

**DR BRUCE FUND**

**FINANCIAL STATEMENTS**

**31 MARCH 2020**

**Charity Number SC019149**

**DR BRUCE FUND**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2020**

<b>CONTENTS</b>	<b>PAGE</b>
Members of the Board and Professional Advisers	1
Trustees' Annual Report	2-4
Statement of Trustees' Responsibilities In Respect of the Trustees' Annual Report and Financial Statements	5
Independent Auditor's Report to the Trustees	6-8
Statement of Financial Activities	9
Balance Sheet	10
Notes to the Financial Statements	11-14

**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	E Scoburgh CPFA Senior Audit Manager Audit Scotland 102 West Port Edinburgh EH3 9DN
Investment Advisers	Investec Wealth & Investment Limited 2 Gresham Street London EC2V 7QN

**DR BRUCE FUND**  
**TRUSTEES' ANNUAL REPORT**  
**YEAR ENDED 31 MARCH 2020**

The trustees present their report and the financial statements of the charity for the year ended 31 March 2020.

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

**OBJECTIVES AND ACTIVITIES**

The objective of the trust is to provide for the relief of the poor of Musselburgh.

The Trust furthers its charitable purposes through its grant-making policy, which aims to alleviate the suffering of those in poverty in the Musselburgh area, particularly during Christmas.

**GRANT MAKING POLICY**

The Trust seeks to alleviate poverty in the Musselburgh area by providing grants during more financially pressing times of the year, especially around Christmas time. The Trust maintains a list of recipients who have been nominated by the Trustees to receive an award.

**REVIEW OF ACHIEVEMENTS AND PERFORMANCE**

During the year 2019/20 the trust made two awards totalling £60 (2018/19: £60).

**FINANCIAL REVIEW**

The investment portfolio from which the trust is allocated a proportion of assets, income, and expenditure was adversely affected by the economic effects of the Covid-19 pandemic. The market value of the portfolio decreased to £2.99m at 31st March 2020, and the income earned by the portfolio decreased by 9.07% in the same period. Overall, the portfolio performed slightly worse than the market benchmark.

Full details of the trust's financial transactions during the year ended 31st March 2020 are shown on the attached financial statements.

The trust incurred operational expenditure of £1,148, against income of £1,454. Together with losses on investment assets of £1,403, this resulted in an impact to reserves of £1,097. At 31 March 2020, the trust had unrestricted funds of £17,263.

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.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Dr Bruce Fund was established under the provision in the will of Charles Key Bruce, dated 19<sup>th</sup> 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). 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.

## **THE TRUSTEES**

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

Stuart Currie  
Andrew Forrest  
Katie Mackie  
John Williamson

Signed on behalf of the trustees

*Councillor Stuart Currie*

---

Councillor Stuart Currie  
Chair of Trust  
John Muir House  
Haddington  
East Lothian  
EH41 3HA  
26 October 2020

## DR BRUCE FUND

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

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, 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 in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees on 26 October 2020 and signed on their behalf by:

*Councillor Stuart Currie*

Councillor S Currie  
Chair of Trust

26 October 2020

## **Independent auditor's report to the trustees of the Dr Bruce Fund and the Accounts Commission**

### **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 2020 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 Dr Bruce Fund as at 31 March 2020 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 Dr Bruce Fund 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 Dr Bruce Fund 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 Dr Bruce Fund'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 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.

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.

### **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.

*Esther Scoburgh*

Esther Scoburgh CPFA  
Senior Audit Manager  
Audit Scotland  
102 West Port  
Edinburgh  
EH3 9DN

26 October 2020

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

## DR BRUCE FUND

### STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2020

	Note	Total Funds 2019/20 £	Total Funds 2018/19 £
<b>Income From</b>			
Donated services	2	1,000	1,000
Income from Investments	3	454	446
<b>Total Income and Endowments</b>		<b>1,454</b>	1,446
<b>Expenditure On</b>			
Management Fees	4	(88)	(86)
Charitable Activities	5	(60)	(60)
Audit Fees	2	(1,000)	(1,000)
<b>Total Expenditure</b>		<b>(1,148)</b>	(1,146)
<b>Net Income</b>		306	300
Net (Losses)/Gains on investments		(1,403)	382
<b>Net Movement In Funds</b>		<b>(1,097)</b>	682
 <b>Reconciliation Of Funds</b>			
Total funds brought forward		18,360	17,678
<b>Total Funds carried forward</b>		<b>17,263</b>	18,360

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 2020

	Note	2019/20 £	2018/19 £
<b>FIXED ASSETS</b>			
Investments	7	10,774	12,291
<b>CURRENT ASSETS</b>			
Debtors	8	6,489	6,069
<b>TOTAL NET ASSETS</b>		<b>17,263</b>	<b>18,360</b>
<b>THE FUNDS OF THE CHARITY</b>			
Investments Revaluation Reserve		(5,963)	(7,552)
Unrestricted funds	9	(11,300)	(10,808)
<b>TOTAL CHARITY FUNDS</b>		<b>(17,263)</b>	<b>(18,360)</b>

These financial statements were approved by the members of the committee and authorised for issue on 26 October 2020 and are signed on their behalf by:

*Councillor Stuart Currie*

---

Councillor Stuart Currie  
Chair of Trust  
John Muir House  
Haddington  
EH41 3HA  
26 October 2020

# DR BRUCE FUND

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31st MARCH 2020

#### 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

### **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, 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 when receivable and the amount can be measured reliably by the charity; this is normally 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 2019/20, the external annual audit fee was a donated service of £1,000 from East Lothian Council.

## **3 INVESTMENT INCOME**

	<b>Unrestricted Funds 2019/20</b>	Unrestricted Funds 2018/19
	£	£
Dividends - equities	<b>395</b>	391
Interest on cash deposits	<b>59</b>	55
Income from Disposal of Investment	-	-
	<b>454</b>	<b>446</b>

## **4 INVESTMENT MANAGEMENT COSTS**

	<b>Unrestricted Funds 2019/20</b>	Unrestricted Funds 2018/19
	£	£
Investment and ELC management fees	<b>88</b>	86

## **5 COSTS OF CHARITABLE ACTIVITIES**

	<b>Grant Funding activities 2019/20</b>	Grant Funding activities 2018/19
	£	£
Grants of £30 made to 2 individuals	<b>60</b>	60
Accountancy Fees	-	-
	<b>60</b>	<b>60</b>

## 6 STAFF COSTS AND EMOLUMENTS

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

## 7 INVESTMENTS

### Movement in market value

	2019/20	2018/19
	£	£
Market value at 1 April 2019	12,291	12,012
Additions/(Disposals) at cost	72	19
Net (loss)/gain on revaluation	(1,589)	260
Market value at 31 March 2020	<u>10,774</u>	<u>12,291</u>

	Total Funds	Total Funds
	2019/20	2018/19
	£	£
<b>Investments at fair value comprised:</b>		
Quoted shares	10,774	12,291

## 8 DEBTORS

	2019/20	2018/19
	£	£
Other Debtors	6,489	6,069

## 9 ANALYSIS OF CHARITABLE FUNDS

	Balance at	Income	Expenditure	Gains and Losses	Balance at
	1st April				31st March
	2019				2020
	£	£	£	£	£
Revaluation Reserve	7,552	-	-	(1,589)	5,963
General Funds	10,808	1,454	(1,148)	186	11,300
	<u>18,360</u>	<u>1,454</u>	<u>(1,148)</u>	<u>(1,403)</u>	<u>17,263</u>