

DR BRUCE FUND

FINANCIAL STATEMENTS

31 MARCH 2018

Charity Number SC019149

DR BRUCE FUND
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018

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DR BRUCE FUND

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

Registered Charity Name Dr Bruce Fund

Charity Number SC019149

Trustees Councillor Stuart Currie
 Councillor Andrew Forrest
 Councillor Katie Mackie
 Councillor John Williamson

Address of Principal Office John Muir House
 Haddington
 East Lothian
 EH41 3HA

Auditor G Woolman MA FCA CPFA
 Audit Director
 Audit Scotland
 102 West Port
 Edinburgh
 EH3 9DH

Investment Advisers Investec Wealth & Investment Limited
 2 Gresham Street
 London
 EC2V 7QN

DR BRUCE FUND
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2018

The trustees present their report and the financial statements of the charity for the year ended 31 March 2018.

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements.

THE TRUSTEES

The trustees who served the charity during the period were the elected councillors for Musselburgh. These were:

John Caldwell
Stuart Currie
Andrew Forrest
Fraser McAllister
John McNeil
John Williamson

Following the council election in May 2017, the elected councillors for Musselburgh who serve as trustees are:

Stuart Currie
Andrew Forrest
Katie Mackie
John Williamson

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Dr Bruce Fund was established under the provision in the will of Charles Key Bruce, dated 19th December 1826. A bequest was set up to provide relief for the poor of Musselburgh. The executors of Dr Bruce's will declined to act and his estate was placed in the management of the High Court of Chancery. In 1832, an arrangement was made where two magistrates of Musselburgh, the minister of the parish of Inveresk, and the sheriff of the county of Edinburgh were appointed as a local committee to administer the fund.

Following local government reorganisation in 1973, the trust came under the administration of East Lothian District Council and later, East Lothian Council. Since that time, the elected councillors for Musselburgh have acted in a decision-making capacity for the trust.

Dr Bruce Fund has no employees. The trustees are supported in the discharge of their responsibilities by finance and support staff within East Lothian Council. The trust does not have its own bank account, and all financial transactions are carried out through the bank accounts of East Lothian Council.

There are no related party transactions in the accounts for Dr Bruce Fund.

East Lothian Council maintains a shared portfolio of assets for a number of trusts and bequests which it administers. The portfolio, which is known as "East Lothian Council Charitable Funds" is managed by an external investment management company (currently Investec Wealth and Investment, previously known as Rensburg Sheppards). Each financial year, all of the trusts are allocated a proportion of the assets, income, and expenditure of the total portfolio in accordance with their investment.

The trust's major risks have been identified as the ability to meet financial demands on its funds and the potential loss of the value of its investment assets. Both of these risks are managed by taking financial advice from East Lothian Council staff and investment advice from its investment management advisers.

OBJECTIVES AND ACTIVITIES

The objective of the trust is to provide for the relief of the poor of Musselburgh. Each year, the local councillors meet and consider the provision of small grants to nominated residents of the town.

ACHIEVEMENTS AND PERFORMANCE

During the year the trust made two awards totalling £60 (2016/17 : £50)

The investment portfolio from which the trust is allocated a proportion of assets, income, and expenditure performed reasonably well in the year. The market value of the portfolio remained at £3.29m at 31st March 2018, and the income earned by the portfolio increased by 2.7% in the same period. Overall, the portfolio performed slightly better than the market benchmark, mainly as a result of a higher weighting in both UK and overseas equities.

FINANCIAL REVIEW

Full details of the trust's financial transactions during the year ended 31st March 2018 are shown on the attached financial statements.

The trust incurred operational expenditure of £1,147, against income of £1,395. Together with gains on investment assets of £67, this resulted in a transfer of funds to reserves of £315. At March 2018, the trust had unrestricted funds of £17,678.

Dr Bruce Fund does not have a formal reserves policy. However, the trustees' objectives are to maintain the value of its reserves, and to attempt not to incur costs greater than the value of its annual income.

PLANS FOR FUTURE PERIODS

The trustees intend to continue to make annual awards as funds allow. There is an ongoing review of all the small trusts administered by East Lothian Council, and in the future there may be proposals to amalgamate smaller trusts which can then be promoted more widely.

Signed on behalf of the trustees

A handwritten signature in black ink, appearing to read 'Stuart Currie', written over a horizontal line.

Councillor Stuart Currie

John Muir House
Haddington
East Lothian

25th September 2018

DR BRUCE FUND

Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements

Under charity law, the trustees are responsible for preparing the Trustees' Annual Report and the financial statements for each financial year which show 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 the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The trustees are required to act in accordance with the trust deed, 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 account are prepared by them under the Charities and Trustee Investment (Scotland) Act 2005, those statements of account 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.

Independent auditor's report to the trustees of the Dr Bruce Fund 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 the Dr Bruce Fund 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 and notes to the financial statements, including a summary of 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 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 the 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 Trustees' 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. 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

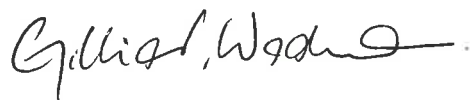
In my opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Charities 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.



Gillian Woolman MA FCA CPFA
Audit Director
Audit Scotland
102 West Port
Edinburgh
EH3 9DH

28th September 2018

Gillian Woolman is eligible to act as an auditor in terms Part VII of the Local Government (Scotland) Act 1973

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STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2018

		Total Funds 2017/18 £	Total Funds 2016/17 £
Income From			
Donated services	2	1,000.00	1,000.00
Income from Investments	3	395.00	3,291.00
Total Income and Endowments		1,395.00	4,291.00
 Expenditure On			
Management Fees	4	-87.00	-56.00
Charitable Activities	5	-60.00	-50.00
Audit Fees	2	-1,000.00	-1,000.00
Total Expenditure		-1,147.00	-1,106.00
 Net Income		248.00	3,185.00
 Net (Losses)/Gains on investments		67.00	3,615.00
Net Movement In Funds		315.00	6,800.00
 Reconciliation Of Funds			
Total funds brought forward		17,363.00	10,563.00
Total Funds carried forward		17,678.00	17,363.00

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

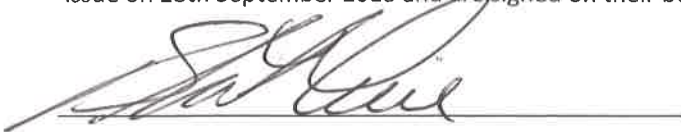
DR BRUCE FUND

BALANCE SHEET

AS AT 31 MARCH 2018

	Note	2017/18 £	2016/17 £
FIXED ASSETS			
Investments	7	12,012.00	12,058.00
CURRENT ASSETS			
Debtors	8	5,666.00	5,305.00
TOTAL NET ASSETS		17,678.00	17,363.00
THE FUNDS OF THE CHARITY			
Investments Revaluation Reserve		-7,292.00	-7,689.00
Unrestricted funds	9	-10,386.00	-9,674.00
TOTAL CHARITY FUNDS		-17,678.00	-17,363.00

These financial statements were approved by the members of the committee and authorised for issue on 28th September 2018 and are signed on their behalf by:



Councillor Stuart Currie

John Muir House
Haddington

Date: 25th September 2018

DR BRUCE FUND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2018

1 ACCOUNTING POLICIES

Dr Bruce Fund (the "Charity") is an unincorporated charity and domiciled in the UK.

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS 102)) and the Financial Reporting Standard 102 applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities and Trustee Investment (Scotland) Act 2005 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities Accounts (Scotland) Regulations 2006 (as amended) only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) issued on 16 July 2014 rather than the preceding Charities SORP (SORP 2005) which was effective from 1 April 2005 and has since been withdrawn.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

In the transition to FRS 102 from old UK GAAP, the Charity has made no measurement and recognition adjustments.

The Charity's parent undertaking, East Lothian Council, includes the Charity in its consolidated financial statements. The consolidated financial statements of East Lothian Council are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from John Muir House, Haddington, East Lothian EH41 3HA. In these financial statements, the charity is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

* Cash Flow Statement and related notes

As the consolidated financial statements of East Lothian Council include the equivalent disclosures, the Charity has also taken the exemptions under FRS 102 available in respect of the following disclosures:

* The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: financial instruments classified at fair value through the statement of financial activities.

1.2 Going Concern

The Trustees consider Dr Bruce Fund to be a going concern as there are appropriate funds to continue meeting its charitable activities

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2018

1.3 Basic financial instruments

Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through the statement of financial activities. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in the statement of financial activities. Other investments are measured at cost less impairment in the statement of financial activities.

1.4 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 designated funds where the trustees, at their discretion, have created a fund for a specific purpose. All funds of the trust are unrestricted.

1.5 Income Recognition

All income is recognised once the charity has entitlement to the income, there is sufficient certainty or receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the Bank.

1.6 Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities. For more information on this allocation refer to note 5 below.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled conditions attaching to that grant are outside of the control of the Charity.

1.7 Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. Governance costs are included within charitable activities.

2 INCOME FROM DONATIONS

For 2017-18, the external annual audit fee was a donated service of £1,000 from East Lothian Council.

DR BRUCE FUND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2018

3 INVESTMENT INCOME

	Unrestricted Funds 2017/18	Unrestricted Funds 2016/17
	£	£
Income from listed investments	360	245
Bank and loan interest received	35	21
Income from Disposal of Investment	0	3025
	395	3291

4 INVESTMENT MANAGEMENT COSTS

	Unrestricted Funds 2017/18	Unrestricted Funds 2016/17
	£	£
Investment management fees and ELC management fees	87	56

5 COSTS OF CHARITABLE ACTIVITIES

	Grant Funding activities 2017/18	Grant Funding activities 2016/17
	£	£
Grants 2 grants of £30 made to 2 individuals	60	50
Accountancy Fees	0	0
	60	50

6 STAFF COSTS AND EMOLUMENTS

Key management personnel received no employee benefits for their services to the charity.

7 INVESTMENTS

Movement in market value

	2017/18	2016/17
	£	£
Market value at 1 April 2017	12,058	7,148
Additions/(Disposals) at cost	351	1,419
Net (loss)/gain on revaluation	(397)	3,491
Market value at 31 March 2018	12,012	12,058

	Total Funds 2017/18	Total Funds 2016/17
	£	£
Investments at fair value comprised:		
Quoted shares	12,012	12,058

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2018

8 DEBTORS	2017/18	2016/17
	£	£
Other Debtors	5,666	5,305

9 ANALYSIS OF CHARITABLE FUNDS

	Balance at 1st April 2017	Income	Expenditure	Gains and Losses	Balance at 31st March 2018
	£	£	£	£	£
Revaluation Reserve	7,689	0	0	(397)	7,292
General Funds	9,674	1,395	(1,147)	464	10,386
	<u>17,363</u>	<u>1,395</u>	<u>(1,147)</u>	<u>67</u>	<u>17,678</u>