

Scottish Borders Council  
SBC Charitable Trusts

Charity Registration Number: SC043896

**annual report and  
financial statements**

for the year to 31 March 2018



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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<sup>st</sup> 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. Approval has been received from OSCR with an agreed transfer date of 1<sup>st</sup> April 2018. The table on page 16 details the restricted funds being transferred and the receiving Trusts. A further report will be submitted to Scottish Borders Council for the remaining Funds during 2018/19.

## TRUSTEES' ANNUAL REPORT

The Trustees present their Annual Report and Financial Statements for the year ended 31 March 2018.

### Structure

The Charity comprises some 76 charitable funds originally established for a variety of purposes. Their charitable status was regulated at the end of 2012/13 by OSCR.

## 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 2018 totalling £15,897 including contributions through area based Education Trusts for Further Education including overseas study and travel as well as music and dance expenses.

## Plans for the Future

- Approval to transfer a number of Funds to the Scottish Borders Council Welfare Trust and Scottish Borders Council Community Enhancement Trust has been given by OSCR and will result in a number of funds transferring their full reserve balances from the SBC Charitable Trusts as from 1st April 2018. The remaining funds 33 will be reviewed during 2018/19 in conjunction with all stakeholders, including OSCR.



## Governance and Management

### Type of Governing Documents

- a) Since this Charity was formed as a holding charity for some 76 individual funds there is no overall governance document. A review is currently being undertaken into each of the 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<sup>st</sup> 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 2018, the reserves of the SBC Charitable Trust Funds amounted to:

Restricted Income Funds - £612,202

### Investments

Per the Councils Common Good and Trust Fund investment strategy the main balance of funds are invested with Kames Capital plc in a diversified income fund.

## Reference and Administrative Information

<b>Charity Name</b>	SBC Charitable Trusts
<b>Charity registration number</b>	SC043896
<b>Business Address</b>	Council HQ Newtown St Boswells Melrose Scottish Borders TD6 0SA

### Trustees

The Trustees of this charity for the year to 31 March 2018 were the duly elected members of Scottish Borders Council (the Council), a local authority constituted under the Local Government (Scotland) Act 1994, at that time. Due to local elections on the 4<sup>th</sup> May 2017, there was a number of changes to the Trustees. The tables below shows the current Trustees, the names in bold are those Trustees who took up their roles from 4 May 2017 or, where indicated, 23 February 2018. The second table details those Councillors who are no longer Trustees but who held positions as Trustees for part of the year.

Sandy Aitchison	<b>Andy Anderson</b>	<b>Heather Anderson</b>
Stuart Bell	Jim Brown	<b>Kris Chapman</b>
<b>Kevin Drum</b>	Gordon Edgar	Jim Fullarton
John Greenwell	<b>Carol Hamilton</b>	<b>Scott Hamilton</b>
<b>Shona Haslam</b>	<b>Euan Jardine</b>	<b>Helen Laing</b>
Stuart Marshall	Watson McAteer	<b>Tom Miers</b>
Donald Moffat	Simon Mountford	David Parker
<b>Caroline Penman (from 23/02/18)</b>	David Paterson	<b>Clair Ramage</b>
<b>Neil Richards</b>	<b>Euan Robson</b>	<b>Mark Rowley</b>
<b>Harry Scott</b>	Sandy Scott	<b>Eric Small</b>
<b>Robin Tatler</b>	<b>Elaine Thornton-Nicol</b>	George Turnbull
Tom Weatherston		

The following elected members were Trustees until Local Government elections on 4 May 2017, apart from Michelle Ballantyne, who held this position until 30 November 2017.

Willie Archibald	Michelle Ballantyne	Catriona Bhatia
Joan Campbell	Michael J Cook	Keith Cockburn
Alastair Cranston	Vicky M Davidson	Graham H T Garvie
Bill Herd	Gavin Logan	John G Mitchell
Alexander J Nicol	Ron Smith	Rory Stewart
Jim Torrance	Bill White	

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

**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 Bank of Scotland, Galashiels.

**Shona Haslam**  
**Trustee**  
**Scottish Borders Council Charitable Trusts**  
**25 September 2018**

## 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 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 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 2018

2016/17 £		2017/18 £	Notes
	<b>Income from:</b>		
205	Donations and legacies	683	1
33,244	Investments	35,361	2
<b>33,449</b>	<b>Total Income</b>	<b>36,044</b>	
	<b>Expenditure on:</b>		
(8,645)	Charitable activities	(15,897)	
0	Raising Funds	(20,379)	3
0	Other : Governance Costs	(2,316)	
<b>(8,645)</b>	<b>Total Expenditure</b>	<b>(38,592)</b>	
(2,280)	(Loss) / gain on investment assets	(1,716)	
<b>22,524</b>	<b>Net Movement in Funds</b>	<b>(4,264)</b>	
	<b>Reconciliation of Funds</b>		
593,942	Total funds brought forward	616,466	
<b>616,466</b>	<b>Total Funds Carried Forward</b>	<b>612,202</b>	

**BALANCE SHEET as at 31 March 2018**

as at 31 March 2017			as at 31 March 2018		Notes
£	£		£	£	
		<b>Fixed Assets</b>			
555,457		Investments	530,598		5
	<b>555,457</b>			<b>530,598</b>	
		<b>Current Assets</b>			
61,009		Short term Investment in SBC loans fund	84,214		6
0		Debtors	2,764		
	<b>61,009</b>	<b>Total Current Assets</b>		<b>86,978</b>	
		<b>Current Liabilities</b>			
0		Creditors: Amounts falling due within 1 year		(5,374)	
		<b>Net Current Assets</b>		<b>81,604</b>	
	<b>616,466</b>	<b>Total Net Assets</b>		<b>612,202</b>	
		<b>The Funds of the Charity</b>			
(616,466)		Restricted income funds		(612,202)	7
	<b>(616,466)</b>	<b>Total Charity Funds</b>			

All of the charity's activities are continuing.

The Accounting Policies on pages 11 and 12 and the Notes on pages 13 to 16 form part of these Financial Statements.

The unaudited accounts were issued on 26 June 2018 and the audited accounts were authorised for issue on 25 September 2018.

David Robertson CPFA  
Chief Financial Officer  
25 September 2018

Shona Haslam  
Trustee  
Scottish Borders Council Charitable Trusts  
25 September 2018

## 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 and Assessment of Going Concern

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 Donations and Legacies

The voluntary income is from a number of unregistered funds, managed by Scottish Borders Council, which grant their annual income to the Jedburgh Coal Fund.

### 2 Investment Income

2016/17		2017/18
£		£
127	Bank Interest Receivable	292
33,117	Income from Investment Portfolio	35,069
<b>33,244</b>		<b>35,361</b>

### 3 Charitable Activities

The charitable activities during 2017/18 are shown in note 7 by individual fund within the charity. All expenditure incurred was for direct charitable activities.

### 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 SBC Charitable Trust, recognised under Governance Costs. This fee amounted to £500 in 2017/18. A notional grant from SBC to cover the full cost is recognised under Donations. Other Governance costs in 2017/18 consisted of the payment of external consultant fees relating to the Investment Fund Manager move to Kames Capital plc. No Trustee remuneration or other expenses were incurred.

### 5 Investments

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

During the financial year Scottish Borders Council approved the change in investment Fund from Newton Real Return Fund to Kames Capital Diversified Income Fund. At 31 March 2018 all investments were with the Kames Capital Investment Diversified Monthly Income Fund.

### 6 Short Term Investments in SBC Loans Fund

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

## 7 Restricted Funds

The funds held with the Charity are restricted by area, purpose or both. Expenditure includes grants paid out but also the net unrealised loss on Newton investment during the year. These balances are required to be included in order to reconcile opening and closing balances. They were included in income last year when there was a net unrealised gain on investment.

2016/17 Balance	Fund	Income	Expenditure	2017/18 Balance
£		£	£	£
423	Alex Grieves Bequest (1)	13	17	419
289	Alex Grieves Bequest (2)	9	23	275
874	Andrew, Agnes & John Kyle	79	84	869
3,870	Ayton War Memorial Fund	106	3020	956
6,547	Berwickshire Educational Trust	933	245	7,235
423	Brown Bequest	11	16	418
320	C W Dunnet Award	26	11	335
811	Campbell Calderhead Prize	51	29	833
16,612	Clive Craig-Brown Bequest	429	671	16,370
3,056	Col. Jem Richard Prize Fund	180	108	3,128
943	Coldstream Guards Prize	82	38	987
62	Coldstream War Memorial	2	4	60
1,589	Dalrymple's Mortification	41	64	1,566
1,428	Dr Milne Memorial Fund	81	51	1,458
105,342	Dunlop Bequest	2728	4262	103,808
1,827	Edgar Bequest	47	73	1,801
3,173	Elliot Mortification	83	129	3,127
3,226	Ewan Trust	84	131	3,179
1,096	Ex Provost Mercer's Bequest No1	31	97	1,030
209	Ex Provost Mrs Laidlaw's Benefaction	6	14	201
4,876	F W Dobson VC	373	197	5,052
17,170	Ferguson D Dunwhinny Fund	440	694	16,916
2,428	G D Gibson's Bequest	68	160	2,336
17,133	Geoffrey Simpson Bequest	1727	675	18,185
10,337	George D Gibson's Bequest	291	417	10,211
578	Hans D Langmack Prize Fund	42	23	597
1,878	Henry Laidlaw Trust	53	124	1,807
621	I Wallace Bequest	29	56	594
23,144	J A S Henderson Memorial Scholarship	2693	622	25,215
2,921	J Purves Bequest	194	115	3,000
1,051	James Robertson Trust	67	37	1,081
84	James West Brown's Bequest	2	5	81
1,382	Jane Grieve Endowment	84	49	1,417
1,809	Jean Kincaird Grieve Endowment	104	64	1,849
11,367	Jedburgh Coal Fund	461	430	11,398
1,535	Jedburgh Public Library Fund	40	62	1,513
1,532	John Herbertson Bequest	42	101	1,473
239	John Hunter's Bequest	6	16	229
663	John Jamieson Prize Fund	38	24	677
95	John Murray's Bequest	3	6	92



**Scottish Borders Council Charitable Trusts**  
**Annual Report and Financial Statements For The Year To 31 March 2018**

351	Joshua Goodfellow's Bequest	9	13	347
625	Kelso Library Book Fund	17	26	616
626	Kennedy Medal Fund	40	21	645
1,680	Kenneth Cochrane Library Fund	43	68	1,655
27	Lands at Calfward	1	1	27
262	Longformacus Public Park	7	18	251
3,981	Marjoribanks Bequest	105	165	3,921
839	Mary Dickson Prize Fund	63	33	869
556	McKinley Trust	14	20	550
22,399	Miss A T Waldie Trust	814	958	22,255
838	Mr & Mrs W F Johnstone Fund	43	31	850
424	Mrs Adams Bequest	10	14	420
976	Mrs Clelland Memorial Prize	56	35	997
2,834	Mrs Hobkirk's Fund	73	114	2,793
175	Mrs M Cheetham Bequest	5	11	169
2,960	Murray Medal Fund	212	115	3,057
261	Peebles Public Library	7	10	258
22,665	Peeblesshire Educational Trust	2411	2806	22,270
25,652	R D Forman's Bequest	666	1039	25,279
4,779	Raith's Mortification	125	196	4,708
1,248	Robert Meggit's Bequest	35	82	1,201
53,037	Robert Watson Fund	1479	3500	51,016
102,212	Roxburghshire Educational Trust	10560	9527	103,245
3,600	Selkirk Library Fund	93	146	3,547
12,495	Selkirkshire Educational Trust	1327	1497	12,325
26,093	Simpson D Dunwhinny Fund	1922	924	27,091
6,499	Sir John Robert's Bequest	168	262	6,405
21,998	Sir Walter Leitch Scholarship	2691	3343	21,346
1,260	Special Air Service Reg. Fund	93	51	1,302
12,315	T J S Roberts Trust	319	498	12,136
2,375	Thomas B Williamson Bequest	62	96	2,341
1,290	Walter Geddes Prize Fund	71	47	1,314
1,063	Waugh Bequest	25	38	1,050
24,344	William Forrester's Bequest	679	1606	23,417
463	William Laidlaw Memorial Fund	12	18	457
301	Wm Brown's Bequest	8	15	294
<b>616,466</b>		<b>36,044</b>	<b>40,308</b>	<b>612,202</b>

## 8 Restricted Funds

The table below details the restricted funds which will transfer to the Scottish Borders Council Welfare Trust and Scottish Borders Council Community Enhancement Trust from 1<sup>st</sup> April 2018.

Fund	Transferred to	2017/18 Reserve £
Alex Grieves Bequest (1)	SBC Community Enhancement (SC044764)	419
Alex Grieves Bequest (2)	SBC Community Enhancement (SC044764)	275
Ayton War Memorial Fund	SBC Community Enhancement (SC044764)	956
Brown Bequest	SBC Welfare Trust (SC044765)	418
Clive Craig-Brown Bequest	SBC Welfare Trust (SC044765)	16,370
Coldstream War Memorial	SBC Community Enhancement (SC044764)	60
Dalrymple's Mortification	SBC Welfare Trust (SC044765)	1,566
Dunlop Bequest	SBC Welfare Trust (SC044765)	103,808
Edgar Bequest	SBC Welfare Trust (SC044765)	1,801
Elliot Mortification	SBC Welfare Trust (SC044765)	3,127
Ewan Trust	SBC Welfare Trust (SC044765)	3,179
Ex Provost Mercer's Bequest No1	SBC Welfare Trust (SC044765)	1,030
Ex Provost Mrs Laidlaw's Benifaction	SBC Welfare Trust (SC044765)	201
Ferguson Dalwhinny Fund	SBC Welfare Trust (SC044765)	16,916
G D Gibson's Bequest	SBC Welfare Trust (SC044765)	2,336
George D Gibson's Bequest	SBC Welfare Trust (SC044765)	10,211
Henry Laidlaw Trust	SBC Welfare Trust (SC044765)	1,807
James West Brown's Bequest	SBC Welfare Trust (SC044765)	81
Jedburgh Coal Fund	SBC Welfare Trust (SC044765)	11,398
John Herbertson Bequest	SBC Welfare Trust (SC044765)	1,473
John Hunter's Bequest	SBC Welfare Trust (SC044765)	229
John Murray's Bequest	SBC Welfare Trust (SC044765)	92
Joshua Goodfellow's Bequest	SBC Welfare Trust (SC044765)	347
Lands at Calfward	SBC Welfare Trust (SC044765)	27
Longformacus Public Park	SBC Community Enhancement (SC044764)	251
Marjoribanks Bequest	SBC Welfare Trust (SC044765)	3,921
McKinley Trust	SBC Welfare Trust (SC044765)	550
Miss A T Waldie Trust	SBC Welfare Trust (SC044765)	22,255
Mrs Adams Bequest	SBC Welfare Trust (SC044765)	420
Mrs Hobkirk's Fund	SBC Welfare Trust (SC044765)	2,793
Mrs M Cheetham Bequest	SBC Welfare Trust (SC044765)	169
R D Forman's Bequest	SBC Welfare Trust (SC044765)	25,279
Raith's Mortification	SBC Welfare Trust (SC044765)	4,708
Robert Meggit's Bequest	SBC Welfare Trust (SC044765)	1,201
Robert Watson Fund	SBC Welfare Trust (SC044765)	51,016
Simpson Dalwhinny Fund	SBC Welfare Trust (SC044765)	27,091
Sir John Robert's Bequest	SBC Welfare Trust (SC044765)	6,405
T J S Roberts Trust	SBC Welfare Trust (SC044765)	12,136
Thomas B Williamson Bequest	SBC Welfare Trust (SC044765)	2,341
Waugh Bequest	SBC Welfare Trust (SC044765)	1,050
William Forrester's Bequest	SBC Welfare Trust (SC044765)	23,417
William Laidlaw Memorial Fund	SBC Welfare Trust (SC044765)	457
Wm Brown's Bequest	SBC Community Enhancement (SC044764)	294

## **INDEPENDENT AUDITOR'S REPORT**

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

#### **Independent auditor's report to the trustees of Scottish Borders Council Charitable Trusts and the Accounts Commission**

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 approved by the Accounts Commission, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

#### **Report 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 Charitable Trusts for the year ended 31 March 2018 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, Accounting Policies and Notes to the Financial statements. 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 2018 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)). 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 nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about ability of the charity to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date 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 determine 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 deemed inappropriate.

## **Auditor's responsibilities for the audit of the financial statements**

My objectives are to achieve 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

## **Other information in the statement of accounts**

The trustees are responsible for the other information in the statement of accounts. The other information comprises the information other than the financial statements and my auditor's report thereon. 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 matters prescribed by the Accounts Commission or required by applicable law to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the statement of accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

## **Report on other requirements**

### **Opinion on matter prescribed by the Accounts Commission**

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.

Asif A Haseeb OBE  
Audit Scotland  
4th Floor  
8 Nelson Mandela Place  
Glasgow  
G2 1BT

September 2018

Asif A Haseeb 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 SBC Charitable Trusts, please contact:

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