity granted a secured grant to Jedburgh Golf Club in 2004 to purchase land. The grant is to be written down over 20 years. If during this period the land is sold the balance of the remaining funds are to be returned to the charity.

16 Related Party Transactions

Due to the nature of the operations and composition of the Common Good Funds (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	546
Service Charge paid for central administrative support	51,295

17 Restatement of prior year balances

The published figures for 2020/21 have been restated to recognise that assets belonging to the Common Good Funds which were previously included within the Scottish Borders Council accounts have now been transferred to the Common Good Funds. The opening balances as at 1 April 2020 have increased by a total of £421k in recognition of assets and corresponding reserves belonging to Hawick £23k, Kelso £6k, Lauder £298k and Peebles £94k.

STATEMENT OF FINANCIAL ACTIVITIES	2020/21 published accounts £'000	2020/21 restated balances £'000
Income from:		
Donations and legacies	3	3
Investments	120	120
Charitable activities	287	287
Total Income	410	410
Expenditure on:		
Raising funds	(610)	(628)
Charitable activities	(92)	(92)
Other: governance costs	(54)	(54)
Total Expenditure	(756)	(774)
Gains/(Losses) on investments assets - unrealised	443	443
Profit/(Loss) on Revaluation of Fixed Assets	0	87
Net Movement in Funds	97	166
Reconciliation of Funds		
Total funds brought forward	16,262	16,683
Total Funds Carried Forward	16,359	16,849

BALANCE SHEET	2020/21 published accounts £'000	2020/21 restated balances £'000
Long Term Assets		
Tangible fixed assets – Land & buildings	12,994	13,484
Tangible fixed assets – Heritage assets	25	25
Investments	2,857	2,857
Long term loan to third party	24	24
Total Long Term Assets	15,900	16,390
Current Assets		
Debtors	57	57
Short term investment in SBC loan fund	430	430
Total Current Assets	487	487
Current Liabilities		
Creditors: Amounts falling due within 1 year	(28)	(28)
Net Current Assets	459	459
Total Net Assets	16,359	16,849
The Funds of the Charity		
Restricted income funds	(3,980)	(3,980)
Revaluation reserve	(12,379)	(12,869)
Total Charity Funds	16,359	16,849

CASH FLOW STATEMENT	2020/21 published accounts £'000	2020/21 restated balances £'000
Cash Flows from Operating Activities		
Net cash provided by / (used in) operating activities	(43)	(43)
Cash flows from Investing Activities		
Dividends and Interest	120	120
(Purchase) of tangible fixed assets	0	0
(Purchase) of investments	(79)	(79)
Movement in short term investments	(29)	(29)
Net Cash Flows from Investing Activities	12	12
Cash Flows from Financing Activities		
Cash Received from Loans	31	31
Net Cash Flows from Financing Activities	31	31
Net Movement in Cash	0	0

INDEPENDENT AUDITOR'S REPORT

to the trustees of Scottish Borders Council Common Good Funds and the Accounts Commission for Scotland

Reporting on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of Scottish Borders Council Common Good Funds for the year ended 31 March 2022 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 Financial Activities, the Balance Sheet, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2022 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.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Responsibilities, the trustees are responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees intend to discontinue the charity's operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how the charity is complying with that framework;
- identifying which laws and regulations are significant in the context of the charity;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities,

the effectiveness of the charity's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Reporting on other requirements

Other information

The trustees are responsible for other information in the statement of accounts. The other information comprises the Trustees' Annual Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Trustees' Annual Report to the extent explicitly stated in the following opinion prescribed by the Accounts Commission.

Opinions prescribed by the Accounts Commission on the Trustees' Annual Report

In my opinion, based on the work undertaken in the course of the audit, 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 and that report has been prepared in accordance with the Charities SORP (FRS 102).

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or

- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Use of my report

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 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Asif A Haseeb OBE
4th Floor
102 West Port Edinburgh
EH3 9DN

Asif A Haseeb OBE is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973.

ADDITIONAL INFORMATION

Contact Details

For further information on the Common Good Funds, please contact:

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You can get this document on audio CD, in large print, and various other formats by contacting us at the address below. In addition, contact the address below for information on language translations, additional copies, or to arrange for an officer to meet with you to explain any areas of the publication that you would like clarified.

Contact us at Suzy Douglas, Acting Chief Finance Officer, Financial Services,
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