



UNAUDITED

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

**SCOTTISH BORDERS COUNCIL
CHARITABLE TRUSTS**

Charity Registration Number: SC043896

FOR THE YEAR TO 31 MARCH 2023

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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.

In late 2012/13 the charitable status of 76 various funds was formally recognised under a single Charity registration.

Work commenced in 2014/15 to re-organise a number of the other registered Charities managed by Scottish Borders Council into three new Charities covering Welfare, Community Enhancement and Education. Following public consultation meetings and discussion with OSCR during 2017 a report was presented to Scottish Borders Council on 21 December 2017 recommending the transfer of a number of the restricted funds to the Scottish Borders Council Welfare Trust and Scottish Borders Council Community Enhancement Trust. The formal submission requests were submitted to OSCR during February 2018 for approval; following receipt of this approval from OSCR, the transfer took place on 1 April 2018 leaving 32 various funds remaining within this Charity. The next step of reorganisation work to be undertaken is being led by Director, Education & Lifelong Learning, in relation to the Education related Trusts/Bequests. This will include further refinement of existing disbursement criteria and will result in submissions to OSCR for approval to amalgamate into Scottish Borders Council Education Trust. A further report will be submitted to Scottish Borders Council for the remaining Funds.

TRUSTEES' ANNUAL REPORT

The Trustees present their Annual Report and Financial Statements for the year ended 31 March 2023.

Structure

The Charity currently comprises 32 charitable funds originally established for a variety of purposes - their charitable status was regulated by OSCR at the end of 2012/13.

Charitable Purpose

- The charitable purpose of this charity is to hold funds for each Trust, Endowment or Bequest comprising the Charity. Each of these funds have their own purpose related to the general purpose of the prevention or relief of poverty by reason of age, ill-health, disability, financial hardship or other disadvantage.

Summary of the Main Activities

- A number of the funds have made donations to eligible beneficiaries during the year to 31 March 2023. 38 donations totalling £17,909 were made including contributions through area based Education Trusts for Further Education including course fees, residential trips and living expenses. This expenditure is included within the Charitable activities figure in the Statement of Financial Activities, which is detailed further in Notes 2 and 8 to the Financial Statements.

Plans for the Future

- Reorganisation work to be undertaken and led by Director, Education & Lifelong Learning, in relation to the Education related Trusts/Bequests. This will include further refinement of existing disbursement criteria and will result in submissions to OSCR for approval to amalgamate into Scottish Borders Council Education Trust.

Governance and Management

Type of Governing Documents

- a) Since this Charity was originally formed as a holding charity for some 76 individual funds there is no overall governance document. 44 of these funds have now been successfully amalgamated into other SBC Trusts. An ongoing review is being undertaken into each of the remaining constituent funds with a view to further amalgamation into existing SBC Trusts.
- b) In terms of the Trustees' governance of the fund, these have been approved by Scottish Borders Council at its meeting on 21 May 2015 and have been reflected in its governance codes. The Local Code of Corporate Governance of Scottish Borders Council covers the governance of the Charity and is comprised of the following:



- 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance 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.

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 2023, the reserves of the SBC Charitable Trust Funds amounted to:

- Restricted Income Funds - £303,366

Investments

Per the Councils 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 Charitable Trusts

Charity registration number SC043896

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

Trustees

The Trustees of this charity for the period 1 April to 5 May 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 remainder of the year to 31 March 2023 were the duly elected members of Scottish Borders Council (the Council) at that time. These were:

James Anderson	Drummond Begg	Pam Brown
Caroline Cochrane	Jane Cox	Leagh Douglas
Marshall Douglas	John Greenwell	Carol Hamilton
Scott Hamilton	Euan Jardine	Jenny Linehan
Watson McAteer	Neil McKinnon	Stuart Marshall
Donald Moffat	Simon Mountford	Aileen Orr
David Parker	John Paton-Day	Julie Pirone
Clare Ramage	Neil Richards	Euan Robson
Mark Rowley	Sandy Scott	Fay Sinclair
Eric Small	Annette Smart	Hannah Steel
Robin Tatler	Viv Thomson	Elaine Thornton-Nicol
Tom Weatherston		

- Chief Executive**
- During the period of these financial statements, the Chief Executive of Scottish Borders Council were:
 - Netta Meadows 1 April to 11 July 2022
 - David Robertson 12 July to 31 March 2023 (on an interim basis from 12 July to 17 January 2023)

Auditor Audit Scotland
 102 West Port
 Edinburgh
 EH3 9DN

Professional support

The Council provides the Administrative, Legal and Financial support and advice to the Charitable Trusts. All financial transactions go through the Council's books of account and their Bankers are the Royal Bank of Scotland, Galashiels.

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 Charitable Trusts

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, 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 2023

2021/22 £		2022/23 £	Notes
	Income from:		
500	Donations and legacies	833	3
35,514	Investments	29,039	1
36,014	Total Income	29,872	
	Expenditure on:		
(13,208)	Charitable activities	(17,909)	2
0	Raising funds	0	
(500)	Other : Governance Costs	(833)	3
(13,708)	Total Expenditure	(18,742)	
(206)	Gain / (loss) on investment assets - unrealised	(24,967)	
22,100	Net Movement in Funds	(13,837)	
	Reconciliation of Funds		
295,103	Total funds brought forward	317,203	
317,203	Total Funds Carried Forward	303,366	8

BALANCE SHEET as at 31 March 2023

as at 31 March 2022			as at 31 March 2023		Notes
£	£		£	£	
203,230		Fixed Assets			
		Investments	178,496		4
	203,230			178,496	
		Current Assets			
964		Debtors	560		5
113,009		Short term Investment in SBC loans fund	124,310		6
	113,973	Total Current Assets		124,870	
		Current Liabilities			
		Creditors:			
	0	Amounts falling due within 1 year		0	7
	113,973	Net Current Assets		124,870	
	317,203	Total Net Assets		303,366	
		The Funds of the Charity			
(317,203)		Restricted income funds	(303,366)		8
	(317,203)	Total Charity Funds		(303,366)	

All income and expenditure transactions derive from continuing activities.

The Accounting Policies on pages 11 and 12 and the Notes on pages 13 to 14 form part of these Financial Statements.

The unaudited accounts were issued on 29 June 2023.

Suzanne Douglas CPFA
Acting Chief Financial Officer

Euan Jardine
Trustee
Scottish Borders Council Charitable Trusts

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 generating funds and governance costs. Charitable activities include all direct costs and other support costs.

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

2021/22 £		2022/23 £
48	Bank Interest Receivable from SBC Loans Fund	2,119
35,466	Income from Investment Portfolio	26,920
35,514		29,039

Following a drop in the income from the Aegon Investment Fund due to the impact of Covid-19 in 2020/21, dividend income returned to pre-pandemic levels in 2021/22 and remained at a similar level in 2022/23.

2 Charitable Activities

The charitable activities during 2022/23 are included in note 8 by individual fund within the charity. All expenditure incurred was for direct charitable activities.

3 Governance Costs

The fee for the external audit of the charity is charged against Scottish Borders Council General Fund and notionally recharged to the SBC Charitable Trust, recognised under Governance Costs. This fee amounted to £833 in 2022/23. A notional grant from SBC to cover the full cost is recognised under Donations and Legacies. No Trustee remuneration or other expenses were incurred.

4 Investments

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

At 31 March 2023 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 an unrealised loss for the 12 month period of these accounts.

5 Debtors

2021/22 £		2022/23 £
964	Prepayments and accrued income	560
964		560

6 Short Term Investments in SBC Loans Fund

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

7 Creditors: amounts falling due within 1 year

2021/22 £		2022/23 £
0	Grants payable	0
0		0

8 Restricted Funds

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

2021/22 Balance	Fund	Income	Expendi- ture	Unrealised Gain/(Loss)	2022/23 Balance
£		£	£	£	£
1,249	Andrew, Agnes & John Kyle	101	(3)	(92)	1,255
9,725	Berwickshire Educational Trust	803	(1,222)	(667)	8,639
404	C W Dunnet Award	32	(290)	(33)	113
1,122	Campbell Calderhead Prize	72	(2)	(77)	1,115
4,158	Col. Jem Richard Prize Fund	258	(7)	(295)	4,114
1,235	Coldstream Guards Prize	103	(3)	(103)	1,232
1,925	Dr Milne Memorial Fund	117	(3)	(139)	1,900
25,158	Geoffrey Simpson Bequest	2,154	(60)	(1,835)	25,417
732	Hans D Langmack Prize Fund	56	(2)	(64)	722
3,298	J Purves Bequest	253	(321)	(313)	2,917
26,304	J A S Henderson Memorial Scholarship	3,266	(3,091)	(1,675)	24,804
1,459	James Robertson Trust	94	(3)	(100)	1,450
1,893	Jane Grieve Endowment	120	(3)	(132)	1,878
2,445	Jean Kincaid Grieve Endowment	150	(4)	(175)	2,416
1,802	Jedburgh Public Library Fund	77	(2)	(169)	1,708
891	John Jamieson Prize Fund	54	(2)	(65)	878
733	Kelso Library Book Fund	31	(1)	(69)	694
864	Kennedy Medal Fund	55	(2)	(59)	858
1,971	Kenneth Cochrane Library Fund	84	(2)	(185)	1,868
5,449	F W Dobson VC	470	(13)	(537)	5,369
1,218	Mary Dickson Prize Fund	85	(2)	(88)	1,213
1,104	Mr & Mrs W F Johnstone Fund	64	(2)	(83)	1,083
1,315	Mrs Clelland Memorial Prize	80	(2)	(95)	1,298
4,248	Murray Medal Fund	291	(8)	(313)	4,218
311	Peebles Public Library	14	(0)	(31)	294
30,664	Peeblesshire Educational Trust	2,915	(2,756)	(2,559)	28,264
146,059	Roxburghshire Educational Trust	13,050	(5,792)	(11,305)	142,012
1,593	Special Air Service Reg. Fund	122	(3)	(139)	1,573
4,224	Selkirk Library Fund	181	(5)	(396)	4,004
13,522	Selkirkshire Educational Trust	1,534	(1,447)	(1,365)	12,244
18,405	Sir Walter Leitch Scholarship	3,083	(3,686)	(1,682)	16,120
1,723	Walter Geddes Prize Fund	103	(3)	(127)	1,696
317,203		29,872	(18,742)	(24,967)	303,366

9 Related Party Transactions

Due to the nature of the operations and composition of the SBC Charitable Trusts (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	2,119

INDEPENDENT AUDITOR'S REPORT

**to the trustees of Scottish Borders Council Charitable Trusts and the
Accounts Commission for Scotland**

ADDITIONAL INFORMATION

Contact Details

For further information on the SBC Charitable Trusts, please contact:

Suzy Douglas	Telephone: 01835 824000 Ext 5881
Financial Services Manager	E-mail: sdouglas@scotborders.gov.uk
Scottish Borders Council	Council Headquarters Newtown St Boswells MELROSE TD6 0SA